



TSX: TAO

OTCQX: TAOIF

TAG Oil Reports FY2019 Results

Vancouver, B.C. - July 2, 2019 - TAG Oil Ltd. (TSX: TAO and OTCQX: TAOIF) is pleased to report the annual and fourth quarter results for the fiscal year ending March 31, 2019. Notably, the Company was successful in increasing its revenue by 40% to \$33.2 million along with a 33% increase in operating netbacks to \$40.90 per boe for FY2019.

FY2019 Financial and Operating Highlights

- At March 31, 2018, the Company had \$1.9 million (March 31, 2018: \$1.8 million) in cash and cash equivalents and \$0.06 million (March 31, 2018: \$3.4 million) in working capital.
- Total gross proven plus probable reserves as at March 31, 2019 reflecting the Company's 100% interest in PMP 38156 (Cheal), 70% interest in PMP 60291 (Cheal East) and 100% interest in PMP 53803 (Sidewinder), are estimated at 3,988 Mboe (91% oil) compared with 4,079 Mboe (92% oil) at March 31, 2018. The approximate 2% reserves reduction is due to:
 - An approximate 10% decrease due to 391,000 boe produced over the 12-month period in fiscal year 2019.
 - An approximate 8% increase in annual 2P reserves revisions of 300,000 boe, which is primarily due to technical revisions and economic factors.
- Average net daily production increased by 4% to 1,168 boe/d compared with 1,120 boe/d in FY2018.
- Revenue increased by 40% to \$33.2 million compared with \$23.7 million in FY2018.
- Operating netbacks increased by 33% for FY2019 to \$40.90 per boe compared with \$30.66 per boe for FY2018.
- Capital expenditures totaled \$9.2 million compared to \$24.2 million for FY2018.
- The Company acquired the following permits:
 - 100% interest in the 1,851 acre onshore PMP 60454 (Supplejack) in October 2018, carved out of the existing exploration permit PEP 57065 (Waitoriki).
 - 100% interest in the 120,340 acre onshore ATO 2037 (Rocky Dam) effective January 2019.
 - 100% interest in the 138,132 acre onshore ATO 2038 (Kingston) effective January 2019.

Q4 2019 Financial and Operating Highlights

- Average net daily production increased by 1% for the quarter ended March 31, 2019, to 1,218 boe/d (80% oil) from 1,211 boe/d (80% oil) for the quarter ended December 31, 2018.
- Operating netbacks decreased by 32% for the quarter ended March 31, 2019, to \$29.18 per boe compared with \$43.14 per boe for the quarter ended December 31, 2018.
- Capital expenditures totaled \$1.4 million for the quarter ended March 31, 2019, compared to \$3.8 million for the quarter ended December 31, 2018.



Corporate Update

In accordance with the anticipated closing of the transaction with Tamarind Resources Pte. Ltd. in July 2019, Mr. Henrik Lundin concluded his position as Chief Operating Officer of the Corporation, along with Mr. Max Murray as its New Zealand Country Manager, to pursue other opportunities.

About TAG Oil Ltd.

TAG Oil Ltd. (<http://www.tagoil.com/>) is an international oil and gas explorer with established high netback production, development and exploration assets, including production infrastructure in New Zealand and Australia. TAG Oil currently has 85,282,252 shares outstanding.

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Cautionary Note Regarding Forward-Looking Statements and Disclaimer

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. All estimates and statements that describe the Company's operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein. TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors change.

Other factors that could cause actual results to differ from those contained in the forward-looking statements are also set forth in filings that TAG Oil and its independent evaluator have made, including TAG Oil's most recently filed reports in Canada under National Instrument 51-101, which can be found under TAG Oil's SEDAR profile at www.sedar.com. TAG Oil undertakes no obligation, except as otherwise required by law, to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors change.

Disclosure provided herein in respect of boe (barrels of oil equivalent) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the



highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

The reserve estimates contained herein were prepared by ERC Equipoise Ltd., an independent qualified reserves evaluator in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook, with an effective date of March 31, 2019. They are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

The Company uses the term “operating netback” for measurement within this release that does not have a standardized meaning prescribed by generally accepted accounting principles (“GAAP”), including International Financial Reporting Standards (“IFRS”), and this measurement may differ from other companies and accordingly may not be comparable to measures used by other companies. The term “operating netback” is not a recognized measure under the applicable IFRS. Management of the Company believes that this term is useful to provide shareholders and potential investors with additional information, in addition to profit and loss and cash flow from operating activities as defined by IFRS, for evaluating the Company’s operating performance and leverage. References to “operating netback” denotes oil and gas revenue, less royalty expenses, operating expenses and transportation and marketing expenses.