TSX: TAO
OTCQX: TAOIF

TAG Oil Provides Corporate Update

Vancouver, B.C. – October 24, 2019 – TAG Oil Ltd. (TSX: TAO and OTCQX: TAOIF) is pleased to provide this corporate update following closing of the sale of its New Zealand assets (the "Transaction").

Post the closing of the Transaction and certain adjustments for working capital, TAG has been significantly repositioned with a cash balance of ~C$41 million, ongoing cashflow from the 2.5% gross overidding royalty on all future production from the New Zealand assets sold, and up to US$4.5 million in future event specific payments payable on Tamarind Resources Pte. Ltd. achieving certain milestones.

TAG has received an initial payment of US$0.77 million for the royalty, which accrued from October 1, 2018 to Transaction closing, with future payments to be paid on a quarterly basis. In addition, TAG is anticipating that further event specific payments milestones may be achieved next year. This includes US$0.5 million payable upon the first achievement of cumulative gas production of 1 BCFE from the Supplejack permit and US$1 million payable upon the achievement of cumulative petroleum production of a further 650 mboe from Cheal after October 1, 2018.

Management is committed to maximizing value for its shareholders and is continuing to look at all available options in oil and gas to determine the preferred use of the proceeds from the Transaction. These include a return of cash to shareholders, acquisitions, mergers, and takeovers. TAG has received several indicative proposals from various groups and expects the review of current opportunities to conclude within the next three months. Management will provide further updates as necessary.

As previously announced, Gavin Wilson was elected to the board of directors at TAG's recent annual general meeting of its shareholders. Mr. Wilson is an Investment Manager for Meridian Group of Companies, a private investment company, which has a significant shareholding in the Company. Together with other board members and founders, over 30% of TAG's shareholder base is directly represented by this group.

In Australia, TAG is continuing to operate its business in the Surat Basin, Queensland. This includes exploring potential opportunities to farm out its interest in the three blocks covering over 275,000 net acres, which would bring in third-party capital and expertise to fund upcoming work commitments with a focus on conventional oil and gas prospects. TAG has been encouraged by the number of parties that have expressed an interest in farming in to its Australian properties and it expects to be receiving proposals for review from interested parties before year end.

About TAG Oil Ltd.

TAG Oil Ltd. (http://www.tagoil.com/) is an international oil and gas explorer with assets in Australia and New Zealand. TAG currently has 85,421,752 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. Such statements can generally, but not always, be identified by words such as "expects", "plans", "anticipates", "intends", "estimates", "forecasts", "schedules", "prepares", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. All estimates and statements that describe the Company's plans relating to 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.

Also included in this new release are forward-looking statements regarding TAG's expectations regarding its business following closing of the Transaction. In making the forward-looking statements in this release, TAG has applied certain factors and assumptions that are based on information currently available to TAG as well as TAG's current beliefs and assumptions made by TAG, including that TAG will be able to complete the transaction on the timelines expected, or at all.

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 and its independent evaluator have made, including TAG's most recently filed reports in Canada under National Instrument 51-101, and the information circular that TAG will file in connection with the meeting, which can be found under TAG's SEDAR profile at www.sedar.com. TAG 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.