



TSX: TAO

OTCQX: TAOIF

TAG Oil Announces Return of Capital to Shareholders

Vancouver, B.C. - March 16, 2020 - TAG Oil Ltd. (TSX: TAO and OTCQX: TAOIF) has conducted a detailed evaluation of the overall business environment and opportunities for the Company to create long-term value for its shareholders following the New Zealand asset sale. TAG's Board and management have determined that a return of capital to its shareholders in the amount of C\$0.30 per common share (~C\$25.6 million in cash), in accordance with Canadian income tax law, is in the best interest of shareholders.

The return of capital is scheduled to be paid on April 14, 2020 (payment date) to all shareholders of record of the common shares of the Company on March 27, 2020 (record date).

The Toronto Stock Exchange has decided to implement "due bill" trading for the return of capital distribution. Due bills represent entitlements to cash, and will attach to common shares between the first trading day prior to the record date for the return of capital and the payment date, allowing common shares to carry the value of the entitlement to the return of capital until such is paid. When due bills are used, the ex-distribution date is deferred to the first trading day after the payment date.

TAG's common shares will commence trading on a due bill basis from March 26, 2020 (at the opening) until April 14, 2020 (at the close) and will commence trading "ex-distribution" on April 15, 2020. The due bill redemption date (i.e., the date when holders of due bill entitlements are expected to settle their entitlements) will be April 16, 2020.

Following the return of capital, the Company will retain ~C\$15 million in cash along with the 2.5% gross overriding 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 will have enough capital to continue its business operations as currently operated for the foreseeable future.

About TAG Oil Ltd.

TAG Oil Ltd. (<http://www.tagoil.com/>) is an international oil and gas explorer with exploration assets in Australia and royalty interests in New Zealand. TAG currently has 85,416,252 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. 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 capital needs. 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.

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, 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.