

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated November 26, 2021, for the six months ended September 30, 2021 and should be read in conjunction with the condensed consolidated interim financial statements for the same period and the audited consolidated financial statements for the year ended March 31, 2021.

The condensed consolidated interim financial statements for the six months ended September 30, 2021, have been prepared in accordance with International Financial Reporting Standards ("IFRS") specifically IAS 34, Interm Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Results for the six month period ended September 30, 2021, are not necessarily indicative of future results. All figures are expressed in thousands of Canadian dollars unless otherwise stated.

### ABOUT TAG OIL LTD.

TAG Oil Ltd. ("TAG" or the "Company") is an international oil and gas exploration, development and production company.

During the year ended March 31, 2020, the Company, and certain of its subsidiaries, completed the definitive share and asset purchase agreement with Tamarind Resources Pte. Ltd. ("Tamarind"), and certain of its subsidiaries (collectively, the "NZ Transaction").

On April 14, 2020 (payment date) a return of capital in the amount of \$0.30 per common share (approximately \$25.6 million in cash) was paid to all shareholders who were shareholders of record of the common shares of the Company on March 27, 2020 (record date).

Following the return of capital, the Company retained approximately \$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\$5 million in future event specific payments payable on Tamarind achieving certain milestones.

On June 15, 2020, TAG confirmed that its common shares would be voluntarily delisted from the Toronto Stock Exchange immediately following the close of trading on June 26, 2020 and would begin trading on the TSX Venture Exchange (the "TSX-V") at market open on June 29, 2020. TAG's trading symbol continued to be "TAO" on the TSX-V. TAG continues to maintain its listing on the premier tier of the OTC market in the United States, the OTCQX International (the "OTCQX"), under the trading symbol "TAOIF".

On September 1, 2020, the Company announced the following corporate updates:

- Mr. Abdel (Abby) Badwi joined the Company as Executive Chairman of TAG's board of directors (the "Board"), along with Mr. Suneel Gupta as VP and COO of the Company. Messrs. Shawn Reynolds and Thomas Hickey were also appointed to the Board as non-executive directors. To facilitate these new appointments to the Board, Messrs. Ken Vidalin, David Bennett, and Brad Holland resigned from their positions as non-executive directors.
- The Company completed a non-brokered private placement of 6.25 million units ("Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of \$1.0 million. Each Unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder thereof to acquire one common share in the capital of the Company at a price of \$0.16 per Common Share for a period of three years from the date of closing.
- The grant of 4.85 million stock options exercisable for a period of five years at a price of \$0.25 per share to the newly appointed officers, directors, and consultant. The stock options are subject to deferred vesting over three years.

On September 25, 2020, the Company announced the following corporate updates:

- Mr. Peter Loretto resigned from his position as a non-executive director of the Company.
- The grant of 775,000 stock options on September 11, 2020, to various officers, directors, and staff members. These stock options vested immediately and are exercisable until September 11, 2025, at a price of \$0.25 per share.

On October 30, 2020, the Company completed a share and asset purchase agreement with Luco Energy Pty. Ltd. ("Luco"), a company owned by Ilwella Pty. Ltd. and AJ Lucas Services, to divest its Australian assets and operations as part of a strategic realignment of the Company's oil and gas exploration and development activities. This was an arm's length transaction that involved the sale of the shares of its Australian subsidiary, Cypress Petroleum Pty Ltd. ("Cypress Petroleum"), which holds 100% working interests in PL 17, ATP 2037, and ATP 2038 (collectively, the "Permits") located in the Surat Basin of Queensland, Australia to Luco for a cash payment of AUD\$2,500,000 (\$2,318,736) at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

On June 1, 2021, the Company issued 100,000 shares for stock options exercised at \$0.25 per share.

On June 28, 2021, the Company granted 700,000 stock options to various consultants. These stock options are exercisable until June 28, 2026, at a price of \$0.45 per share and are subject to deferred vesting over two years.

Following completion of the NZ Transaction and the sale of the Company's Australian assets and operations, the Company has been pursuing consolidation opportunities through the potential acquisition of assets and/or companies in the initial focus area of Middle East and North Africa.

## **SECOND QUARTER FINANCIAL AND OPERATING HIGHLIGHTS**

- At September 30, 2021, the Company had \$15.2 million in cash and cash equivalents and \$15.6 million in working capital.
- No production for the quarter ended September 30, 2021.
- Capital expenditures totaled \$0.348 million for the quarter ended September 30, 2021. The amount consists mainly of capital lease in the amount of \$0.341 million and \$0.006 in miscellaneous equipment purchased.

## **BUSINESS ENVIRONMENT AND THE IMPACT OF COVID-19**

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Global commodity prices declined significantly as countries around the world enacted emergency measures to combat the spread of the virus. Since then, the global demand has improved while Organization of the Petroleum Exporting Countries ("OPEC") and North American producers have been responding to the various waves and outbreaks by varying production.

OPEC's October 2021 report on the oil market, said the world is expected to consume 96.6 mb/d of petroleum products this year. For 2022, world oil demand growth is unchanged at 4.2 mb/d. As a result, global demand next year is anticipated averaging 100.8 mb/d. Demand is anticipated to be supported by healthy economic momentum in the main consuming countries and better management of the COVID-19 pandemic.

## **OUTLOOK AND RESPONSE TO COVID-19**

The Company has implemented procedures that comply with British Columbia and Alberta Health Guidelines in Canada. The Company does not currently have any personnel in New Zealand and Australia. TAG has transitioned its office staff in Vancouver and Calgary back to the office on a rotating basis.

The Company has not experienced any COVID-19 cases in any location and the Company has sufficient liquidity to operate beyond the next twelve months. The Company continues to receive royalty and event specific payments from the NZ Transaction.

## **RESULTS FROM OPERATIONS**

### **Operations**

During the year ended March 31, 2021, the Company completed a share and asset purchase agreement with Luco to divest its Australian assets and operations. This was an arm's length transaction that involved the sale of the shares of its Australian subsidiary, Cypress Petroleum, which holds the Company's 100% working interests in the Permits to Luco for a cash payment of AUD\$2,500,000 (\$2,318,736) at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

**SUMMARY OF QUARTERLY INFORMATION**

<i>Canadian \$000s, except per share or boe</i>	2022			2021			2020	
	Q2	Q1	Q4	Q3 <sup>(2)</sup>	Q2 <sup>(1)</sup>	Q1 <sup>(1)</sup>	Q4	Q3
Net production volumes (boe/d)	0	0	0	0	0	0	2	4
Total revenue	-	-	-	-	-	-	(77)	25
Operating costs	-	-	-	(11)	(55)	(32)	188	(57)
Depletion, depreciation and accretion	(30)	(32)	(35)	(33)	(35)	(34)	165	(231)
Finance Costs	-	-	-	-	-	-	-	1
Foreign exchange	323	(332)	502	(671)	(235)	(969)	1,918	(1,177)
Interest and other income	37	61	(65)	26	158	19	133	128
Stock-based compensation	(84)	(72)	(62)	(65)	(139)	(6)	(34)	(4)
General and administrative	(832)	(608)	(848)	(894)	(909)	(596)	(858)	(2,020)
Exploration expense and other income	(380)	(87)	(139)	(19)	(50)	-	57	34
(Loss) gain on sale of PP&E	-	-	-	(2)	-	-	-	(102)
(Loss) gain on sale of disposal group	-	-	-	(3,885)	-	-	2,235	651
Gain (loss) on royalty valuation and other interests	54	(23)	(2,769)	(65)	(42)	(87)	155	249
Interest and penalties recovered	-	-	89	-	-	-	-	-
Net (loss) income before tax	(912)	(1,093)	(3,327)	(5,619)	(1,307)	(1,705)	3,882	(2,503)
Income tax	-	-	-	-	-	-	2	-
Net (loss) income	(912)	(1,093)	(3,327)	(5,619)	(1,307)	(1,705)	3,884	(2,503)
(Loss) earnings per share – basic	(0.01)	(0.01)	(0.04)	(0.06)	(0.02)	(0.02)	0.05	(0.03)
(Loss) earnings per share – diluted	(0.01)	(0.01)	(0.04)	(0.06)	(0.02)	(0.02)	0.05	(0.03)
Adjusted net (loss) income <sup>(3)</sup>	(966)	(1,070)	(550)	(1,667)	(1,215)	(1,618)	1,492	(3,301)
Capital expenditures	6	1	-	(78)	(48)	(98)	(17)	2,629
Cash flow (used in) provided by								
Operating activities	(1,142)	(950)	(939)	(550)	(1,156)	(1,132)	1,056	(2,785)

(1) The productions had been shut-in due to the requirement for repairs and did not restart due to the concern over COVID-19 and bringing in outside technical personal into the area during the process.

(2) During Q3 2021, the Company sold its shares of Cypress Petroleum and had no production revenue up to the date of sale.

(3) Adjusted net (loss) income is a non-GAAP measure. It represents earnings before impairment expense and write-offs. See non-GAAP measures for further explanation.

Operating costs remained unchanged for the quarter ended September 30, 2021, and for the quarter ended June 30, 2021. Operating costs decreased for the quarter ended September 30, 2021, to \$nil from \$0.06 million when compared to the quarter ended September 30, 2020. Operating costs decreased due to the Company currently having no production as it is carrying out preliminary evaluation work on properties in Egypt, compared to September 30, 2020 when Australian production was shut-in.

General and administrative costs increased to \$0.83 million for the quarter ended September 30, 2021 from \$0.61 million for the quarter ended June 30, 2021. The increase is due to the increase in professional fees in the amount of \$0.10 million, consulting and director fees in the amount of \$0.03 million and office and administration in the amount of \$0.02 million. General and administrative costs \$0.83 million for the quarter ended September 30, 2021 from \$0.91 million for the quarter ended September 30, 2020. The slight decrease is due to consulting and director fees decreased of \$0.068, shareholder relations and communications decreased of \$0.153 and offset by an increase of wages and salaries of \$0.081.

Net loss before tax for the quarter ended September 30, 2021, was \$0.91 million compared to net loss before tax of \$1.09 million for the quarter ended June 30, 2021. The adjusted net loss is \$0.97 million for the quarter ended September 30, 2021, compared with of \$1.07 million for the quarter ended June 30, 2021. The net loss compared to the prior quarter is primarily due to an increase in foreign exchange gain of \$0.32 million compared to foreign exchange loss of \$0.33 million and offset by an increase in general and administrative expenses. Net loss before tax for the quarter ended September 30, 2021 was \$0.91 million compared to net loss \$1.31 million for the quarter ended September 30, 2020. The adjusted net loss is \$0.97 million for the quarter ended September 30, 2021, compared to \$1.22 million for the quarter ended September 30, 2020. The decrease is due to the net loss compared to the prior quarter is primarily due to an increase in foreign exchange gain of \$0.32 million compared to foreign exchange loss of \$0.33 million and offset by an increase in general and administrative expenses.

## General and Administrative Expenses (“G&A”)

<i>Canadian \$000s</i>	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
Consulting and director fees	88	58	156	146	322
Filing, listing and transfer agent	21	10	27	31	41
Insurance	13	17	21	30	30
Office and administration	52	28	58	80	95
Professional fees	141	38	100	179	182
Rent	19	15	30	34	44
Reports	-	-	-	-	(5)
Shareholder relations and communications	105	67	258	172	309
Travel	60	35	8	95	10
Wages and salaries	333	340	252	673	478
<b>Oil and Gas G&amp;A expenses</b>	<b>832</b>	<b>608</b>	<b>910</b>	<b>1,440</b>	<b>1,506</b>

## Stock-based Compensation

<i>Canadian \$000s</i>	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
<b>Share-based compensation</b>	<b>84</b>	<b>72</b>	<b>139</b>	<b>156</b>	<b>145</b>

Stock-based compensation costs are non-cash charges, which reflect the theoretical estimated value of stock options granted. The Company applies the Black-Scholes option pricing model using the closing market prices on the grant dates and to date the Company has calculated option benefits using a volatility ratio and a risk-free interest rate. The theoretical fair value of the option benefit is amortized on a diminishing basis over the vesting period of the options, generally being a minimum of two years.

In the quarter ended September 30, 2021, the Company did not grant any stock options (June 30, 2021: 700,000 stock options at \$0.45 per share) and no stock options were exercised (June 30, 2020: 100,000 stock options at \$0.25 per share).

Stock-based compensation increased to \$0.084 million in the quarter ended September 30, 2021, compared \$0.139 million for the quarter ended September 30, 2020. The decrease in total stock-based compensation costs is due to no options granted in Q2 2022.

## Depletion and Depreciation

<i>Canadian \$000s</i>	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
<b>Depletion and depreciation</b>	<b>30</b>	<b>32</b>	<b>35</b>	<b>62</b>	<b>69</b>

Depletion and depreciation expenses decreased for the quarter ended September 30, 2021 to \$0.030 million compared with \$0.035 million for the quarter ended September 30, 2020. The slight decrease is due to the Company’s depreciation on capital leases.

## Foreign Exchange Loss (Gain)

<i>Canadian \$000s</i>	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
<b>Foreign exchange (gain) loss</b>	<b>(323)</b>	<b>332</b>	<b>235</b>	<b>9</b>	<b>1,204</b>

The foreign exchange loss for the quarter ended September 30, 2021 was a result of movement of the USD against the NZD and CDN.

## Net Loss Before Tax, Income Tax and Net Loss After Tax

Canadian \$000s	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
Net loss before tax	(928)	(1,093)	(1,307)	(2,021)	(3,012)
Income tax	-	-	-	-	-
Net loss after tax	(928)	(1,093)	(1,307)	(2,021)	(3,012)
Loss per share – basic and diluted (\$)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)

## Cash Flow

Canadian \$000s (\$000s)	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2020	2020
Operating cash flow <sup>(1)</sup>	(1,141)	(950)	(1,156)	(2,092)	(2,288)
Cash provided by operating activities	(917)	(972)	(1,154)	(1,889)	(2,314)
Operating cash flow per share, basic (\$)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)
Operating cash flow per share, diluted (\$)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)

<sup>(1)</sup> Operating cash flow is a non-GAAP measure. It represents cash flow from operating activities before changes in working capital. See non-GAAP measures for further explanation.

Operating cash flow decreased to \$1.141 million for the quarter ended September 30, 2021 compared to \$1.156 million for the quarter ended September 30, 2020. The decrease due to the Company currently having no production and carrying out preliminary evaluation on properties in Egypt.

## CAPITAL EXPENDITURES

Capital expenditures consisted of computer equipment of \$0.007 million and capital lease in the amount of \$0.341 million for the quarter ended September 30, 2021 and Australia Surat Basin exploration permits of \$0.05 million for the quarter ended September 30, 2020.

## FUTURE CAPITAL EXPENDITURES

The Company had the following commitments for capital expenditure at September 30, 2021:

Contractual Obligations (\$000s)	Total	Less than One Year	Two to Five Years	More than Five Years
Operating leases <sup>(1)</sup>	663	131	532	-
Other long-term obligations	-	-	-	-
<b>Total contractual obligations</b>	<b>663</b>	<b>131</b>	<b>532</b>	<b>-</b>

<sup>(1)</sup> The Company has commitments related to corporate office lease signed in Vancouver and Calgary, Canada.

The Company expects to manage its working capital on hand to meet its commitments that allow selective development and exploration. Commitments and work programs are subject to change as dictated by cashflow.

## LIQUIDITY AND CAPITAL RESOURCES

Canadian \$000s	2021		2020
	Q2	Q1	Q2
Cash and cash equivalents	15,206	15,616	15,096
Working capital	15,563	16,290	17,627
Contractual obligations, next twelve months	131	56	3,826
Revenue	-	-	-
Cashflow used in operating activities	(917)	(972)	(1,154)

As of the date of this report, the Company is monitoring its funding requirements and may adjust its current operations to ensure anticipated cash flow from the NZ Transaction royalty and event specific payments allows the Company to meet its commitments for the next twelve months. The Company has cash available, and it continues to monitor cash on hand and cash flow. TAG will continue to pursue opportunities with the goal of acquiring concessions leading to exploration, productions and reserves.

The Company may require a source of financing in the event of adding material commitments or any acquisitions.

## NON-GAAP MEASURES

The Company uses certain terms for measurement within this MD&A that do not have standardized meanings prescribed by generally accepted accounting principles (“GAAP”), including IFRS, and these measurements may differ from other companies and accordingly may not be comparable to measures used by other companies. The term ‘adjusted net (loss) income’ 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 net income activities as defined by IFRS, for evaluating the Company’s recurring operating performance, excluding the impact of non-cash impairment charges.

Operating Margin (\$000s)	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
Total revenue	-	-	-	-	-
Less production costs	-	-	(55)	-	(87)
Operating margin	-	-	(55)	-	(87)
Depletion, depreciation and accretion	(30)	(32)	(35)	(62)	(69)
Foreign exchange	323	(332)	(235)	(9)	(1,204)
Interest and other income	37	61	158	98	177
Stock-based compensation	(84)	(72)	(139)	(156)	(145)
General and administrative	(832)	(608)	(909)	(1,440)	(1,505)
Exploration expense	(380)	(87)	(50)	(467)	(50)
Gain (loss) on royalty valuation and other interests	54	(23)	(42)	31	(129)
Net loss before tax	(912)	(1,093)	(1,307)	(2,005)	(3,012)

Adjusted net loss (\$000s)	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
Adjusted net loss	(966)	(1,070)	(1,215)	(2,036)	(2,833)
Gain (loss) on royalty valuation	54	(23)	(42)	31	(129)
Impairment of oil and gas property	-	-	(50)	-	(50)
Net loss before tax	(912)	(1,093)	(1,307)	(2,005)	(3,012)

## OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments on the Company’s balance sheet include cash, accounts receivable and accounts payable. The carrying value of these instruments approximates their fair value due to the short term nature of the instruments. The Company manages its risk through its policies and procedures, but other than as described above has not generally used derivative financial instruments to manage risks.

## RELATED PARTY TRANSACTIONS

As required under IAS 24, related party transactions include compensation paid to the Company’s CEO, COO, Chairman and CFO as well as to the remaining board members as part of the ordinary course of the Company’s business. The Company reports that no related party transactions have occurred during the reporting period other than ongoing compensation as disclosed in the table below.

The Company is of the view that the amounts incurred for services provided by related parties approximates what the Company would incur to arms-length parties for the same services. Compensation paid to key management is as follows:

<i>Canadian \$000s</i>	2022		2021	Six months ended September 30,	
	Q2	Q1	Q2	2021	2020
<b>Share-based compensation</b>	<b>49</b>	58	91	<b>107</b>	97
<b>Management wages and director fees</b>	<b>237</b>	237	184	<b>474</b>	331
<b>Total Management Compensation</b>	<b>286</b>	295	275	<b>581</b>	428

## SHARE CAPITAL

- At September 30, 2021, there were 91,766,252 common shares, 7,525,000 stock options outstanding and 6,250,000 warrants outstanding.
- At November 26, 2021, there were 91,766,252 common shares, 7,525,000 stock options outstanding and 6,250,000 warrants outstanding.

The Company has one class of common shares. No class A or class B preference shares have been issued.

## SUBSEQUENT EVENTS

None noted.

## SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. Such estimates primarily relate to unsettled transactions and events as of the date of the condensed consolidated interim financial statements. These estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these condensed consolidated interim financial statements.

Areas of judgment that have the most significant effect on the amounts recognized in these condensed consolidated interim financial statements are recoverability, deferred tax assets and liabilities and functional currency.

Key sources of estimation uncertainty that have the most significant effect on the amounts recognized in these condensed consolidated interim financial statements are: recoverability, deferred tax assets and liabilities, determination of the fair values of stock-based compensation and assessment of contingencies.

The decision to transfer exploration and evaluation assets to property, plant and equipment is based on management's determination of an area's technical feasibility and commercial viability based on proved and probable reserves. The calculation of decommissioning liabilities includes estimates of the future costs to settle the liability, the timing of the cash flows to settle the liability, the risk-free rate and the future inflation rates. The impact of differences between actual and estimated costs, timing, and inflation on the condensed consolidated interim financial statements of future periods may be material.

### *Income taxes*

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

### *Stock-based compensation*

The calculation of stock-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of stock options. These estimates impact stock-based compensation expense and stock-based payment reserve.

### *Functional currency*

The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

### *Contingencies*

Contingencies are resolved only when one or more events transpire. As a result, the assessment of contingencies inherently involves estimating the outcome of future events.

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## **FUTURE CHANGES IN ACCOUNTING POLICIES**

None noted.

## **CHANGES IN ACCOUNTING POLICIES**

None noted.

## **BUSINESS RISKS AND UNCERTAINTIES**

The Company, like all companies in the international oil and gas sector, is exposed to a variety of risks which include title to oil and gas interests, the uncertainty of finding and acquiring reserves, funding and developing those reserves and finding storage and markets for them. In addition there are commodity price fluctuations, interest and exchange rate changes and changes in government regulations. The oil and gas industry is intensely competitive and the Company must compete against companies that have larger technical and financial resources. The Company works to mitigate these risks by evaluating opportunities for acceptable funding, considering farm-out opportunities that are available to the Company, operating in politically stable countries, aligning itself with joint venture partners with significant international experience and by employing highly skilled personnel. The Company also maintains a corporate insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts and other operating accidents and disruptions. The oil and gas industry is subject to extensive and varying environmental regulations imposed by governments relating to the protection of the environment and the Company is committed to operate safely and in an environmentally sensitive manner in all operations.

There have been no significant changes in these risks and uncertainties during the period ended September 30, 2021.

Additional information relating to the Company is available on Sedar at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

The MD&A contains forward-looking statements within the meaning of securities laws, including the “safe harbour” provisions of Canadian securities legislation. Forward-looking statements and information concerning anticipated financial performance are based on management’s assumptions using information currently available. Material factors or assumptions used to develop forward-looking information include drilling programs and results, facility and pipeline construction operations and enhancements, potential business prospects, growth strategies, the ability to add production and reserves through development and exploration activities, the ability to reduce costs and extend commitments, projected capital costs, government legislation, well performance, the ability to market production, the commodity price environment and quality differentials and exchange rates. Management also assumes that the Company will continue to be able to maintain permit tenures in good standing, that the Company will be able to access equity capital when required and that the Company will maintain access to necessary oil and gas industry services and equipment to conduct its operations. Although management considers its assumptions to be reasonable based on these factors, they may prove to be incorrect.

Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “assume”, “believe”, “estimate”, “expect”, “forecast”, “guidance”, “may”, “plan”, “predict”, “project”, “should”, “will”, or similar words suggesting future outcomes. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to: oil and natural gas operations and acquisitions; statements regarding boe/d production capabilities; and other statements set out herein. Also included in this MD&A are forward-looking statements regarding the achievement of any of the event specific payments and the benefits to TAG of the gross overriding royalties. 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 the NZ Transaction will benefit TAG, that TAG’s New Zealand business will continue to be operated by Tamarind in a way that is beneficial to TAG and results in the achievement of the event specific payments and payment pursuant to the gross overriding royalty. The Agreement will benefit TAG as well, that TAG’s Australian business will continue to be operated by Luco in a way that is beneficial to TAG and results in the payment pursuant to the gross overriding royalty.

Because forward-looking information addresses future events and conditions, it involves risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking information. These risks and uncertainties include, but are not limited to: access to capital, commodity price volatility; well performance and marketability of production; transportation and refining availability and costs; exploration and development costs; infrastructure costs; the recoverability of reserves; reserves estimates and valuations; the Company’s ability to add reserves through development and exploration activities; accessibility of services and equipment; fluctuations in currency exchange rates; and changes in government legislation and regulations. Risks with respect to the NZ Transaction include the risk that TAG’s New Zealand business will not be operated in a way that is beneficial to TAG or results in the achievement of the event specific payments pursuant to the gross overriding royalty. Risks with respect to the Agreement include the risk that TAG’s Australian business will not be operated in a way that is beneficial to TAG or results in the achievement of the pursuant to the gross overriding royalty.



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The forward-looking statements contained herein are as of September 30, 2021 and are subject to change after this date. Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive and as such undue reliance should not be placed on forward-looking statements. Except as required by applicable securities laws, with the exception of events or circumstances that occurred during the period to which the MD&A relates that are reasonably likely to cause actual results to differ materially from material forward-looking information for a period that is not yet complete that was previously disclosed to the public, the Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

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.

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## CORPORATE INFORMATION

### DIRECTORS AND OFFICERS

Abdel (Abby) Badwi,  
Executive Chairman and Director  
Alberta, Canada

Toby Pierce, CEO and Director  
British Columbia, Canada

Keith Hill, Director  
Florida, USA

Thomas Hickey, Director  
Maisons-Laffitte, France

Shawn Reynolds, Director  
New Jersey, USA

Gavin Wilson, Director  
Zurich, Switzerland

Suneel Gupta, VP and COO  
Alberta, Canada

Barry MacNeil, CFO  
British Columbia, Canada

Giuseppe (Pino) Perone,  
General Counsel and Corporate Secretary  
British Columbia, Canada

### CORPORATE OFFICE

1050 W. Pender Street  
Suite 1710  
Vancouver, British Columbia  
Canada V6E 3S7  
Telephone: 1-604-682-6496  
Facsimile: 1-604-682-1174

### BANKER

Bank of Montreal  
Vancouver, British Columbia

### LEGAL COUNSEL

Blake, Cassels & Graydon LLP  
Vancouver, British Columbia  
Greenwood Roche  
Wellington, New Zealand

### AUDITORS

De Visser Gray LLP  
Chartered Professional Accountants  
Vancouver, British Columbia

### REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.  
100 University Avenue, 9<sup>th</sup> Floor  
Toronto, Ontario  
Canada M5J 2Y1  
Telephone: 1-800-564-6253  
Facsimile: 1-866-249-7775

The Annual General Meeting was held on  
November 17, 2020 at 11:00 am in Vancouver,  
British Columbia, Canada.

### SHARE LISTING

TSX Venture Exchange (TSX-V)  
*Trading Symbol:* TAO  
*OTCQX Trading Symbol:* TAOIF

### SHAREHOLDER RELATIONS

Telephone: 604-682-6496  
Email: [ir@tagoil.com](mailto:ir@tagoil.com)

### SHARE CAPITAL

At November 26, 2021, there were 91,766,252  
shares issued and outstanding.  
Fully diluted: 105,541,252 shares.

### WEBSITE

[www.tagoil.com](http://www.tagoil.com)

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## SUBSIDIARIES (at September 30, 2021)

TAG Energy International Ltd.  
TAG Petroleum Egypt Ltd.  
TAG Oil (NZ) Limited  
TAG Oil (Offshore) Limited

Trans-Orient Petroleum Ltd.  
Orient Petroleum (NZ) Limited  
CX Oil Limited