MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated July 21, 2022, for the year ended March 31, 2022 and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2022 and 2021.

The audited consolidated financial statements for the year ended March 31, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and its interpretations. Results for the year ended March 31, 2022, 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").

During the year ended March 31, 2021, the Company completed a return of capital in the amount of $0.30 per common share (approximately $25.6 million in cash), which 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.

During the year ended March 31, 2021, 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 Autralian 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.

FINANCIAL SNAPSHOT

Canadian $000s, except per share or boe. For the years ended March 31,	**2022**	2021	2020
Oil production (bbl/d)	**0**	0	527
Gas production (MMcf/d)	**0**	0	885
Combined boe/d	**0**	0	675
Oil & gas revenue per boe	**$0.00**	$0.00	$79.76
Production and transportation and storage costs per boe	**($0.00)**	($0.00)	($33.34)
Royalties per boe	**($0.00)**	($0.00)	($7.15)
Operating netback per boe(1)	**$0.00**	$0.00	$39.27
Revenue	**$0**	$0	$16
Cashflow from operating activities	**($4,084)**	($3,918)	$3,764
Net (loss) income before tax	**($3,077)**	($11,958)	$7,933
Income tax	**$0**	$0	$1
Net (loss) income for the year	**($3,077)**	($11,958)	$7,934
(Loss) earnings per share – basic	**($0.03)**	($0.13)	$0.09
(Loss) earnings per share – diluted	**($0.03)**	($0.13)	$0.09
Total assets	**$18,204**	$20,501	$57,255
Asset retirement obligation	**$0**	$0	$132
Deferred tax liability	**$0**	$0	$0
Shareholders equity	**$17,225**	$19,996	$56,306

(1) Operating netback is a non-GAAP measure. Operating netback is the operating margin the company receives from each boe sold. See non-GAAP measures for further explanation.

ANNUAL FINANCIAL AND OPERATING HIGHLIGHTS

- At March 31, 2022, the Company had $13.3 million in cash and cash equivalents and $15.4 million in working capital.
- No production for the year ended March 31, 2022.
- Capital expenditures totaled $0.603 million for the year ended March 31, 2022. The amount consists of capital leases, computer and office equipment and leasehold improvements.

FOURTH QUARTER FINANCIAL AND OPERATING HIGHLIGHTS

- At March 31, 2022, the Company had $13.3 million in cash and cash equivalents and $15.4 million in working capital.
- No production for the quarter ended March 31, 2022.
- Capital expenditures totaled $0.243 million for the quarter ended March 31, 2022.

BUSINESS ENVIRONMENT AND THE IMPACT OF COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization.

As of April 2022, OPEC's OMOR world economic growth is revised down to 3.5% from 3.9% in last month's assessment, following growth of 5.8% in 2021. US GDP growth for 2022 is revised down to 3.2% from 3.8%, after growth was reported at 5.7% for 2021. Euro-zone economic growth for 2022 is revised down to 3.1% from 3.5%, following growth of 5.4% in 2021. Japan's economic growth for 2022 is revised down to 1.8% from 1.9%, after growth of 1.7% in 2021. China's 2022 growth is revised down to 5.1% from 5.3%, after growth of 8.1% in 2021. India's 2022 GDP growth was revised down to 7.1% from 7.2%, after 2021 growth stood at 8.1%. Brazil's economic growth forecast for 2022 is revised down to 0.7% from 1.2%, following growth of 4.6% in 2021. For Russia, the 2022 GDP growth forecast is revised down to show a contraction of 6%, compared with a contraction of 2% expected in last month's assessment, which follows reported growth of 4.7% in 2021. Challenges related to ongoing geopolitical tensions, the continued pandemic, rising inflation, aggravated supply chain issues, high sovereign debt levels in many regions and expected monetary tightening by central banks in the US, the UK, Japan and the euro area require close monitoring.

OPEC's April 2022 report on the oil market, said world oil demand growth in 2021 remains broadly unchanged from the previous month's assessment at 5.7 mb/d. World oil demand growth in 2022 is expected to increase by 3.4 mb/d y-o-y, representing a downward revision of 0.3 mb/d from last month's report, with 1.8 mb/d in the OECD and 1.6 mb/d in the non-OECD. Oil demand growth in 2Q22 is projected to be slower at 2.8 mb/d, compared with 5.2 mb/d in 1Q22. Demand in 2022 is expected to be impacted by ongoing geopolitical developments in Eastern Europe, as well as COVID-19 pandemic restrictions.

OUTLOOK AND RESPONSE TO COVID-19

The Company continues to comply with British Columbia and Alberta Health Guidelines in Canada as the work environment is returning to pre-pandemic conditions. 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. Travel restriction and increased precautions are easing and have slowed progress and timing of most activities, but TAG is continuing to move forward with its plans to pivot to new opportunities in the Middle East and North Africa.

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, 2022, the Company continued to receive it's 2% overriding royalties on its interest in the New Zealand production assets from the NZ Transaction and evaluated a number of opportunities in the Middle East and North Africa region. The Company continues to review, evaluate, build on its knowledge, and pursue other options and opportunities in North Africa and the Middle East.

SUMMARY OF QUARTERLY INFORMATION

Canadian $000s, except per share or boe	**2022**				2021			
	Q4	Q3	Q2	Q1	Q4	Q3(2)	Q2(1)	Q1(1)
Net production volumes (boe/d)	**0**	0	0	0	0	0	0	0
Total revenue	**-**	-	-	-	-	-	-	-
Operating costs	**-**	-	-	-	-	(11)	(55)	(32)
Depletion, depreciation and accretion	**(32)**	(28)	(30)	(32)	(35)	(33)	(35)	(34)
Finance Costs	**-**	-	-	-	-	-	-	**-**
Foreign exchange	**(153)**	(87)	323	(332)	502	(671)	(235)	(969)
Interest and other income	**4**	4	37	61	(65)	26	158	19
Stock-based compensation	**(46)**	(78)	(84)	(72)	(62)	(65)	(139)	(6)
General and administative	**(842)**	(662)	(832)	(608)	(848)	(894)	(909)	(596)
Exploration expense and other income	**31**	(437)	(380)	(87)	(139)	(19)	(50)	-
Gain on lease modification	**6**	-	-	-	-	-	**-**	-
Loss on sale of PP&E	-	-	-	-	-	(2)	-	-
Loss on sale of disposal group	-	-	-	-	-	(3,886)	**-**	-
Gain (loss) on royalty valuation and other interests	**1,173**	75	54	(23)	(2,769)	(64)	(42)	(87)
Interest and penalties recovered	**-**	-	-	-	89	-	**-**	-
Net income (loss) before tax	**141**	(1,213)	(912)	(1,093)	(3,327)	(5,619)	(1,307)	(1,705)
Income tax	-	-	-	-	-	-	-	-
Net income (loss)	**141**	(1,213)	(912)	(1,093)	(3,327)	(5,619)	(1,307)	(1,705)
Income (loss) per share – basic and diluted	**0.00**	(0.01)	(0.01)	(0.01)	(0.04)	(0.06)	(0.02)	(0.02)
Adjusted net loss(3)	**(1,038)**	(1,288)	(966)	(1,070)	(550)	(1,667)	(1,215)	(1,618)
Capital expenditures	**243**	12	347	1	-	(78)	(48)	(98)
Cash flow used in *Operating activities*	**(885)**	(1,109)	(1,142)	(950)	(940)	(550)	(1,156)	(1,132)

(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.

As the Company has not yet secured an operating asset it has not incurred any costs for the quarter ended March 31, 2022, for the quarter ended December 31, 2021 and the quarter ended March 31, 2021. The Company is not currently incurring any operating cost while it is carrying out preliminary evaluation work on properties in North Africa and the Middle East.

General and administrative costs increased to $842 for the quarter ended March 31, 2022 from $662 for the quarter ended December 31, 2021. The increase is due to the increase in professional fees in the amount of $88, shareholder relations and communications in the amount of $16, travel in the amount of $23 and wages and salaries in the amount of $21. General and administrative costs decreased to $842 for the quarter ended March 31, 2022 from $848 for the quarter ended March 31, 2021. The decrease is due to shareholder relations and communications decreased of $52 and an increase in professional fees of $31.

Net income before tax for the quarter ended March 31, 2022, was $141 compared to net loss before tax of $1,213 for the quarter ended December 31, 2021. The adjusted not loss is $1,038 for the quarter ended March 31, 2022, compared with of $1,288 for the quarter ended December 31, 2021. The net loss compared to the prior quarter is primarily due to an increase in foreign exchange loss of $153 compared to $87 and offset by an increase in general and administative expenses. Net income before tax for the quarter ended March 31, 2022 was $141 compared to net loss $3,327 for the quarter ended March 31, 2021. The adjusted net loss is $1,038 for the quarter ended March 31, 2022, compared to $550 for the quarter ended March 31, 2021. The increase is due to the increase in foreign exchange loss of $153 compared to foreign exchange gain of $502 and slight increase in interest income and other income of $4 compared to a decrease in interest income and other income of $65.

General and Administrative Expenses (“G&A”)

	2022	2021	Twelve months ended March 31,	
	Q4	Q4	**2022**	2021
Consulting and director fees	**80**	66	**303**	460
Filing, listing and transfer agent	**30**	15	**99**	123
Insurance	**33**	17	**72**	65
Office and administration	**38**	28	**151**	161
Professional fees	**93**	124	**277**	360
Rent	**12**	17	**50**	75
Reports	**-**	-	**-**	(5)
Shareholder relations and communications	**137**	189	**430**	759
Travel	**65**	37	**202**	82
Wages and salaries	**354**	355	**1,360**	1,168
Oil and Gas G&A expenses ($000s)	**842**	848	**2,944**	3,248

Stock-based Compensation

	2022	2021	Twelve months ended March 31,	
	Q4	Q4	**2022**	2021
Stock-based compensation ($000s)	**46**	62	**280**	272

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 quarters ended March 31, 2022 and 2021, the Company did not grant any stock options and no options were exercised.

Depletion, Depreciation and Accretion (DD&A)

	2022	2021	Twelve months ended March 31,	
	Q4	Q4	**2022**	2021
Depletion, depreciation and accretion ($000s)	**32**	35	**122**	137

Depletion and depreciation expenses decreased for the quarter ended March 31, 2022 to $32 compared with $35 for the quarter ended March 31, 2021. The slight decrease is due to the Company’s depreciation on capital leases.

Foreign Exchange Loss (Gain)

	2022	2021	Twelve months ended March 31,	
	Q4	Q4	**2022**	2021
Foreign exchange loss (gain) ($000s)	**153**	(502)	**249**	1,373

The foreign exchange loss for the quarter ended March 31, 2022 was a result of movement of the USD against the NZD and CDN.

Net Income (Loss) Before Tax, Income Tax and Net Income (Loss) After Tax

	2022	2021	Twelve months ended March 31,	
($000s)	**Q4**	Q4	**2022**	2021
Net income (loss) before tax	**141**	(3,327)	**(3,077)**	(11,958)
Income tax	**-**	-	**-**	-
Net income (loss) after tax	**141**	(3,327)	**(3,077)**	(11,958)
Loss per share – basic and diluted ($)	**0.00**	(0.04)	**(0.03)**	(0.13)

Cash Flow

	2022	2021	Twelve months ended March 31,	
($000s)	**Q4**	Q4	**2022**	2021
Operating cash flow *(1)*	**(885)**	**(940)**	**(4,086)**	**(3,778)**
Cash used by operating activities	**(926)**	**(958)**	**(4,084)**	**(3,918)**
Operating cash flow per share, basic and diluted ($)	**(0.01)**	**(0.01)**	**(0.04)**	**(0.04)**

(1) 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 outflow decreased to $885 for the quarter ended March 31, 2022 compared to $940 for the quarter ended March 31, 2021. The decrease is primarily due to the lower G&A in the current quarter and fluctuations in preliminary evaluation on properties under consideration.

CAPITAL EXPENDITURES

Capital expenditures consisted of capital leases, computer and office equipment and leasehold improvements of $0.243 million for the quarter ended March 31, 2022 and $nil for the quarter ended March 31, 2021.

FUTURE CAPITAL EXPENDITURES

The Company had the following commitments for capital expenditure as at March 31, 2022:

Contractual Obligations ($000s)	Total	Less than One Year	Two to Five Years	More than Five Years
Operating leases *(1)*	**752**	233	519	-
Other long-term obligations	**-**	-	-	-
Total contractual obligations	**752**	233	519	-

(1) 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

For the years ended March 31, ($000s)	2022	2021
Cash and cash equivalents	13,316	15,911
Working capital	15,374	17,025
Contractual obligations, next twelve months	233	91
Revenue	-	-
Cashflow from operating activities	(4,084)	(3,918)

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	Twelve months ended March 31,	
	Q4	Q4	2022	2021
Total revenue	-	-	-	-
Less production costs	-	-	-	(98)
Operating margin	-	-	-	(98)
Depletion, depreciation and accretion	(32)	(35)	(122)	(137)
Foreign exchange	(153)	502	(249)	(1,373)
Interest and other income	4	(65)	106	138
Stock-based compensation	(46)	(62)	(280)	(272)
General and administative	(842)	(848)	(2,944)	(3,247)
Exploration expense	31	(139)	(873)	(208)
Gain (loss) on royalty valuation and other interests	1,173	(2,769)	1,279	(2,962)
Gain on lease modification	6	-	6	-
Interest and penalties recovered	-	89	-	89
Loss on sale of disposal group	-	-	-	(3,886)
Loss on sale of PP&E	-	-	-	(2)
Net income (loss) before tax	141	(3,327)	(3,077)	(11,958)

Adjusted net loss ($000s)	2022	2021	Twelve months ended March 31,	
	Q4	Q4	2022	2021
Adjusted net loss	(1,038)	(550)	(4,362)	(5,050)
Gain on lease modification	6	-	6	-
Loss on sale of PP&E	-	-	-	(2)
Loss on sale of disposal group	-	-	-	(3,886)
Gain (loss) on royalty valuation	1,173	(2,769)	1,279	(2,962)
Interest and penalty recovered	-	89	-	89
Impairment of oil and gas property	-	(97)	-	(147)
Net income (loss) before tax	141	(3,327)	(3,077)	(11,958)

Reconcilation of Operating Cash Flow

The term "cash flow from operating activities" as determined in accordance with IFRS. Cash flow from operations is a measure that represents cash generated from operating activities before changes in non-cash working capital. Management considers this a key measure as it demonstrates the Company's ability to generate the cash flows necessary to fund future growth through capital investment. Funds flow from operations does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures used by other companies.

	2022	2021	Twelve months ended March 31,	
($000s)	**Q4**	Q4	**2022**	2021
Cash used in Operating activities	**(926)**	(958)	**(4,084)**	(3,918)
Changes in non-cash working capital	**41**	18	**(2)**	140
Operating cash flow	**(885)**	(940)	**(4,086)**	(3,778)

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, royalties 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:

	2022	2021	Twelve months ended March 31,	
($000s)	**Q4**	Q4	**2022**	2021
Stock-based compensation	**27**	60	**161**	219
Management wages and director fees	**237**	252	**948**	805
Total Management Compensation	**264**	312	**1,109**	1,024

The breakdown for the related party transactions during the nine months ended December 31, 2021:

Related Party $000s	**Role**	**Salaries**	**Stock-based compensation**	**Total**
Abdel Badwi	Executive Chairman	240	56	296
Toby Pierce	CEO	240	-	240
Barry MacNeil	CFO	180	-	180
Suneel Gupta	VP and COO	180	43	223
Gavin Wilson	Independent Director	36	7	43
Keith Hill	Independent Director	36	-	36
Tom Hickey	Independent Director	36	7	43
Shawn Reynolds	Independent Director	-	48	48
		948	161	1,109

SHARE CAPITAL

a. At March 31, 2022, there were 91,766,252 common shares, 7,500,000 stock options outstanding and 6,250,000 warrants outstanding.

b. At July 21, 2022, there were 91,766,252 common shares, 7,500,000 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 consolidated 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 consolidated financial statements are recoverability, impairment and fair value of oil and gas properties, 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 consolidated financial statements are: recoverability, impairment and fair value of oil and gas properties, 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 rates used to calculate decommissioning liabilities are an inflation rate of 1.62% and a risk-free discount rate ranging from 0.33% to 1.56%, which prevailed at the date of these financial statements. The impact of differences between actual and estimated costs, timing, and inflation on the consolidated 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 share 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.

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 year ended March 31, 2022.

Please also refer to Forward Looking Statements.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the period ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

The following pertains to the Company's MD&A for the period ended March 31, 2022, confirming that the Company is in compliance with disclosure controls and procedures and internal controls over the financial reporting period:

The Company's management, with the participation of its CEO and CFO, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded that, as of the end of the year covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods. Required information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's CEO and CFO and effected by the board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated interim financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the condensed consolidated interim financial statements.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2022. In making the assessment, it used the criteria set forth in the Internal Controls Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on their assessment, management has concluded that, as of March 31, 2022, the Company's internal control over financial reporting was effective based on those criteria.

Additional information relating to the Company is available on Sedar at 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 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.

The forward-looking statements contained herein are as of March 31, 2022 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.

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

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Greenwood Roche
Wellington, New Zealand

AUDITORS
Deloitte LLP
Chartered Professional Accountants
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT
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100 University Avenue, 9th Floor
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Telephone: 1-800-564-6253
Facsimile: 1-866-249-7775

The Annual General Meeting was held on December 2, 2021 at 10:00 am in Vancouver, B.C, 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

SHARE CAPITAL
At July 21, 2022, there were 91,766,252 shares issued and outstanding.
Fully diluted: 105,516,252 shares.

WEBSITE
www.tagoil.com

SUBSIDIARIES (at March 31, 2022)

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