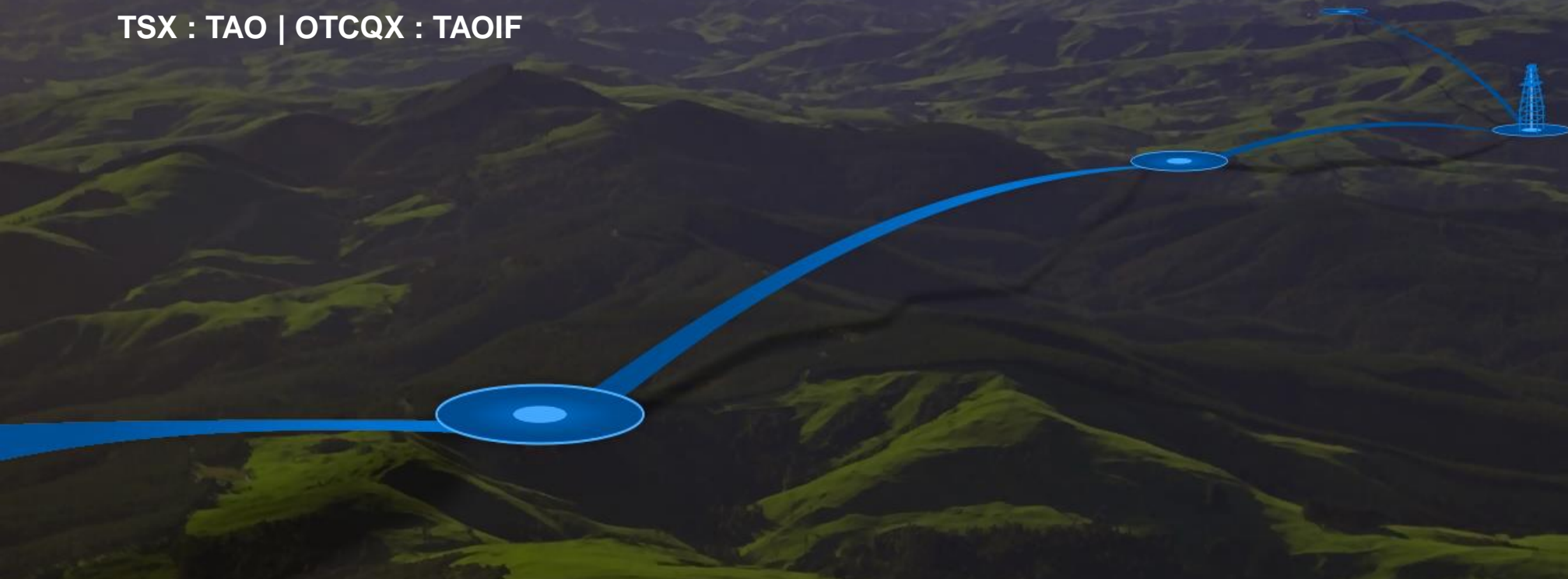




TSX : TAO | OTCQX : TAOIF



## A proven leader in New Zealand's oil & gas industry

- *Ramping Up Development & High Impact Appraisal Activities*
- *Focused on Production Growth & Unlocking Large-in-Place Resources*

Summer 2017

# Disclaimer

All oil and natural gas reserves and resources information, including estimated production rates, contained in this presentation have, unless otherwise stated, been prepared and presented in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")* and the Canadian Oil and Gas Evaluation ("**COGE**") Handbook.

TAG Oil Ltd. ("TAG", "TAG Oil" or the "Company") has adopted the standard of six thousand cubic feet of gas to equal one barrel of oil when converting natural gas to "boe," which may be misleading, particularly if used in isolation. A boe conversion ratio of 6Mcf: 1 bbl 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 Estimates

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 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.

Where discussed herein "NPV 10%" represents the net present value (net of capital expenditures) of net income discounted at 10%, with net income reflecting the indicated oil, liquids and natural gas prices and initial production rate, less internal estimates of operating costs and royalties. It should not be assumed that the future net revenues estimated by TAG's independent reserve evaluators represent the fair market value of the reserves, nor should it be assumed that TAG's internally estimated value of its undeveloped land holdings or any estimates referred to herein from third parties represent the fair market value of the lands

## Resource Estimates

Unless otherwise noted, the resource estimates in this presentation are a best case estimate internally by TAG professionals who are non-independent, qualified reserves evaluators in accordance with NI 51-101 and COGE Handbook, with effective dates of January 31, 2015 and December 1, 2016. The recovery and resource estimates provided in this presentation, the preliminary prospectus and in the documents incorporated by reference herein are estimates only. Actual Contingent Resources and Prospective Resources (and any volumes that may be reclassified as reserves) and future production from such Contingent Resources and Prospective Resources may be greater than or less than the estimates provided herein.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is no certainty that it will be commercially viable to produce any portion of the resources.

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. The Company's future success in exploiting and increasing its current reserve base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that the Company's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if the Company encounters unforeseen geological conditions. The Company is subject to uncertainties related to the proximity of any reserves that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such reserves may be found. Adverse climatic conditions at such properties may also hinder the Company's ability to carry on exploration or production activities continuously throughout any given year.

"Best estimate" is considered to be the best estimate of the quantity of the prospective resource that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

# Disclaimer (continued)

## Resource Estimates (continued)

The significant positive factors that are relevant to the resource estimates are:

- Proven production in close proximity;
- Proven commercial quality reservoirs in close proximity;
- Oil and gas shows while drilling wells; and
- Calculated hydrocarbon pay intervals from open hole logs.

The significant negative factors that are relevant to the resource estimates are:

- Tectonically complex geology could compromise seal potential; and
- Seismic attribute mapping can be indicative but not certain in identifying proven resource

## Non-GAAP Measures in this Presentation

References to "netbacks" in this presentation are references to "operating netback", a non-GAAP measure. Operating netback is the operating margin that the Company receives from each barrel of oil equivalent sold. Operating netback is exclusive of electricity revenue and costs and denotes oil and gas revenue on financial instruments less royalty expenses, operating expenses and transportation and marketing expenses. Please see "Summary of Quarterly Information – Oil and Gas Operating Netback (\$/boe)" and "non-GAAP measures" in the Company's Management's Discussion and Analysis, dated February 13, 2017, for the nine months ended December 31, 2016 for more information regarding the calculation of the Company's operating netback.

## Analogous Information

Certain information in this document may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to areas with similar geological characteristics to the lands held by the Company. Such information is derived from a variety of publicly available information from government sources, regulatory agencies, public databases or other industry participants (as at the date stated therein) that the Company believes are predominantly independent in nature. The Company believes this information is relevant as it helps to define the reservoir characteristics in which the Company may hold an interest. The Company is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor and in accordance with the COGE Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by the Company and there is no certainty that the reservoir data and economics information for the lands held by the Company will be similar to the information presented therein. The reader is cautioned that the data relied upon by the Company may be in error and/or may not be analogous to the Company's land holdings.

## Forward-Looking Statements

Statements contained in this document that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can be generally, but not always, 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 with respect to TAG's operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties including, without limitation: risks associated with oil and gas exploration, development, exploitation and production, geological risks, marketing and transportation, availability of adequate funding, volatility of commodity prices, imprecision of resource estimates, environmental risks, competition from other producers, and changes in the regulatory and taxation environment. Actual results may vary materially from the information provided in this document, and there is no representation by TAG Oil that the actual results realized in the future will be the same in whole or in part as those presented herein.

Forward-looking statements relating to TAG Oil's exploration and development of its oil and gas properties including with respect to completion of its drilling programs involve risks and uncertainties including, without limitation: regulatory approval, equipment availability, weather, risks associated with establishment of additional production of oil and gas in accordance with TAG Oil's expectations at its oil and gas properties, well performance, drilling results, successful completion of new infrastructure at its oil and gas properties, successful optimization, the increase of cash flow from new production, achievement of expected growth, successful results of operations, performance results, prospects and evaluation results.

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 *Statement of Reserves Data and Other Oil and Gas Information*, prepared by independent qualified reserves evaluators, ERC Equipoise Limited, with an effective date of March 31, 2017 (the "ERC Report"). The ERC Report and additional reports filed in Canada pursuant to NI 51-101 can be found under TAG's SEDAR profile at [www.sedar.com](http://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..

## Abbreviations

### Crude Oil and Natural Gas Liquids

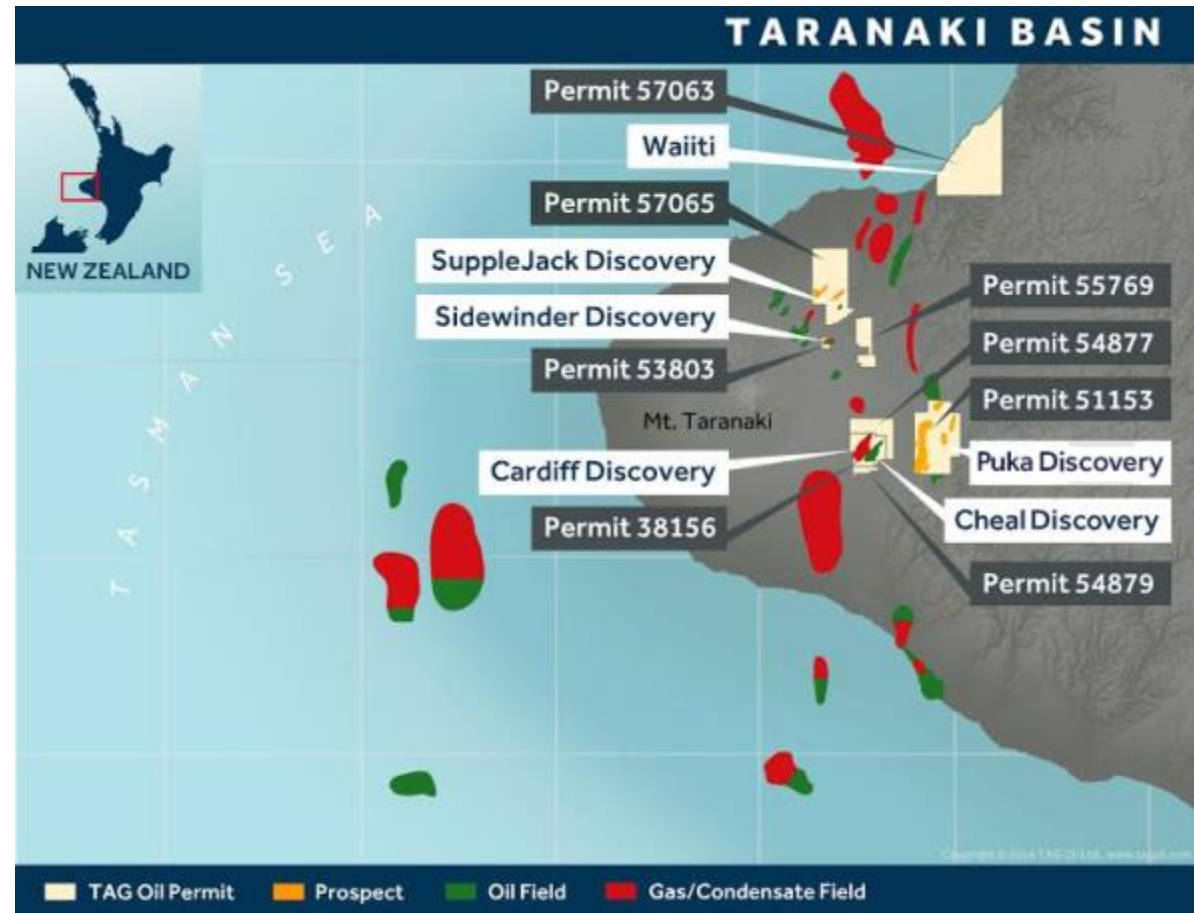
bbl	barrel(s)
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
boe	barrel of oil equivalent
boe/d	barrel or barrels of oil equivalent per day
MMboe	million barrel of oil equivalent

### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
NGL	natural gas liquids

## An established onshore operator with a balanced portfolio

- One of New Zealand's most experienced operators with over 45 wells drilled
- Focus on low cost onshore operations
- A proven basin with significant exploration potential
  - Lightly explored across TAG's acreage
- High working interest (>70%) and operatorship of all assets
  - Maintains operating and financial flexibility
- Infrastructure 100% owned and operated by TAG Oil allows for quick tie-ins
- Acquisition of Puka block in June 2016 adds to appraisal and exploration inventory
- Announced expansion into Australia with the acquisition of PL 17 in the Surat Basin in January 2017
- Currently undertaking a waterflood program to enhance oil recovery and increase production



Source: TAG Oil

# Foundation for Success

## Working Capital<sup>(1)</sup>

- C\$22 million in cash with no debt
- C\$26 million in working capital
- Fully funded in FY2017 with a balanced work program

## Capital Structure<sup>(1)</sup>

- 85.3 million shares o/s; 103 million fully diluted
- 11.5 million warrants with C\$0.90 strike (expire March 2019)

## Proved & Probable Reserves<sup>(2)</sup>

- 4.1 MMBOE (92% oil, up 14% from FY2016)
- After tax NPV10 value of C\$78.3 million (up 71% from FY2016)

## Current Base Average Production

- 1,218 BOE/d (79% oil) average over 2017 FQ4; 1,200 over FY2017
- Current production of ~1,350 boe/d

## High Netbacks<sup>(3)</sup>

- C\$27.46/BOE operating netback in FQ4/17 (US\$54.57/bbl avg. Brent)
- C\$24.88/BOE operating netback in FY2017 (US\$45.13/bbl avg. Brent)
- ~US\$34/bbl Brent all-in break even at 1,200 boe/d

## Organic Value Creation

- Multiple infill and workover drilling opportunities on existing Cheal permits

## Infrastructure

- Three wholly-owned processing plants and pipeline network

## 93,000 Net Acres

- Two basins: Taranaki (NZ), Surat (Australia)

## New Zealand and Australia

- Politically stable, fiscally attractive, under-drilled, strong market, services readily available

<sup>(1)</sup> As at FQ4/17 (March 31, 2016); <sup>(2)</sup> Pursuant to the ERC Equipose Report as at the Fiscal Year End March 31, 2017; <sup>(3)</sup> Field operating netback is the per barrel cash flow of: Revenues – Royalties and taxes – transportation and operating costs



## Experienced Leadership Team

**Alex Guidi**

Chairman, TAG Oil Founder

International oil and gas entrepreneur with 30 years leadership and executive experience in New Zealand and Australasia

**Toby Pierce**

Chief Executive Officer, BSc, MBA

Experienced natural resource executive with expertise in operations, capital markets, investment banking, and M&A; Geologist

**Henrik Lundin**

Chief Operating Officer, P. Eng

Former Senior Reservoir Engineer for Lundin Petroleum Ltd. in Norway; experience in Syria, France, Tunisia, Switzerland

**Barry MacNeil**

Chief Financial Officer, CPA

20 years of financial and operational experience in public and private practice, including mining, forestry and oil & gas

**Ken Vidalin**

Director, P. Eng

The founder of global corporations Methanex and Acetex, with more than 20 years of board experience

**Brad Holland**

Director, C. Eng

35 years of experience in the oil and gas industry, 18 years as Senior Project Engineer for Saudi Aramco

**Keith Hill**

Director. BSc, MSc, MBA

CEO of Africa Oil Corp. (AOI), with more than 30 years of leadership experience in the oil and gas industry; Geologist

**David Bennett**

Director, MSc, PhD

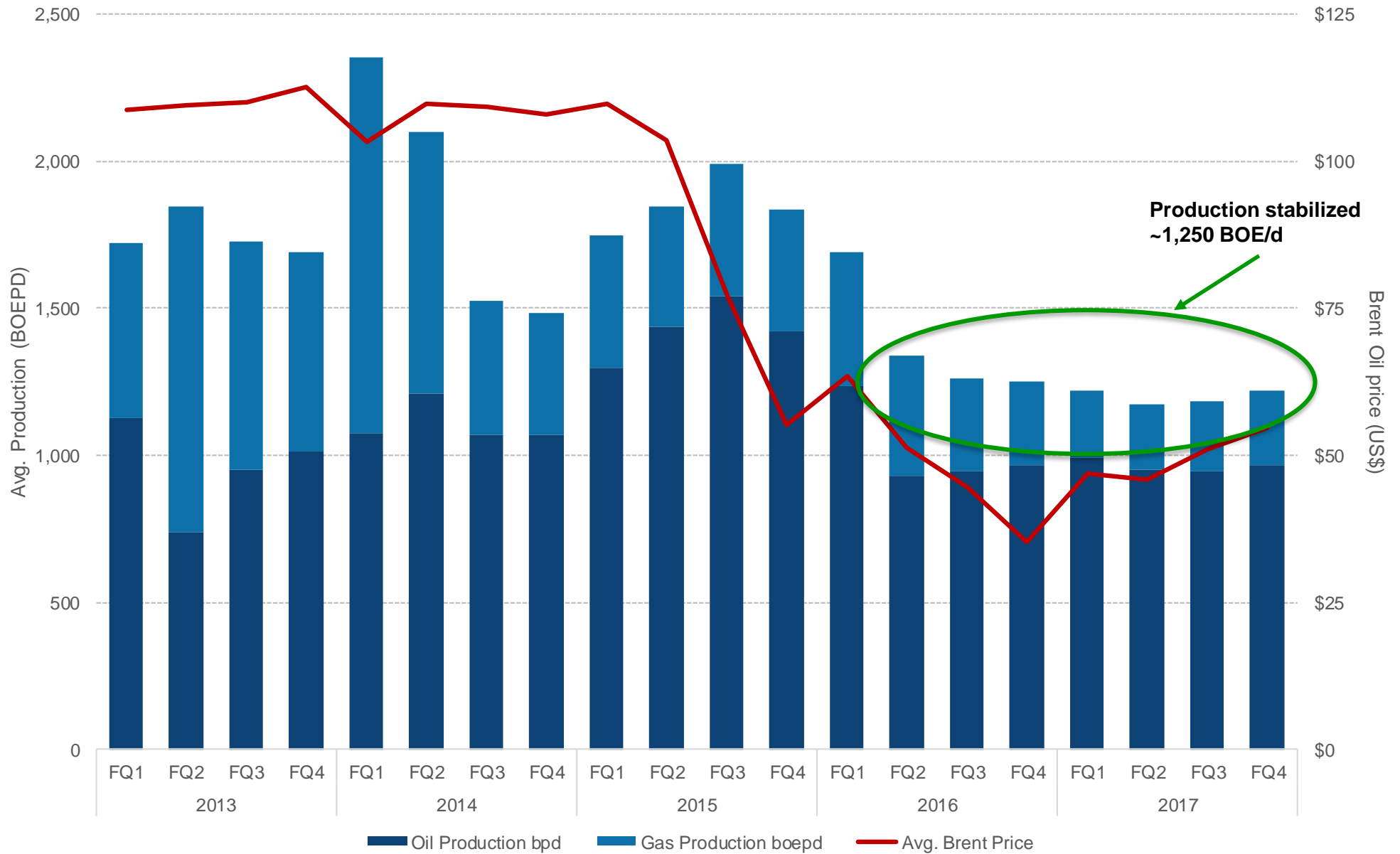
More than 40 years of exploration, technical, operational, and corporate experience in New Zealand and throughout Australasia; Geophysicist

**Max Murray**

New Zealand Country Manager

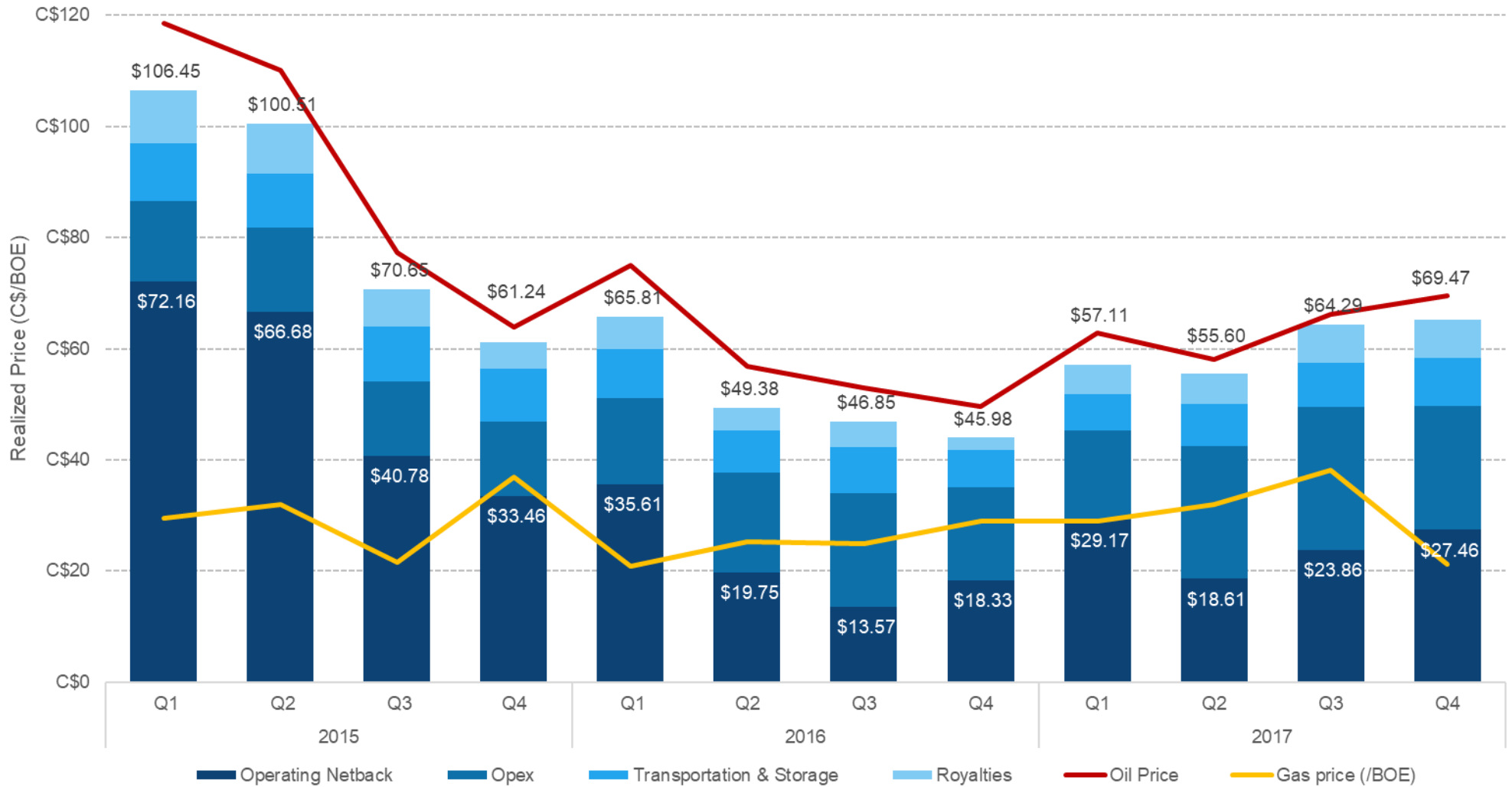
30 years of operational and proven executive leadership in the oil and gas industry with a focus in New Zealand

# Strong Production Base



Source: TAG's quarterly results available on SEDAR.com

# Strong Operating Netbacks

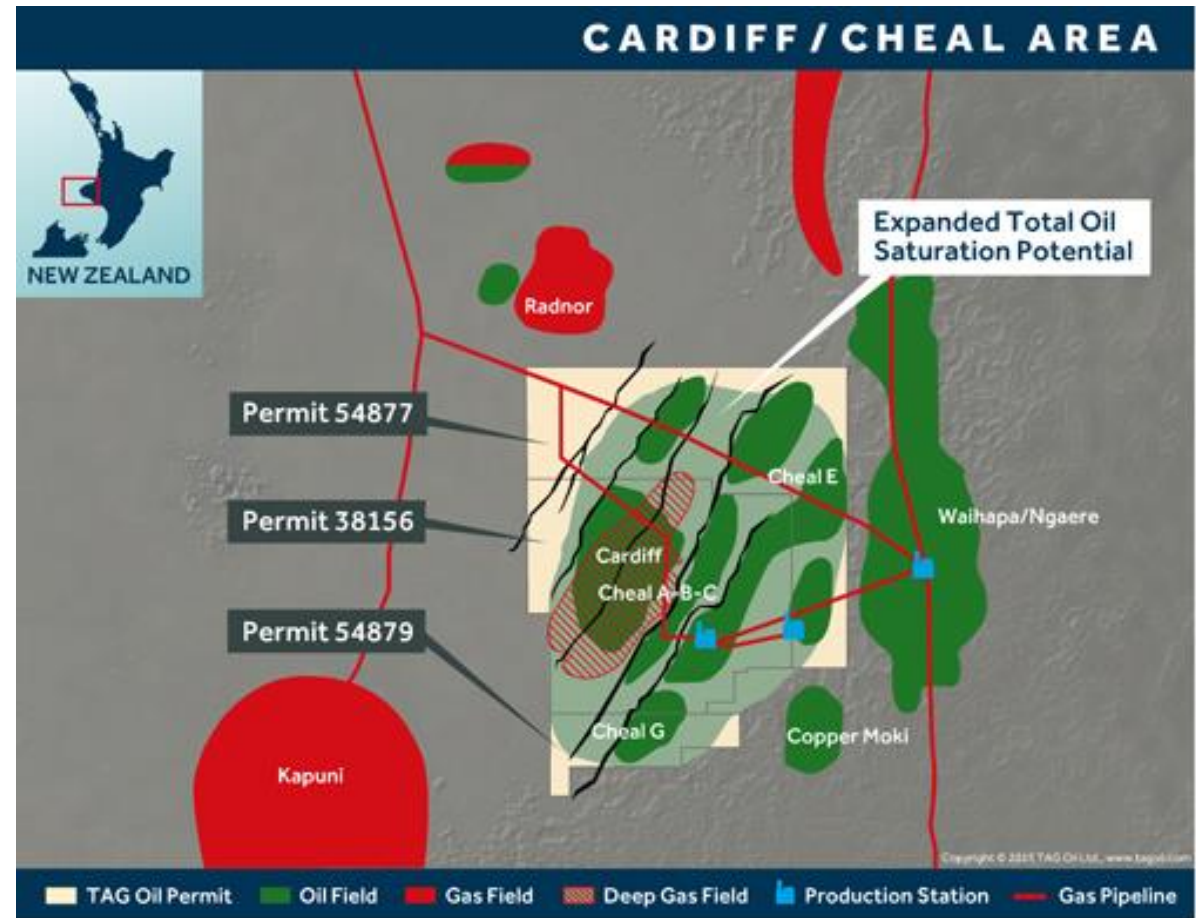


Source: TAG's quarterly results available on SEDAR.com



# Cheal: Long-term Upside from High-Graded Development Drilling

- Core producing area for TAG in New Zealand
  - 100% owned infrastructure allows for low cost commercialization
    - throughput capacity allows for rapid expansion
- Remaining upside present in discovered up-hole sands
  - many wells have two or more stacked reservoir intervals with only one interval currently producing
- Potential to increase current resources by improved artificial lift techniques, dual completions, reservoir stimulations and waterflooding

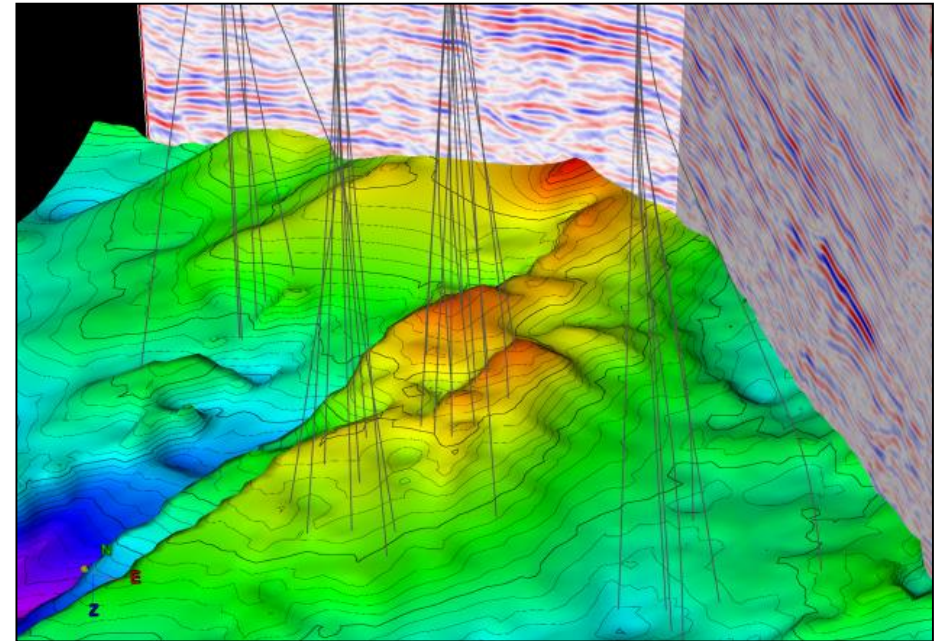


Source: TAG Oil

- Low-cost drilling of ~US\$2.5 million per well to shallow Miocene reservoirs with average capital payback within 18 months +/- 10-year reserve life index (on ~\$60/bbl Brent)
- Cheal-E8 exploration well drilled in April 2017
  - successfully tested over 315 boe/d on test; now being tied in to main Cheal facility
  - next well is Cheal-D1 scheduled for spud in July 2017 to explore northern portion of permit

## Cheal: Development Substantially De-risked

- 37 wells drilled to date provide excellent well control and subsurface understanding
- Permit-wide 3D seismic and a substantial drilling and workover inventory
- Enhanced Oil Recovery (“EOR”) waterflood pilot program has demonstrated ability to extend reserve life and enhance recovery of the wells
- Multiple in-fill, step-out appraisal and exploration locations identified for future development

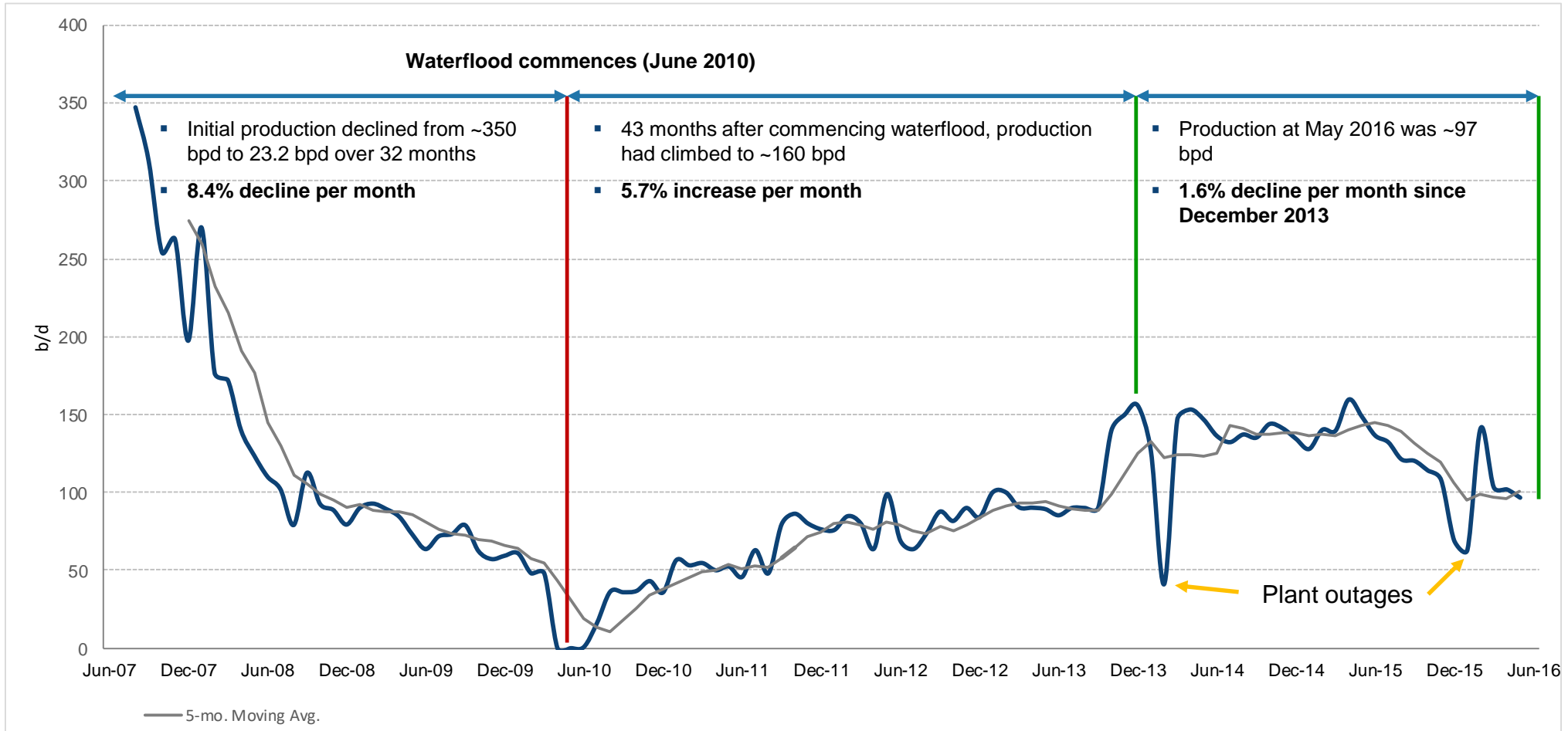


Source: TAG Oil





# Cheal: Waterflood Results from the A3X Well

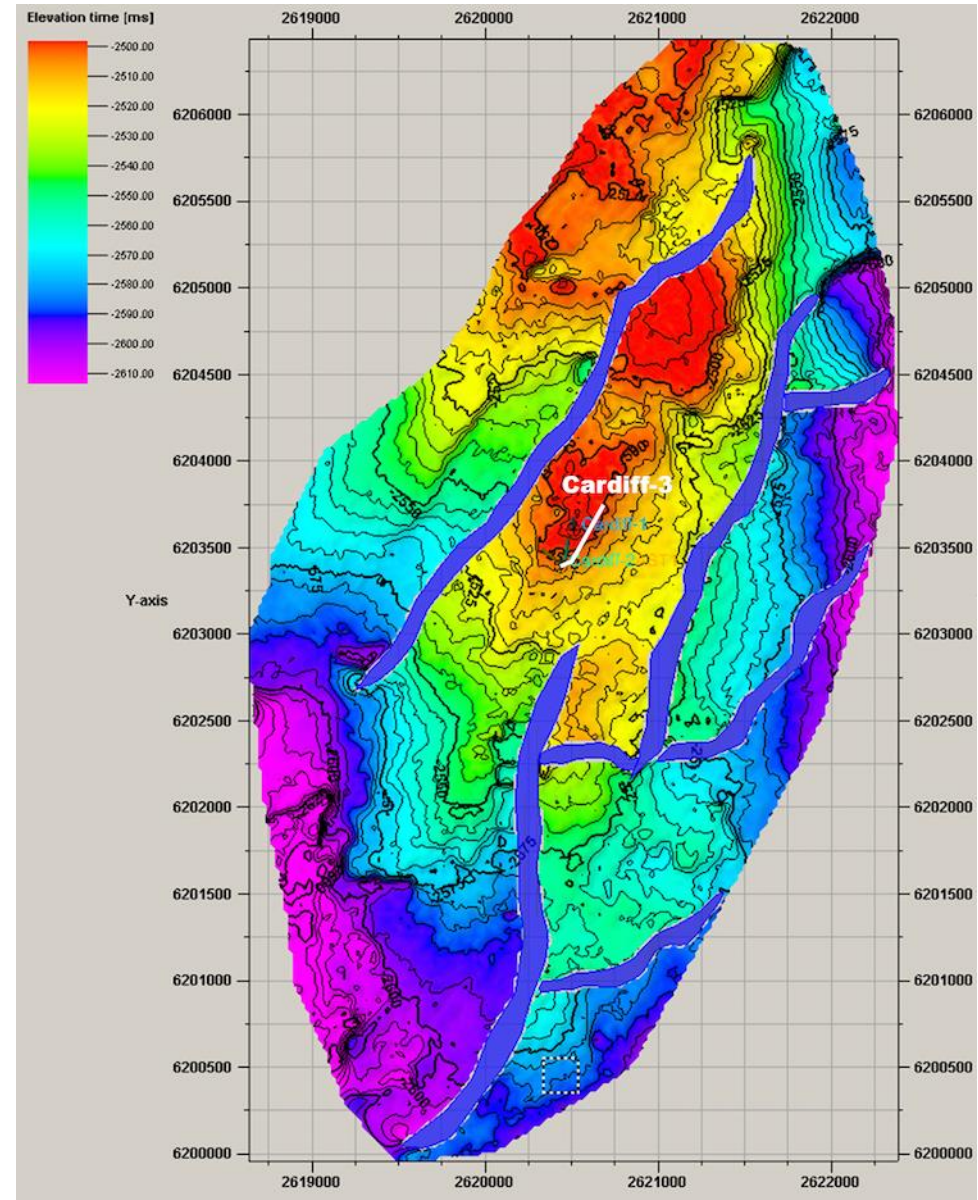


Source: TAG Oil

- EOR using waterflood has been demonstrated at the Cheal-A3X well
  - reversed decline for 43 months and A3X has now stabilized a significantly lower decline rate
  - improved ultimate recovery
- A broader waterflood program is now being implemented across the greater Cheal area at TAG's Cheal A, B and E-Sites

# Cardiff – Material Appraisal Opportunity

- Cardiff-3 well successfully flow tested in December 2016 following extended shut in after drilling
  - long delay believed to have allowed the well to clean up near wellbore damage
  - testing ongoing
- Kapuni field located 18 km away from Cardiff has produced **1.4 Tcf** and **65 MMbbl NGL's** to date<sup>(1)</sup>
- TAG's internal recoverable resource estimate for one Cardiff well is 53 Bcf and 2.12 MMbbl NGL
- Reserve size and deliverability potential are greater than shallow drilling program (Cheal) due to greater depth and higher pressures
- Three sands in the Kapuni formation
  - lowest sand (K3 interval) of greatest interest
- Strong gas prices in New Zealand of \$5.00-plus per Mcf as of December 31, 2016
  - Improving long term fundamentals with decreasing supply

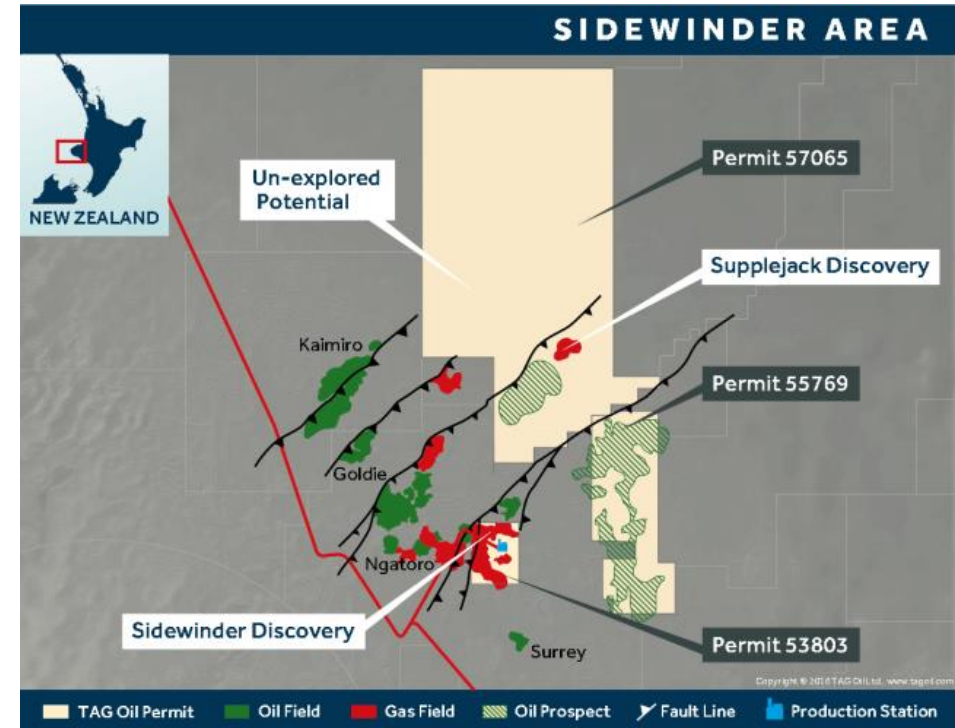


Source: TAG Oil

(1): New Zealand Petroleum and Minerals ([nzpam.govt.nz](http://nzpam.govt.nz))

# Sidewinder: Oil & Gas Production with Appraisal Upside

- 100% working interest across 22,600 acres with full 3D coverage
- Sidewinder B prospect is a stacked Mount Messenger Sands oil target
  - tested 254 bbl/d over 24 hour period
  - additional wells to potentially bring online
- 100% owned infrastructure with minor amount of current gas production
- Multiple drilling locations identified along SW-NE trending faults extending across permit
- Successful well test at Supplejack-1 in November 2016



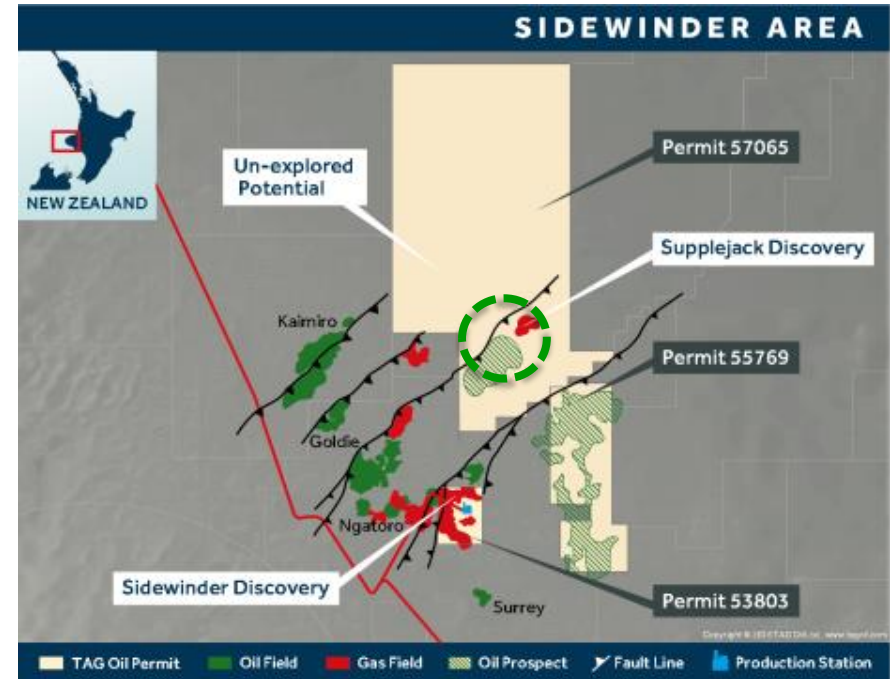
Source: TAG Oil





# Supplejack-1 Well Results

- On November 8, 2016, TAG announced the successful testing of the Supplejack-1 well
  - flow rates of up to 7.2 MMcf/d (1,200 boe/d) through 32/64" choke during seven day test
  - well pressures remained at over 1,000 psi
- The well has now been shut in for further testing and development of commercialization plan
  - possible development using Sidewinder equipment
  - likely tie-in to nearby gas pipeline
- Supplejack-1 was initially drilled in 2005 by the previous operator and completed in the oil bearing zone
  - commercial oil production was unsuccessful
  - in 2016, a review of the well logs identified bypassed potential gas pay



Source: TAG Oil

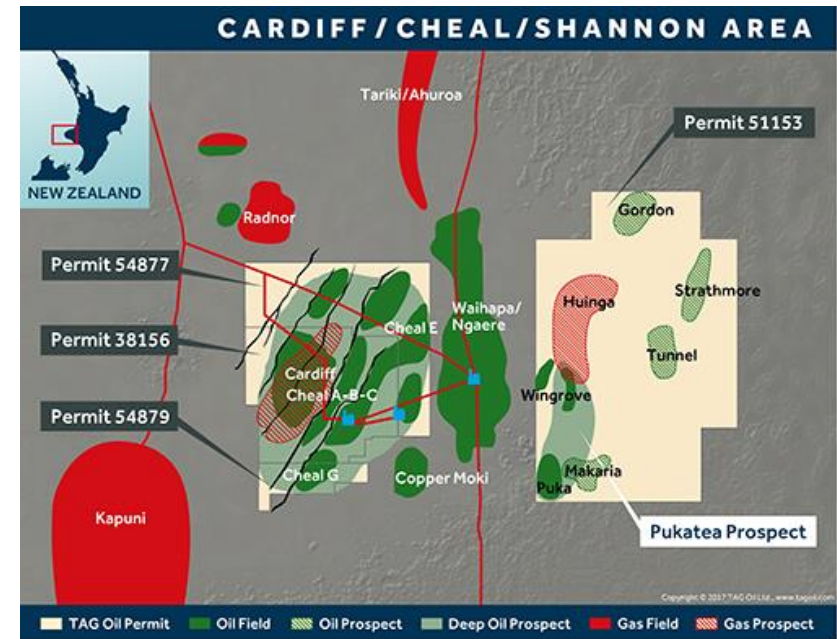


Source: TAG Oil



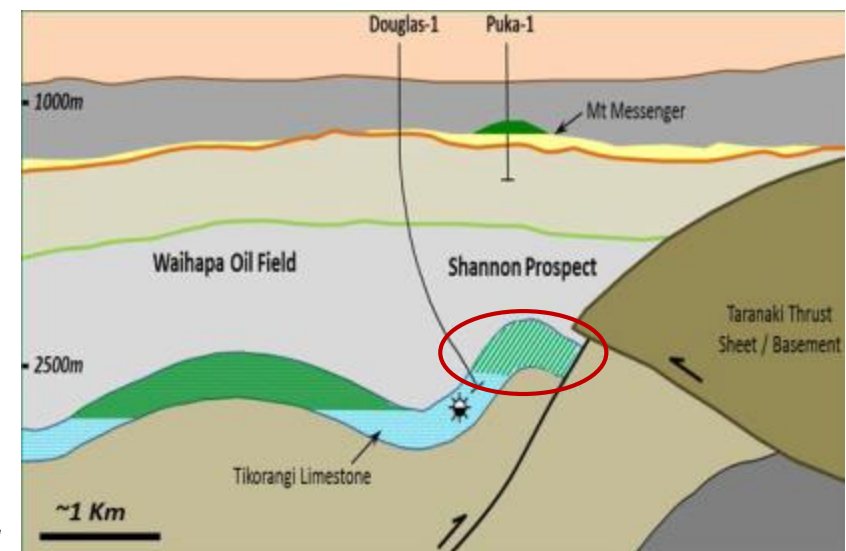
# Pukatea: Proven Production with Large Exploration Upside

- On June 6, 2016, TAG announced the acquisition of a 70% interest in PEP 51153 containing the Puka oil field and Pukatea oil prospect (Shannon)
  - NZ\$250,000 acquisition cost out of liquidation from Kea Petroleum
  - Low initial committed capex of NZ\$75,000 in first year
- The Puka field was discovered in 2012
  - Produced oil at 100 bbl/d before shut in due to mechanical issues and low oil price
  - Mt. Messenger formation → same formation as TAG's Cheal field to the east
- The Pukatea prospect (Shannon) underlies the Puka field in the Tikorangi Limestone formation
  - Productivity of the Tikorangi has been demonstrated by the 23 MMboe produced to date<sup>(1)</sup> at the adjacent Waihapa oil field → initial flow rates of over 5,000 bbl/d
  - Pukatea (Shannon) located up-dip and above lowest known Waihapa oil



Source: TAG Oil

## Pukatea Cross Section



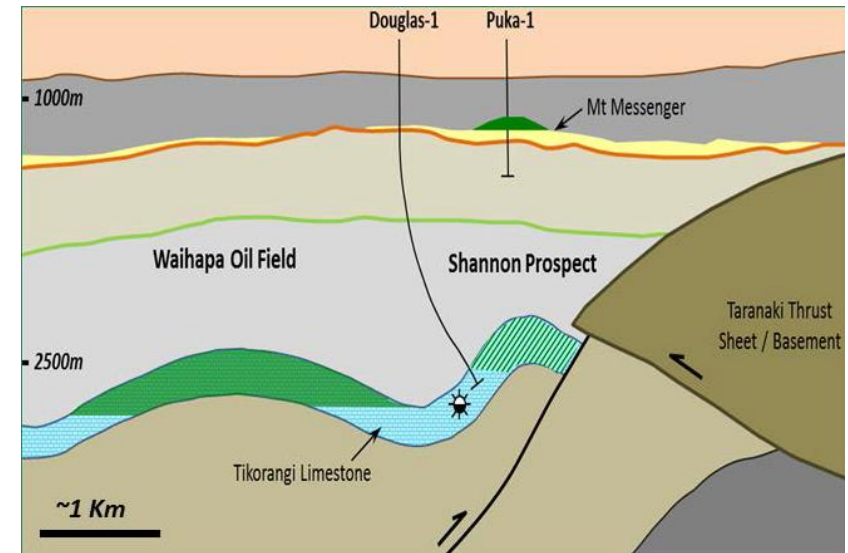
(1): New Zealand Petroleum and Minerals (nzpam.govt.nz)

Source: TAG Oil

# Pukatea

- The Douglas-1 well drilled in 2012 at the edge of Pukatea (Shannon) encountered oil shows and 145m of reservoir interval
  - Over 350m of up-dip potential
- TAG’s internal estimate for the Pukatea (Shannon) prospect is for 12.1 MMboe gross P50 best estimate prospective resources
  - TAG has a 70% working interest
  - 20% C.o.S.
- Well is currently scheduled for drilling in calendar Q4 2017
- Approximately 100 boe/d of shut in production from shallow Mt. Messenger formation

## Pukatea Cross Section



Source: TAG Oil

## Pukatea internal volume estimates (gross)

	Oil (MMbbl)	Gas (Bcf)	boe (MMboe)
P90	0.5	0.6	1.0
P50	9.9	10.9	12.1
P10	33.8	37.2	40.0

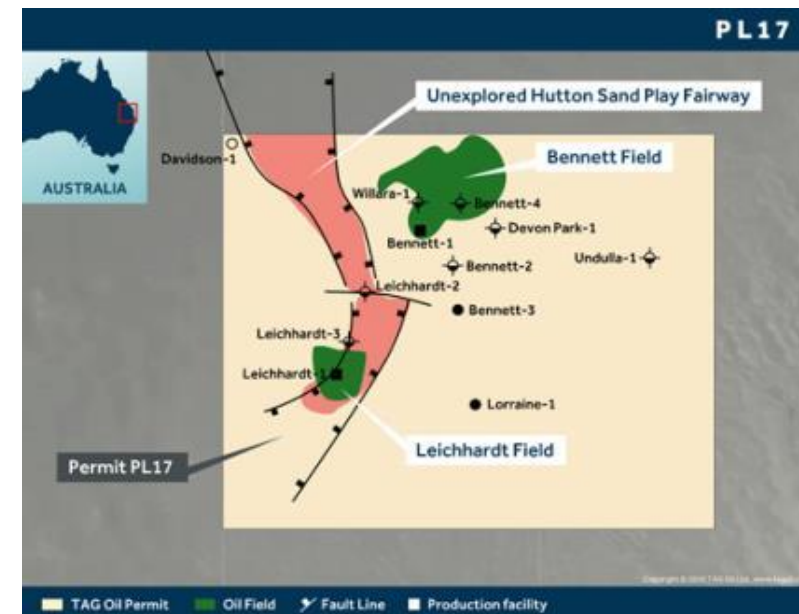
Notes: TAG’s internal estimates of best estimate recoverable prospective resource volumes for Pukatea

# PL 17 – First step out of New Zealand and into Australia

- PL 17 is located in the Surat Basin of Australia, covering an area of 104 km<sup>2</sup> (25,700 acres)
  - ~20 km from the Moonie Oil Field which has produced 23 MMbbl to date
- Two existing discoveries on the block which have produced on and off for ~50 years
  - Bennett Field: 160 Mbbl produced to date
    - current production from two wells of ~15 bbl/d of light oil
  - Leichhardt Field: 150 Mbbl produced to date
    - currently shut-in
- Permian oil play is the primary conventional opportunity
  - apply modern 3D seismic to identify and commercialize bypassed pay and additional oil accumulations
- Purchase cost is A\$2,500,000 which will be staged over three years
  - A\$750,000 in at closing (January 31, 2017)
  - A\$500,000 on July 20, 2017
  - A\$500,000 on second anniversary of closing
  - A\$750,000 on third anniversary of closing



Source: TAG Oil



Source: TAG Oil

# 2017 Work Program

Activity	Calendar 2017			
	Q1	Q2	Q3	Q4
Supplejack-A2X Exploration Well	✓			
Sidewinder-2 Work Over	✓			
PL-17 Closing	✓			
Cheal-E8 Exploration Well		✓		
Cheal A & E Waterflood Commencement		✓		
Updated Reserves Report		✓		
Cheal-D1 Exploration Well				
Cheal B Waterflood Results				
Cardiff Appraisal / Farm-out				
PL-17 Seismic Acquisition				
Pukatea-1 Exploration Well				
Cheal A and E Waterflood Results				
2 X Sidewinder East Exploration Wells (Q1 2018 spud)				
Australia Acquisition (contingent)				
New Zealand Acquisitions (contingent)				



## Why TAG Oil?

- Experienced production, drilling and operations team
- Positioned to grow at current and higher oil prices
- Long life production with potential resources upside
- Strategic holdings in stable, secure countries with very good fiscal terms
- Low cost, high netback premium Brent oil and high value gas producer
- Strong balance sheet and no debt
- High working interest and operatorship of all assets → high margins on production



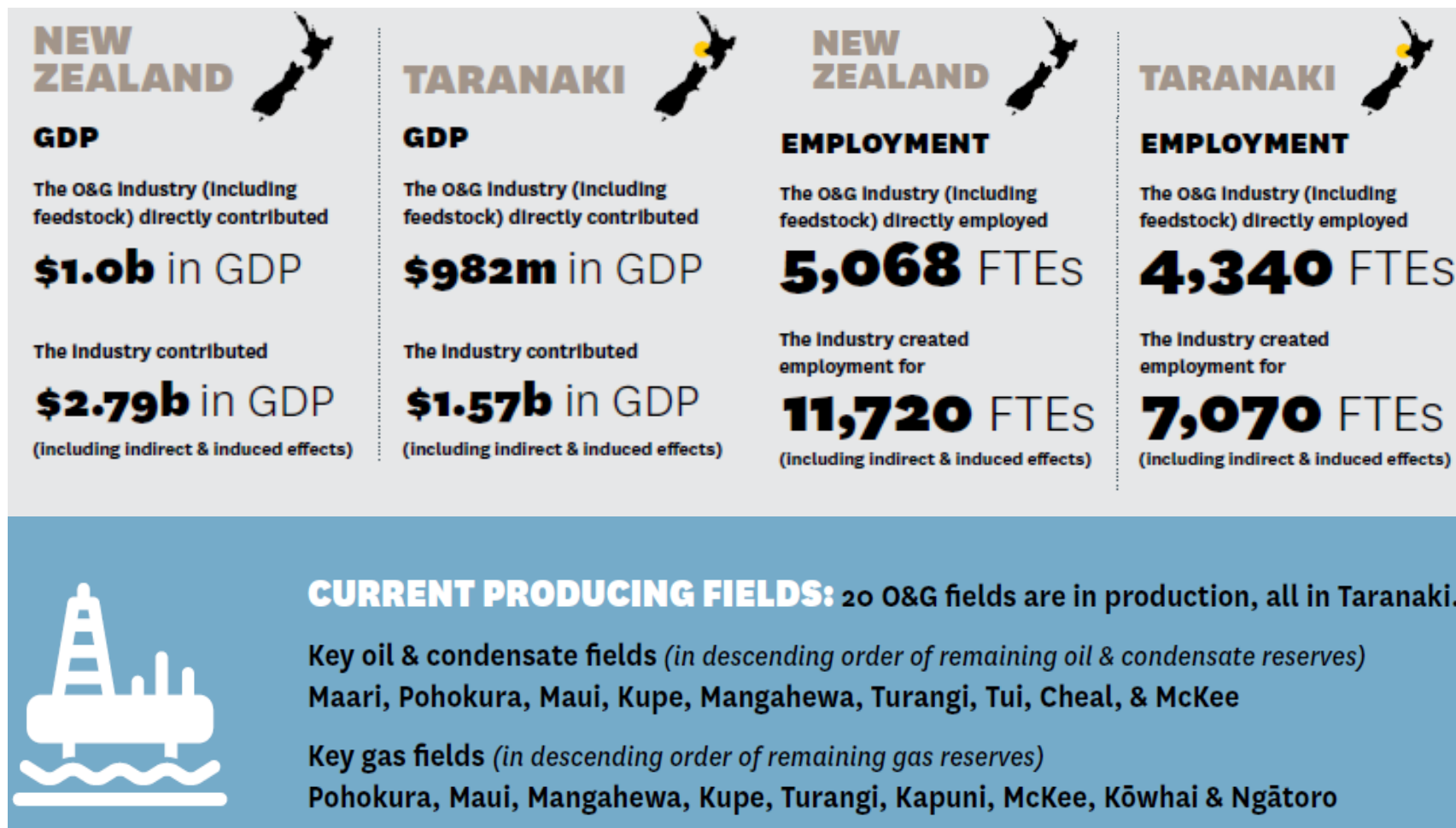
*TAG's Cheal production facility*

# Appendix





# New Zealand's Oil and Gas Industry



Source: Taranaki Report, March 2015

## Acquisitions: Leveraging our balance sheet

- TAG looking to acquire assets or partner with groups on assets within or slightly beyond our current financial capabilities.
- Ideal opportunities are:
  - Onshore and conventional
  - A mix of natural gas and oil
  - A range of shallow and deep targets
  - A mix of exploration opportunities with growth potential and stable production opportunities
  - A range of workovers, re-completions, re-perforations, plant modifications, etc.
- TAG is evaluating and refining over 50 opportunities in our portfolio today, but our growth plan should expand to several 100

### New Zealand

- TAG will continue to review and pursue suitable opportunities in New Zealand
- 2016 and 2017 available acreage being reviewed
- Participating in upcoming bid round

### Australia Expansion

- Similar risk profile to New Zealand
- Relatively low capex commitments
- Leverage existing Australian experience within team
- Core producing basins: Bowen, Surat, Cooper, Eromanga, Otway, and Perth

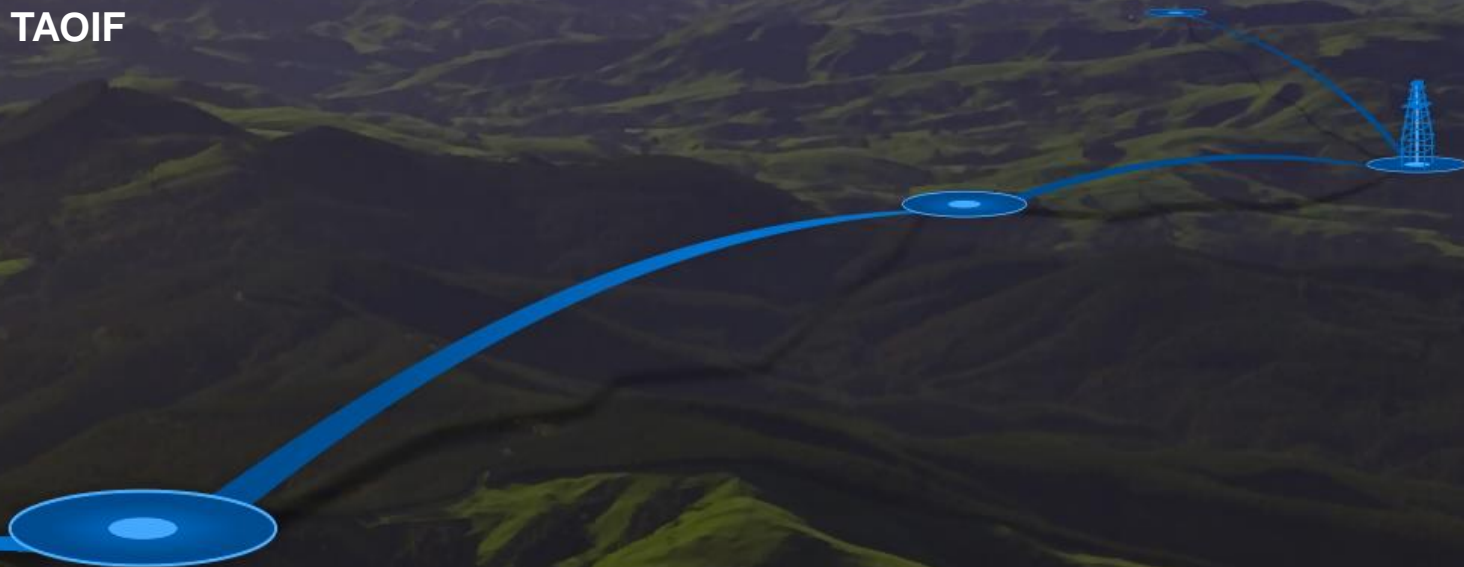








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# Thank You

TAG Oil Ltd.

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