RESUMING COVERAGE

TAG Oil Ltd.

(TAO-T: C$0.90)

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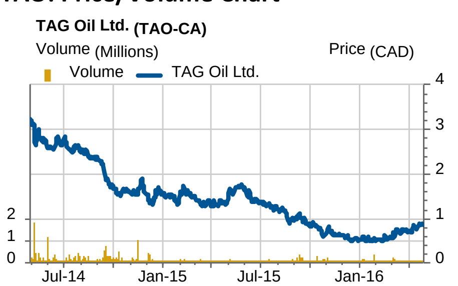
BUY, Speculative Risk
Dundee target: C$1.20

TAG Oil - Resuming Coverage With A BUY, C$1.20/share Target

Recommendation	New		Last
Rating:	Buy		--
Target:	C$1.20		--
Risk:	Spec		--
Projected Return	33%		--
2016 CFPS	C$0.04		--
2017 CFPS	C$0.11		--
Company Data			
Price (05/02/16):			C$0.90
52-Week Range:			C$0.49-1.82
Market Capitalization ($MM):			US$43
Enterprise Value ($MM):			US$31
Shares Outstanding - Basic (MM):			62.2
Shares Outstanding - Diluted (MM):			62.2
% held insiders			6%
Avg Daily Volume (1 Mth):			32,526
Net Cash as of Fiscal 4Q16E ($MM):			11.9
Fiscal year end			March 31
Forecasts	**2015A**	**2016E**	**2017E**
Brent Oil (US$/bbl)	77.07	48.64	48.74
FX Rate (C$/US$)	1.14	1.31	1.28
Production Oil (mbbl/d)	1.42	1.01	0.97
Production Gas (mboe/d)	0.43	0.38	0.26
Total (mboe/d 6:1)	1.9	1.4	1.2
% Oil	77%	73%	79%
EPS (fd)	-0.84	-0.26	-0.12
CFPS (fd)	0.34	0.04	0.11
Valuation			
Core NAV			C$1.18
Risked NAV			C$1.35
Upside NAV			C$1.52
P/Core NAV			0.8x
P/Risked NAV			0.7x
P/Upside NAV			0.6x
		2016E	**2017E**
P/EPS		nm	nm
P/CFPS		24.4x	8.4x
EV/DACF		11.6x	5.7x

All Figures in US$ Unless Otherwise Noted
Source: Factset, Company reports, Dundee Securities

TAO: Price/Volume Chart



Source: Factset

Company Description

TAG Oil is a Canadian listed oil and gas company which holds material, operated working interests in seven exploration and production permits, all within New Zealand's proven Taranaki basin.

Investment Thesis: With leadership revitalized, near-term strategy redefined and a modest but clean balance sheet, TAG Oil has sensibly 'stripped back' its asset base, capital program and operations to focus on low-risk 'core' field development within New Zealand's prolific yet under-explored Taranaki basin.

Cost reductions in tandem with this development-focused strategy have allowed TAG Oil to self-fund all such 'core' activities and thus 'weather the storm' to date.

With overall production now stabilized - the result of well optimization and workovers - the next step is production and reserve growth via enhanced recovery - TAG Oil plans to implement a waterflood program across all its Cheal oil pools, once more self-funded from operating cashflow and working capital.

However, what the company currently lacks is scale and asset diversity. EOR and potential M&A within its 'core' Taranaki basin can address scale but only in part; substantial optionality - for both operations and the stock - lies in TAG Oil's ambitious strategy to expand outside New Zealand into Australasia and SE Asia.

With so many fundamental changes to TAG Oil's management, operations and strategy, we are effectively 'resuming' coverage of a new company, TAG Oil 2.0.

TAG Oil 2.0 - Reasons To Buy:

New Experienced Executive Team: Toby Pierce (CEO) and Henrik Lundin (COO) joined TAG Oil last June. Their extensive transactional and technical experience has renewed and strengthened TAG Oil's leadership and executive team.

Rationalized Asset Base: The timely arrival of fresh leadership, given low oil pricing, has prompted a vital change in strategy - all of TAG Oil's legacy high-risk exploration blocks and commitments have now been divested.

Stabilized Production, High Netbacks => Investment In Near-Term Growth: The focus on low-risk 'core' field development has largely mitigated natural field declines - the resulting production 'base' of ca. 1,250 boepd, combined with high netbacks, enables fully-funded investment in growth via EOR and modest M&A.

Ambitious Growth Strategy Provides Optionality: Management is actively reviewing numerous M&A opportunities across Australasia and South East Asia to address longer-term growth ambitions and mitigate risk. The prospect of accretive acquisitions provides potentially valuable optionality for shareholders.

Resuming Coverage - Buy Rating, C$1.20/sh Target: High netbacks have largely protected TAG Oil from weak oil prices; EOR-led growth, combined with such netbacks, provides material leverage to firming oil prices, with the prospect of accretive, material M&A adding further torque. We resume coverage - BUY rating, C$1.20/share target - in-line with our 'core' 2P NAV valuation + net cash.

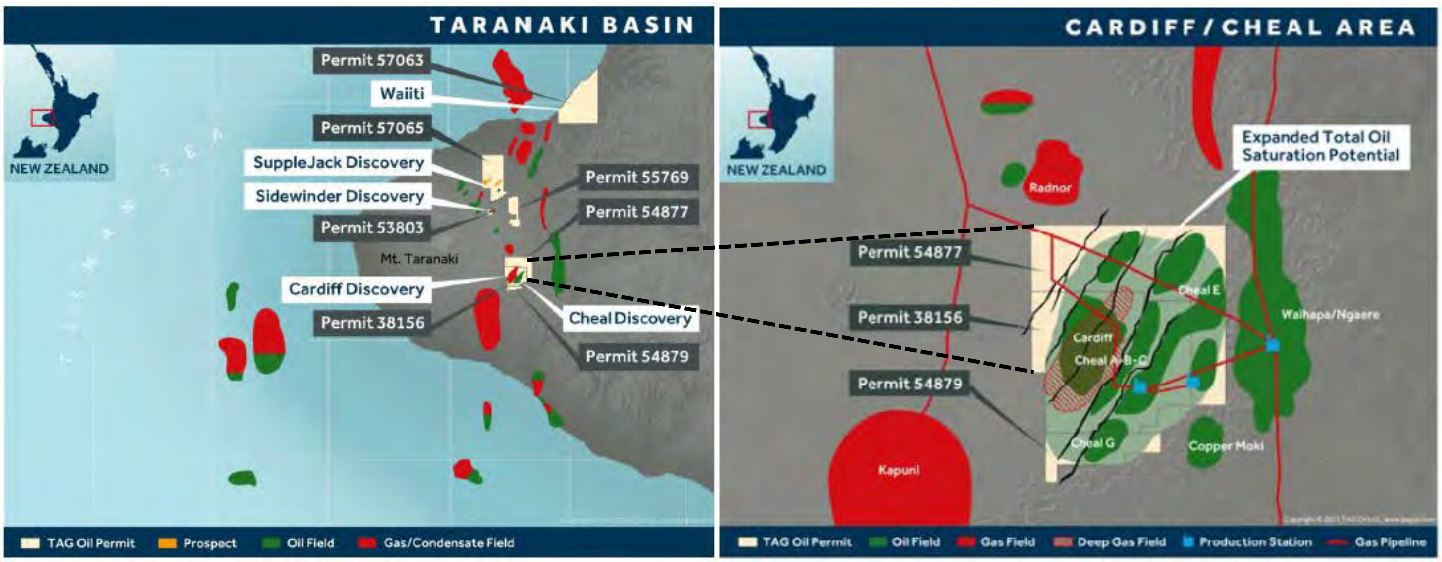
TAG Oil 2.0

Stage 1: Rationalize The Asset Base

With new management on board since June 2015, TAG Oil, amid weakening oil pricing, substantially rationalized its asset base, relinquishing all high-risk exploration acreage and significant work commitments in tandem, thus preserving its capital base.

As a result, TAG Oil now holds material, operated working interests in just seven exploration and production permits, all within New Zealand's proven Taranaki basin.

TAG Oil's 'Right-Sized' Asset Base - Focused Solely Within New Zealand's Taranaki Basin

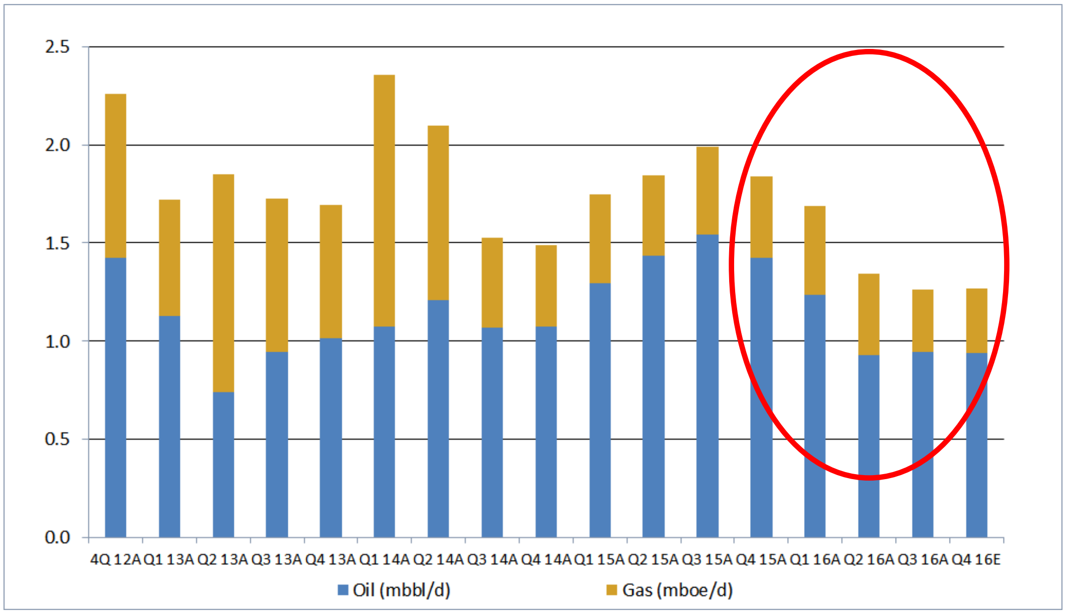


Source: Company reports

Stage 2: Stabilize Production

Despite obvious capital constraints, a modest, cost-effective program of well optimizations and workovers has largely mitigated the impact of natural field declines - the result being a relatively stable production 'base' of ca. 1,250 boepd of late (see production history below).

TAG Oil - Production History - Fiscal Calendar



Source: Company reports

Stabilized production, high netbacks and an ongoing cost reduction program have allowed TAG Oil to conserve cash (fiscal YE16E: C$15.3mm, no debt) and weather collapsing oil prices.

Stage 3: Grow Cheal Production, Reserves Via Waterflood

With production costs largely fixed in nature, incremental production delivers outsized marginal netbacks to the bottom line.

Thus, having largely stabilized production - albeit requiring a modest forward program of well workovers - immediate plans call for production and reserve growth via EOR.

TAG Oil plans to implement a waterflood program across all its Cheal oil pools, once more self-funded from operating cashflow and working capital.

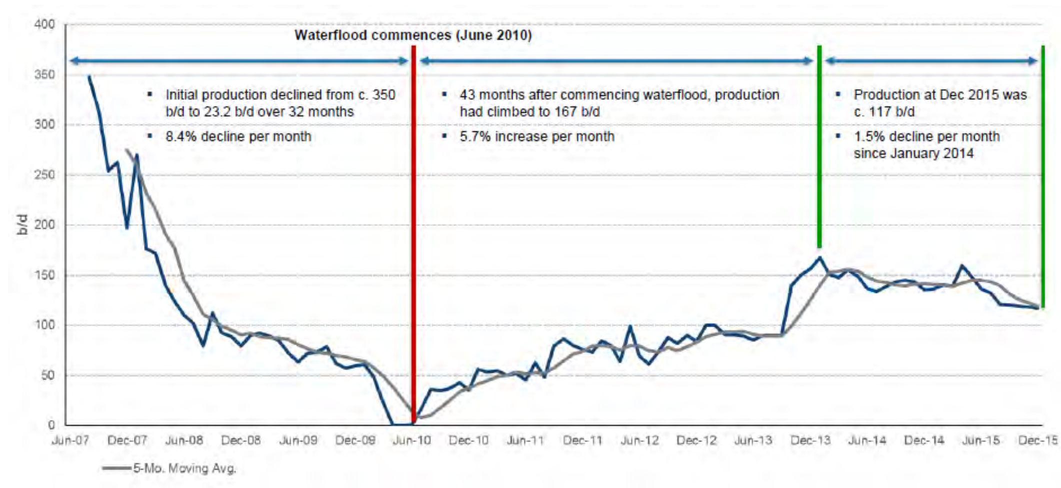
Waterflood has been long adopted by other operators within the Taranaki Basin, typically with positive results on both near-term production levels as well as ultimate recovery.

Despite no formal waterflood programs to date, empirical evidence from water disposal wells at Cheal A clearly demonstrate a material, positive production response at neighbouring production wells - analogous to the responses expected under waterflood.

TAG Oil now plans a formal, broad waterflood program across all of its productive Cheal oil pools; having now gathered 'base' empirical data, the company plans to initiate the waterflood program by mid-year - firstly at Cheal B, then Cheal A and finally Cheal E.

If successful, management believes that this waterflood program could double production - potentially achieving 2,500 boepd. In tandem, the higher recovery factors associated with waterflood will also positively impact TAG Oil's remaining reserve base.

Cheal - Waterflood Analogy - Read Through Response From Cheal-A3X



Source: Company reports

Stage 4: Pursue Accretive M&A Opportunities

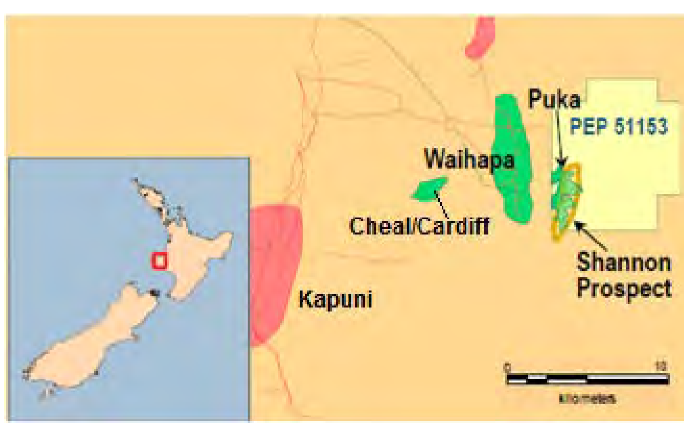
Despite all the good work to date 'stabilizing the platform', the company conspicuously lacks both scale and risk diversity within its current asset base.

Management is thus actively reviewing numerous M&A opportunities, not only within its 'core' Taranaki Basin, but also across Australasia and South East Asia in order to deliver longer-term growth and scale but also to mitigate risk.

New Zealand

Management continues to screen suitable opportunities in-country; indeed recent media reports have indicated that TAG Oil has conditionally agreed to buy Kea Petroleum's (KEA LN, delisted, NR) 70% stake in PEP 51153, an exploration license within the Taranaki basin that lies to the east of the producing Waihapa field (NZ CN, NR and L&M Energy - private)**,** which itself lies on the eastern flank of TAG Oil's Cheal oil fields.

PEP 51153 - Co-location to Waihapa and Cheal Oilfields



Source: MEO Australia

PEP 51153 contains the Puka oilfield (gross 2C resource: 0.6 mmbbls) and the Shannon prospect (gross mean prospective risked resource: 7.0 mmbbls). The shallow Puka oilfield was producing ca. 110 bopd from two wells prior to economic shut-in in early 2015.

TAG also intends to review acreage in the upcoming 2016 and 2017 bid rounds.

Australia

Leveraging existing experience with the team, TAG Oil is also screening oil & gas opportunities within Australia's core onshore producing basins - many of which offer similar risk profiles to those of New Zealand along with relatively low capex commitments.

South East Asia

TAG Oil's focus is on core onshore producing basins in Indonesia, Malaysia, Thailand and Vietnam - that offer, in the view of management, low geological risk along with manageable political risk.

To better capture local operating experience, TAG Oil would consider market entry by dint of a small corporate acquisition.

Sensible Fiscal 2017 Capital Program, Comfortably Funded With FFO & Balance Sheet

Despite the recent strengthening of oil prices, management has outlined a conservative 2017E capital program - C$7.6MM focused on low-cost, production optimization opportunities:

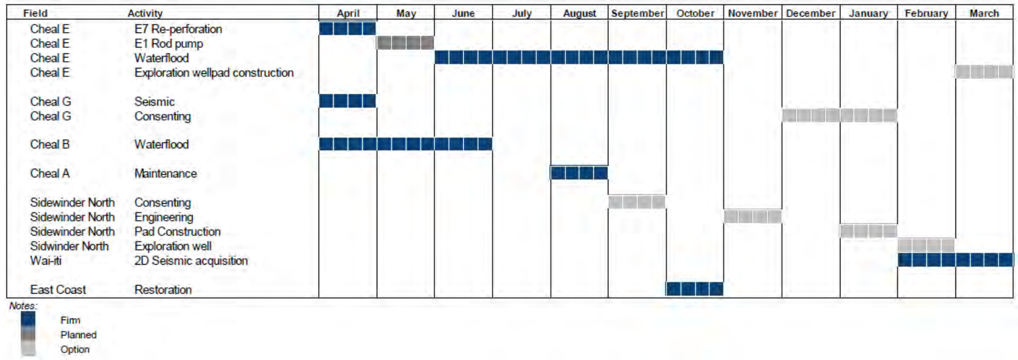
- **Waterflood At Cheal A, B & E:** The company plans to implement a waterflood program across all Cheal fields - operations will commence at Cheal B in June.
- **Low-Cost Workovers:** Management is planning to install a rod pump in the Cheal-E1 well, as well as reactivate several shut-in wells.

In tandem, fiscal 2017E average production guidance stands at 1,200 boepd (80% oil weighted); note that such guidance assumes the negative impact of the onset of the waterflood program, namely the loss of immediate production as production wells are converted to water injection duty. However any prospective positive impact of the waterflood program is excluded from such guidance.

With some C$15.5MM of cash at fiscal YE2016E and fiscal 2017E FFO of C$5.5 MM, TAG Oil can amply fully-fund this modest 'base' capex program - exiting fiscal 2017E with some C$13.6MM of cash.

In the event oil prices recover - or results from TAG's 'base' work program exceed expectations, a further C$4.6MM has been earmarked for 'discretionary activities' - including the construction of two drilling pads for future exploration and drilling a Sidewinder North exploration well in 1Q17 (fiscal 4Q17).

Fiscal 2017 Capital Program



Source: Company reports

Valuation - 'Core' 2P NAV plus Net Cash: C$1.18/Share

Based on our long-term $65 Brent price deck, we value TAG Oil's 2P reserves at C$0.93/share; net cash adds C$0.25/share - resulting in a 'core' 2P NAV plus net cash of C$1.18/share.

Risked development upside adds a further C$0.17/share by our estimates, resulting in an overall risked NAV of C$1.35/share.

On cashflow metrics, the company trades at 5.7x 2017E DACF (vs. peers at 4.1x).

We thus resume coverage of TAG Oil with a BUY recommendation and a C$1.20/share target price, the latter in-line with our 'core' 2P NAV plus net cash valuation.

Upcoming Catalysts:

- Year End Results – June
- Year End Reserves – June
- Material/accretive M&A
- Results from the 2016 New Zealand Bid Round
- Operational updates

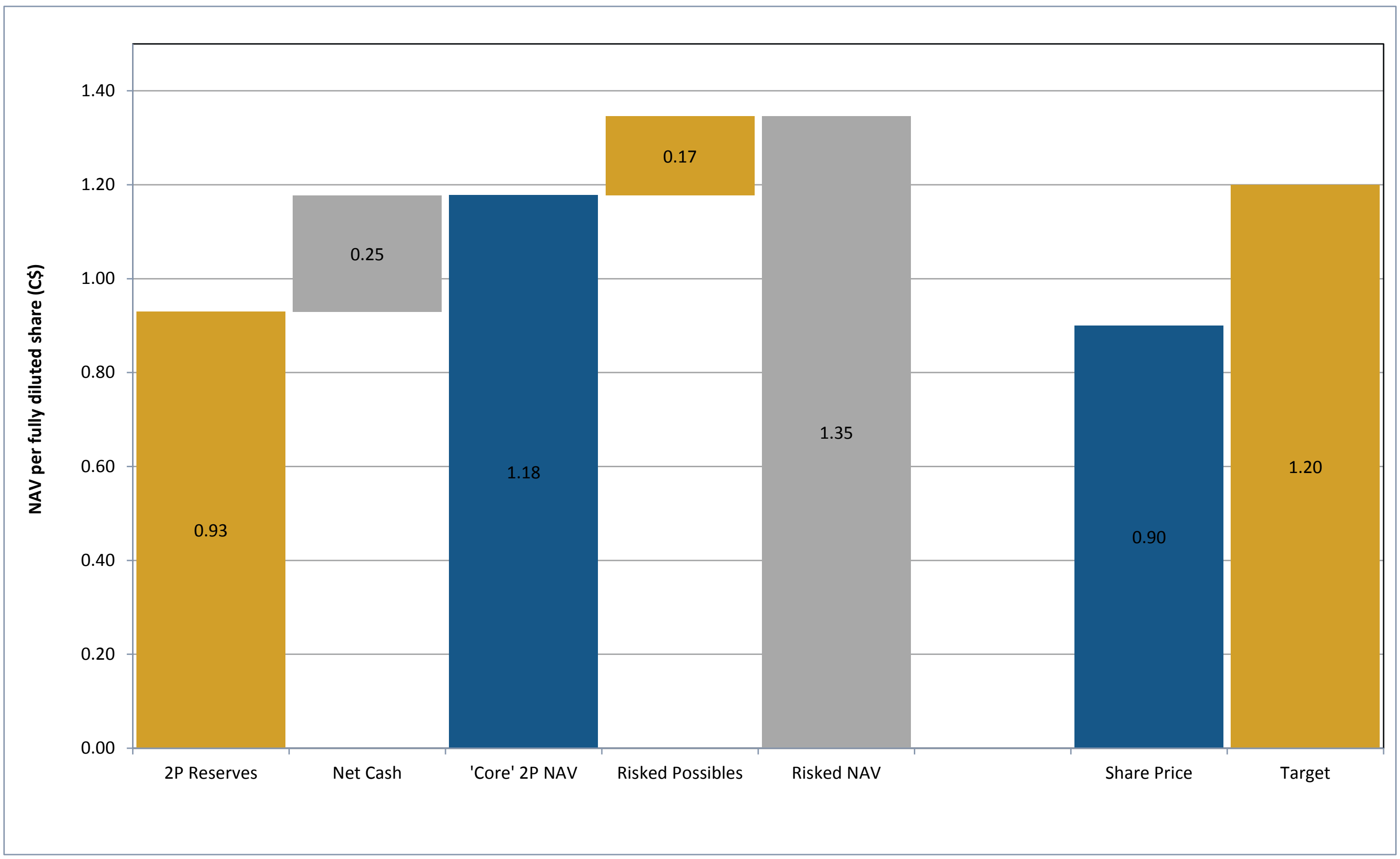
TAG Oil - 'Base Case' & 'High Case' Risked NAV

	Unrisked Reserves mmboe	Chance Of Success %	Risked Reserves mmboe	Gross NPV Unrisked US$m	Gross NPV Risked US$m	TAG working interest	Net risked reserves mmboe	Net NPV to TAG Unrisked US$m	Net NPV to TAG Risked US$m	Per boe US$/boe	Net NPV to TAG Risked C$/share	Unrisked C$/share
2P Reserves												
Taranaki - Oil	4.3	100%	4.3	44.0	44.0	100%	4.3	44.0	44.0	10.23	0.92	0.92
Taranaki - Gas	0.4	100%	0.4	0.4	0.4	100%	0.4	0.4	0.4	1.01	0.01	0.01
2P Reserves	**4.7**		**4.7**	**44.4**	**44.4**		**4.7**	**44.4**	**44.4**	**9.50**	**0.93**	**0.93**
Financial Items												
Net Cash/(Debt)								12.1	12.1		0.25	0.25
Options & Warrants								0.0	0.0		0.00	0.00
Sub-total								12.1	12.1		**0.25**	**0.25**
Core 2P NAV								**56.5**	**56.5**		**1.18**	**1.18**
Development Reserve Base/Appraisal												
Possibles - Cheal & Sidewinder	1.7	50%	0.8	16.1	8.1	100%	0.8	16.1	8.1	9.50	0.17	0.34
Development Reserve Base	**1.7**		**0.8**	**16.1**	**8.1**		**0.8**	**16.1**	**8.1**	**9.50**	**0.17**	**0.34**
Total	**6.4**		**5.5**				**5.5**	**72.6**	**64.5**		**1.35**	**1.52**

Note: valuations are post-tax and discounted at 10% per annum at $65/bbl Brent.

Source: DCM estimates, Company reports

TAG Oil - Risked NAV Waterfall



Source: DCM estimates, Company reports

TAG Oil - Financials

Fiscal Year	2014A	2015A	Q1 16A	Q2 16A	Q3 16A	Q4 16E	2016E	Q1 17E	Q2 17E	Q3 17E	Q4 17E	2017E	2018E
Calendar Year	1Q14A	1Q15A	2Q15A	3Q15A	4Q15A	1Q16E	1Q16E	2Q16E	3Q16E	4Q16E	1Q17E	1Q17E	1Q18E
WTI (US$/bbl)	99.06	73.21	57.68	46.48	42.02	33.17	44.84	45.07	47.47	48.28	49.05	47.47	52.23
Brent (US$/bbl)	107.56	77.07	63.50	51.30	44.69	35.06	48.64	46.49	48.90	49.55	50.01	48.74	54.75
Exchange rate (C$/$)	1.05	1.14	1.23	1.31	1.34	1.38	1.31	1.28	1.28	1.28	1.28	1.28	1.28
Working Interest oil & gas production (mboe/d)	**1.867**	**1.856**	**1.689**	**1.341**	**1.263**	**1.267**	**1.390**	**1.222**	**1.205**	**1.229**	**1.268**	**1.231**	**1.528**
Income Statement (C$m)													
Overall revenues	**57.5**	**53.7**	**10.4**	**7.4**	**5.1**	**5.0**	**27.8**	**5.7**	**6.0**	**6.3**	**6.6**	**24.6**	**36.1**
Interest income	0.0	0.5	0.1	0.2	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
OPEX, Transportation & Storage	(14.3)	(18.6)	(4.8)	(4.6)	(3.1)	(3.0)	(15.6)	(2.7)	(2.7)	(2.7)	(2.7)	(10.8)	(14.6)
G&A	(7.7)	(8.4)	(2.1)	(1.9)	(1.9)	(1.4)	(7.3)	(1.4)	(1.4)	(1.4)	(1.4)	(5.7)	(6.0)
Stock-based compensation	(2.0)	(1.4)	(0.9)	(0.4)	(0.2)	(0.2)	(1.7)	(0.2)	(0.2)	(0.2)	(0.2)	(0.9)	(1.0)
DD&A	(13.2)	(17.0)	(3.9)	(3.2)	(2.8)	(2.8)	(12.7)	(2.7)	(2.7)	(2.7)	(2.7)	(10.8)	(13.4)
Impairment	(1.0)	0.0	(1.0)	(2.6)	(2.1)	0.0	(5.7)	0.0	0.0	0.0	0.0	0.0	0.0
Interest income/(expense)	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FX Gains/(Losses)	1.2	1.3	0.6	0.8	(0.3)	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Gain/(loss) acquisition	0.0	0.0	0.0	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Other	(0.7)	(81.1)	0.1	0.2	(6.4)	0.0	(6.1)	0.0	0.0	0.0	0.0	0.0	0.0
Taxes - total	(7.0)	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	**0.0**	**0.0**	0.0	0.0	0.0	0.0	**0.0**	0.0	0.0	0.0	0.0	**0.0**	**0.0**
Clean earnings after tax	**7.7**	**(69.8)**	**(2.4)**	**(4.7)**	**(12.3)**	**(3.1)**	**(22.4)**	**(1.9)**	**(1.6)**	**(1.4)**	**(1.3)**	**(6.2)**	**(3.2)**
Shares Outstanding - Basic - End of period	**64.2**	**62.4**	**62.4**	**62.4**	**62.4**	**62.2**	**62.2**	**62.2**	**62.2**	**62.2**	**62.2**	**62.2**	**62.2**
Shares Outstanding - Basic - Average	61.2	63.4	62.4	62.4	62.4	62.3	62.3	62.2	62.2	62.2	62.2	62.2	62.2
Shares Outstanding - Diluted - End of period	**65.4**	**66.7**	**65.9**	**65.9**	**65.9**	**65.8**	**65.9**	**65.8**	**65.8**	**65.8**	**65.8**	**65.8**	**65.8**
Shares Outstanding - Diluted - Average	64.8	66.6	66.3	65.9	65.9	65.8	66.0	65.8	65.8	65.8	65.8	65.8	65.8
Per Share (US$) :													
Reported net income per share - Basic	**0.13**	**(0.89)**	(0.03)	(0.06)	(0.15)	(0.04)	**(0.27)**	(0.04)	(0.03)	(0.03)	(0.03)	**(0.13)**	**(0.07)**
Reported net income per share - Diluted	0.12	(0.84)	(0.03)	(0.05)	(0.14)	(0.03)	(0.26)	(0.04)	(0.03)	(0.03)	(0.03)	(0.12)	(0.06)
Cash flow per share - Basic	**0.47**	**0.34**	0.04	0.02	(0.02)	(0.00)	**0.04**	0.02	0.03	0.03	0.03	**0.11**	**0.23**
Cash flow per share - Diluted	0.45	0.34	0.04	0.02	(0.02)	(0.00)	0.04	0.02	0.03	0.03	0.03	0.11	0.22
Cash Flow Statement (C$m)													
Earnings after tax	**7.7**	**(69.8)**	**(2.4)**	**(4.7)**	**(12.3)**	**(3.1)**	**(22.4)**	**(1.9)**	**(1.6)**	**(1.4)**	**(1.3)**	**(6.2)**	**(3.2)**
Non-cash items													
Stock-based compensation	2.0	1.4	0.9	0.4	0.2	0.2	1.7	0.2	0.2	0.2	0.2	0.9	1.0
DD&A	13.2	17.0	3.9	3.2	2.7	2.8	12.6	2.7	2.7	2.7	2.7	10.8	13.4
Gain/(loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unrealized FX gain	0.0	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Future income tax recovery	5.2	(5.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash	1.7	0.2	0.3	(0.3)	5.4	0.0	5.3	0.0	0.0	0.0	0.0	0.0	0.0
Operating Cash flow	**29.9**	**24.2**	**3.1**	**1.3**	**(1.6)**	**(0.1)**	**2.7**	**1.0**	**1.3**	**1.5**	**1.6**	**5.5**	**11.1**
Change in non-cash working capital	(7.0)	4.4	0.2	1.9	(1.5)	0.1	0.8	0.1	0.0	0.1	0.0	1.2	0.9
Cashflow from operations	**22.9**	**28.6**	**3.3**	**3.2**	**(3.1)**	**0.0**	**3.5**	**1.2**	**1.3**	**1.6**	**1.7**	**5.8**	**12.0**
Property & Equipment / Exp'n & Eval assets													
Capital expenditure	**(66.7)**	**(50.7)**	**(9.7)**	**(2.2)**	**(2.0)**	**(0.5)**	**(14.4)**	**(1.4)**	**(1.5)**	**(2.6)**	**(2.1)**	**(7.6)**	**(10.2)**
Acquisitions	5.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Restricted cash	(0.1)	(0.0)	(0.0)	(0.0)	(0.5)	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Addition to other capital assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.8	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cashflow after investments	**(36.6)**	**(21.7)**	**(6.4)**	**1.0**	**(5.5)**	**(0.5)**	**(11.4)**	**(0.2)**	**(0.2)**	**(1.0)**	**(0.4)**	**(1.8)**	**1.8**
Change in ST Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in LT Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in convertible debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from warrants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from options	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Issuance of common stock	19.5	(3.3)	(0.1)	(0.1)	(0.0)	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cashflow after financing	**(16.9)**	**(24.9)**	**(6.5)**	**0.9**	**(5.5)**	**(0.5)**	**(11.6)**	**(0.2)**	**(0.2)**	**(1.0)**	**(0.4)**	**(1.8)**	**1.8**
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase in cash & equivalents	(16.9)	(24.9)	(6.5)	0.9	(5.5)	(0.5)	(11.6)	(0.2)	(0.2)	(1.0)	(0.4)	(1.8)	1.8
Cash & cash equivalents - beginning of period	68.9	52.0	27.1	20.5	21.4	15.9	27.1	15.5	15.2	15.0	14.0	15.5	13.6
Cash & cash equivalents - end of period	**52.0**	**27.1**	**20.5**	**21.4**	**15.9**	**15.5**	**15.5**	**15.2**	**15.0**	**14.0**	**13.6**	**13.6**	**15.4**
Net cash/(debt)	52.0	27.1	20.5	21.4	15.9	15.5	15.5	15.2	15.0	14.0	13.6	13.6	15.4
Balance Sheet (C$m)													
Assets													
Cash & cash equivalents	**52.0**	**27.1**	**20.5**	**21.4**	**15.9**	**15.5**	**15.5**	**15.2**	**15.0**	**14.0**	**13.6**	**13.6**	**15.4**
Restricted cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Marketable securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	11.8	7.0	8.1	6.5	5.2	1.7	1.7	1.9	2.0	2.1	2.2	2.2	4.0
Prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.7	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Assets	**68.1**	**38.6**	**32.6**	**32.0**	**26.1**	**22.1**	**22.1**	**22.1**	**22.0**	**21.1**	**20.8**	**20.8**	**24.4**
Oil & gas properties	210.2	158.0	139.7	138.2	142.5	140.2	140.2	139.0	137.8	137.7	137.0	137.0	133.9
Investments	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill/Intangible Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other/restricted cash	0.2	0.3	0.3	0.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Fixed Assets	**210.6**	**158.3**	**140.0**	**138.6**	**146.7**	**144.5**	**144.5**	**143.2**	**142.1**	**141.9**	**141.3**	**141.3**	**138.1**
Total Assets	**278.7**	**196.9**	**172.7**	**170.6**	**172.9**	**166.5**	**166.5**	**165.3**	**164.1**	**163.0**	**162.1**	**162.1**	**162.5**
Liabilities													
ST Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current portion of LT Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	12.2	9.7	5.4	5.6	2.8	2.5	2.5	2.9	3.0	3.2	3.3	3.3	6.0
Other ST liabilities	0.0	1.1	1.2	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Current Liabilities	**12.2**	**10.8**	**6.5**	**6.6**	**3.9**	**3.6**	**3.6**	**3.9**	**4.1**	**4.2**	**4.4**	**4.4**	**7.0**
Long term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Future income tax liabilities	5.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other LT liabilities	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Long term Liabilities	**17.2**	**12.2**	**10.9**	**11.1**	**14.0**	**14.0**	**14.0**	**14.0**	**14.0**	**14.0**	**14.0**	**14.0**	**14.0**
Total liabilities	**29.5**	**23.0**	**17.5**	**17.7**	**17.9**	**17.6**	**17.6**	**18.0**	**18.1**	**18.3**	**18.4**	**18.4**	**21.1**
Share capital	233.8	230.6	230.5	230.4	230.4	230.4	230.4	230.4	230.4	230.4	230.4	230.4	230.4
Contributed surplus	15.9	17.3	18.2	18.6	18.8	19.0	19.0	19.2	19.5	19.7	19.9	19.9	20.9
Retained earnings	(36.4)	(105.3)	(107.2)	(111.8)	(123.4)	(126.5)	(126.5)	(128.4)	(130.0)	(131.4)	(132.7)	(132.7)	(135.9)
Shareholders Equity	**249.2**	**173.9**	**155.2**	**153.0**	**155.0**	**148.9**	**148.9**	**147.3**	**145.9**	**144.8**	**143.7**	**143.7**	**141.4**
Total Liabilities & Equity	**278.7**	**196.9**	**172.7**	**170.6**	**172.9**	**166.5**	**166.5**	**165.3**	**164.1**	**163.0**	**162.1**	**162.1**	**162.5**

Source: DCM estimates, Company reports

APPENDIX I: Taranaki Basin - Asset Overview

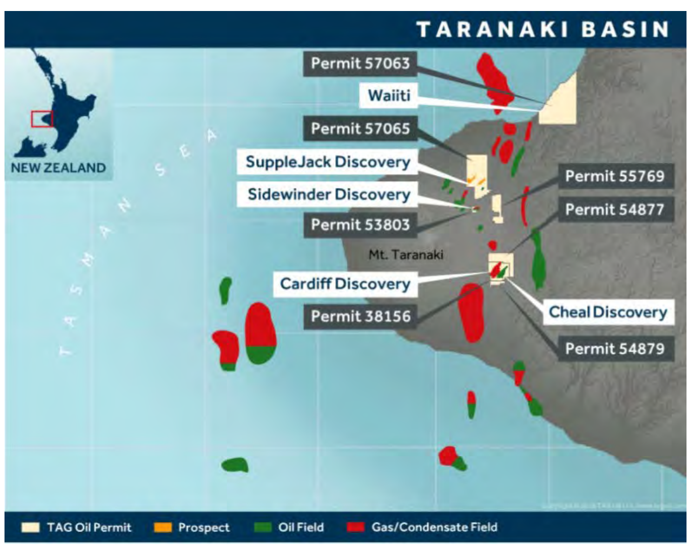
With fewer than 500 exploration and development wells drilled since 1950, the Taranaki Basin remains substantially underexplored and underexploited.

TAG's Focus - Taranaki Basin

Source: New Zealand Petroleum & Minerals

TAG Oil holds seven permits in the Taranaki Basin - Permit 38156 (which contains the Cheal discovery and Cardiff discovery/prospect) and Permit 53803 (which contains the Sidewinder discovery and Hellfire prospect) are held 100% and operated by TAG Oil.

TAG Oil - Permits in the Taranaki Basin



Source: Company reports

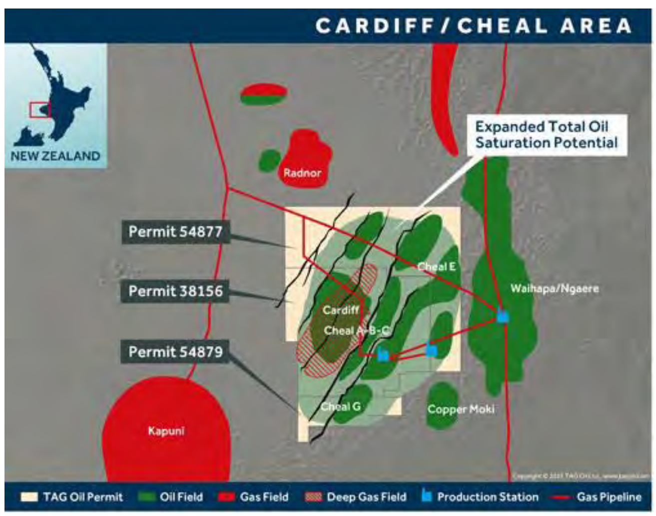
Cheal Permit - Low-Risk Development Opportunities & Exploration Upside

The Cheal oil and gas field was discovered in 2006 and has since been appraised and developed from three drill pads, with thirty six wells drilled to date.

The field still, however, remains at a relatively early stage of development:

- **Untapped Stacked Reservoirs:** Management has identified additional upside in up-hole sands; many of the wells drilled to date have two or more stacked reservoir intervals - with only one interval currently producing;
- **Potential Resource/Reserve Growth Via Enhanced Recovery:** There is the potential for TAG to materially increase its resource/reserve base by improved artificial lift techniques, dual completions, reservoir stimulations & waterflooding;
- **Potential Exploration Upside:** Permit wide 3D seismic coverage indicates that there are additional drilling targets across the Cheal Permit;
- **High-Impact Deep Gas/Condensate Prospectivity:** In addition to pursuing the shallow, stacked Miocene reservoirs (Urenui and Mt. Messenger), TAG has identified Cardiff - a deeper Eocene gas/condensate prospect. The reserve size and deliverability potential are greater than the shallow drilling program due to greater depth and over pressuring - conservative recoverable resources estimates for one Cardiff well is 53 bcf and 2.12 mmbl (NGL).

Cardiff/Cheal Area



Source: Company reports

Summary of TAG Oil's Permits

Basin	Permit	Play Name	Land (acres) Gross	Land (acres) Net	WI
Taranaki	54879	Cheal South	1,102	551	50%
Taranaki	54877	Cheal East	6,158	4,311	70%
Taranaki	38156	Cheal & Cardiff	7,487	7,487	100%
Taranaki	55769	Sidewinder East	2,915	2,915	100%
Taranaki	53803	Sidewinder Mining Permit	715	715	100%
Taranaki	57065	Sidewinder North	14,725	14,725	100%
Taranaki	57063	Waiiti	22,054	22,054	100%
			59,431	**57,033**	

Source: Company reports

Appendix II: Risks

Commodity Price: Changes in underlying crude oil and natural gas prices would have a material impact on our investment thesis and valuation.

Technical Risk: Ongoing exploration, appraisal and development programs may be adversely impacted by poor technical results – this would lead to a reduction of TAG's prospect inventory and/or reserve base, resulting in an immediate and negative impact on its net asset value. The inherent risks associated with drilling remain, including, but not limited to: source, migration, reservoir and seal.

Operational Risk: Both subsurface and surface complications pose risks to TAG Oil – discouraging well test and long-term production data may lead to material changes in reserves, contingent and prospective resources. Surface complications including mechanical failures and the delayed arrival of equipment would also adversely impact operations.

Asset Concentration: Whilst management has ambitions to diversify, all of TAG's reserves and production currently lie within New Zealand - major disruptions in field and/or export infrastructure could severely impact sales volumes and financial forecasts.

Appendix III: Management - Profiles

Toby Pierce - Chief Executive Officer & Director

Mr. Pierce is a natural-resource executive with more than 19 years of extensive transactional and valuation experience in deal sizes ranging from several million to $1.3 billion in value. His body of experience, ranging from wellsite geology to Director of Oil and Gas Institutional Research to CEO and President, has given him a wealth of industry knowledge and deep understanding of oil and gas operations, capital markets, investment banking, mergers and acquisitions. Mr. Pierce is a graduate of the Rotman School of Management at the University of Toronto where he earned an M.B.A. in finance. He also holds a B.Sc. (Earth Sciences) degree from the University of Victoria.

Henrik Lundin - Chief Operating Officer

Mr. Lundin brings considerable global experience as a petroleum, thermal and reservoir engineer. Mr. Lundin began his oil and gas career as a field worker and field engineer in offshore Tunisia. He then worked as a petroleum/thermal engineer in Canada and Syria for Tanganyika Oil, moving to the role of reservoir engineer in 2009. Prior to joining TAG Oil, he worked as a Senior Reservoir Engineer for Lundin Petroleum. Mr. Lundin has a B.Sc. Petroleum Engineering degree from the Colorado School of Mines in Golden, Colorado. He will be based in New Zealand.

Max Murray - New Zealand Country Manager

Mr. Murray brings 30 years of experience and has a deep understanding of the New Zealand oil and gas landscape. With over six years spent with Origin Energy, Mr. Murray was most recently the Manager of Production Upstream E&P and Senior In-Country Manager, accountable for the safe and efficient operation of all producing assets across Australia and New Zealand. He previously held senior positions with Swift Energy New Zealand, Ras Laffan Liquefied Natural Gas Co. Ltd., and Methanex New Zealand.

Dr. David Bennett - Technical Director

Dr. Bennett has extensive exploration, technical, operational, and corporate experience in New Zealand and throughout Australasia. As a hands-on director, he has an active role within TAG Oil high-grading and prioritizing the prospect inventory, and giving technical guidance to the company’s exploration and development programs. Dr. Bennett is a former director of TAG and was previously the Chief Executive Officer of Austral Pacific Energy (formerly Indo-Pacific Energy Ltd.) and Trans-Orient Petroleum. He holds an MSc in Exploration Geophysics from Leeds University, UK, and a PhD in Geophysics from the Australia National University.

Barry MacNeil - Acting Chief Financial Officer

Mr. MacNeil is a Chartered Professional Accountant who has more than 20 years of accounting experience in public and private practice. Mr. MacNeil has been a director and officer of multiple public companies, including Trans-Orient Petroleum Ltd. Mr. MacNeil is also currently the CFO of Coronado Resources Ltd. (TSXV: CRD), and McorpCX, Inc. (TSXV: MCX), and acts as Corporate Controller for TAG Oil Ltd.

Appendix IV: Board of Directors - Profiles

Alex Guidi - Chairman

Mr. Guidi is an oil and gas entrepreneur and the founder of TAG Oil - he has also founded several Canadian-based international oil production and exploration companies. From the early 1990's to the present, these companies have conducted widespread acquisition, development and exploration campaigns in Australasia, resulting in the discovery of several significant oil and gas fields.

Ken Vidalin - Director

Mr. Vidalin has more than 20 years' experience as a board member of public and private companies. Mr. Vidalin was the founder, former director, and former COO of Canadian-based Methanex Corporation – the world's leading methanol producer with major infrastructure in New Zealand and the country's largest commercial user of natural gas. He holds a B.Sc. in mechanical engineering from the University of North Dakota.

Keith Hill - Director

Mr. Hill is the Chairman of Black Pearl Resources Inc. (TSX: PXX) and ShaMaran Petroleum Corp. (TSX-V: SNM), and is the CEO of Africa Oil Corp. (TSX-V: AOI). Prior to this, Mr. Hill was instrumental in developing Valkyries Petroleum Corp. and Tanganyika Oil Company Ltd., both highly successful international oil and gas producers which were acquired by major oil companies. Mr. Hill holds a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University, as well as an MBA from the University of St. Thomas in Houston.

Brad Holland - Director

Mr. Holland has more than 35 years of experience planning, designing and managing major, worldwide oil and gas industry projects. His expertise has been established and honed over 18 years as Senior Project Engineer for Saudi Aramco, a global leader in oil and gas, and at Wood Group Mustang, overseeing major oil and gas pipeline projects. He holds a B.Sc. in Chemical Engineering from the University of Alberta.

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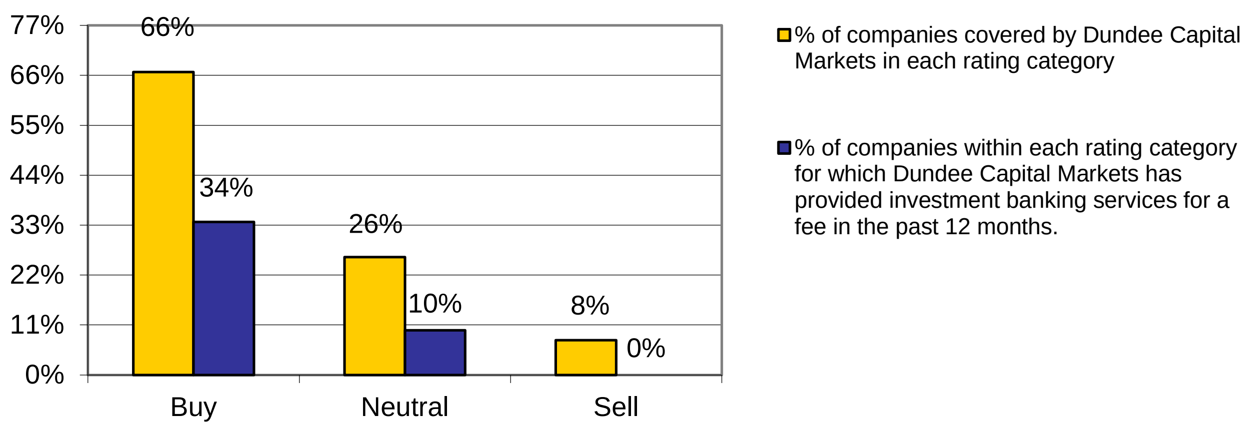

As at March 31, 2016

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