TAG Oil

Egyptian Operator Primed for Growth

TSXV : **TAO** | OTCQX : **TAOIF**

December 2022

Forward-Looking Statements and Disclaimer

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.

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. All estimates and statements that describe the Company's operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein. TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors change.
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 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 Oil's independent resource evaluators represent the fair market value of the resources.

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. Contingent resources, by definition, are not classified as reserves due to several conditions including but not limited to the uncertainties of future oil prices and performance of the initial pilot wells in the first phase of the field development of the project which must be resolved to ensure commerciality. There is no certainty that it will be commercially viable to produce any portion of the resources. The Development Pending sub-set for contingent resources have reasonable potential for eventual commercial development, to the extent that further data acquisition and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame.

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. The Company's future success in exploiting and increasing its current resource 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 resources 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 resources 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.

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.

Certain information in the Information Materials may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to the areas in geographical proximity to the lands held by TAG. 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 TAG believes are predominantly independent in nature. TAG believes this information is relevant as it helps to define the reservoir characteristics in which TAG may hold an interest. TAG is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the Canadian Oil and Gas Evaluator Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by TAG and there is no certainty that the reservoir data and economics information for the lands held by TAG will be similar to the information presented therein. The reader is cautioned that the data relied upon by TAG may be in error and/or may not be analogous to TAG's land holdings.

All currency amounts in this document are stated in Canadian dollars unless otherwise indicated.

Crude Oil and Natural Gas Liquids		**Natural Gas**	
bbl	barrel(s)	Mcf	thousand cubic feet
bopd	barrels per day	MMcf	million cubic feet
Mbbl	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbl	million barrels	MMcf/d	million cubic feet per day
boe	barrel of oil equivalent	Bcf	billion cubic feet
boepd	barrel or barrels of oil equivalent per day	NGL	natural gas liquids
MMboe	million barrel of oil equivalent		

Experienced Leadership Team

Abby Badwi

Executive Chairman, BSc

Proven oil & gas executive with over 45 years of experience of delivering outstanding returns for shareholders

Toby Pierce

Chief Executive Officer, BSc, MBA

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

Suneel Gupta

Chief Operating Officer, BSc, MSc

Senior executive in the international oil & gas industry with over 30 years experience in operations, business development and as a general manager

Gamal Rezk

General Manager, Egypt

24 years of oil and gas industry experience working with international energy companies with head-offices based overseas is instrumental in aligning corporate office personnel with Egypt based operations

Gavin Wilson

Director, BA

Investment Manager for Meridian Group of Companies, a private investment Company. Over 25 years of oil & gas investment experience

Shawn Reynolds

Director, BSc, MA, MBA

Portfolio manager at Van Eck Securities focused on oil & gas covering global energy companies. Formerly an exploration geologist for Tenneco

Keith Hill

Director

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

Thomas Hickey

Director, MBA

Attorney of the State of California and Solicitor of the Supreme Court of England and Wales, with over 20 years' of international oil & gas sector experience. Head of Corporate Legal for Roquette Frères S.A. in France

Track Record

- **Management has a successful track record of delivering value to shareholders:**
  - **TAG Oil** (New Zealand and Australia), Toby Pierce as CEO (2015 to present) completed the sale of New Zealand and Australian assets and return of capital to shareholders of $25.6 million in 2020
  - **Kuwait Energy** (Egypt, Oman and Iraq), Abby Badwi as CEO (2017 to 2019) grew production and completed the sale of the company in 2019 for US$830 million
  - **Bankers Petroleum** (Heavy oil in Albania), Abby Badwi as CEO and Vice Chairman (2008 to 2016) and Suneel Gupta as COO (2004 to 2016), grew production and reserves in Albania and sold the company in 2016 for $790 million
  - **Verano Energy** (Colombia), Abby Badwi as Founder and Chairman completed the sale of the company in 2014 for $200 million
  - **Rally Energy** (Scimitar Egypt), Abby Badwi as CEO (2005 to 2007) grew production and reserves in Egypt and Pakistan and sold the company in 2007 for $890 million
- **The team completed its first major transaction in Egypt in October 2022**

Foundation for Growth

- **Working Capital**[1]
  - $9.2 million[1] in cash with no debt
  - $11.4 million[1] in working capital
  - $25.3 million additional gross proceeds of financing on Nov. 4, 2022
  - G&A significantly covered by royalty and interest payments
- **Capital Structure**
  - 155 million shares o/s; 168.7 million fully diluted after Nov. 4, 2022, financing
- **Royalty Revenue**
  - 2.5% on gross revenue produced from the New Zealand assets
  - $947,477 royalty payments received in 2022
  - Applies to all current and future production
- **Egypt**
  - Signed a petroleum services agreement with Badr Petroleum Company on October 13, 2022 to develop Abu Roash "F" ("ARF") formation in the Badr Oil Field ("BED-1"), a 107 km² (26,000 acres) concession located in the Western Desert, Egypt
  - An independent resources evaluation prepared by RPS of the ARF formation in BED-1 indicates 531.5 mmb of oil-initially-in-place ("OIIP")[2]
- **New Zealand**
  - Potentially up to US$3.5 million in milestone payments with estimated payout over two to four years
- **Australia**
  - Three blocks sold in 2020 for a cash payment of ~A$2,500,000
  - TAG Oil to receive a 3.0% gross overriding royalty on potential future gas production

(1) As at fiscal Q2/23 (September 30, 2022)
(2) Estimate of P50 volumes from independent resources evaluation of the ARF formation in BED-1, Western Desert, Egypt, dated November 21, 2022, prepared by independent qualified reserves evaluator, RPS Energy Canada Ltd. ("RPS") with an effective date of March 31, 2022.

CAPITALIZATION TABLE

($C Millions, except per share figures)	TSXV: TAO
Basic Shares Outstanding[1]	155.0
In-The-Money Options[2]	7.5
In-The-Money Warrants[2]	6.3
F.D. Shares Outstanding	**168.8**
Share Price[1]	**$0.51**
F.D. Market Capitalization	**$85.9**

(1) As at close on November 18, 2022
(2) As at fiscal Q2/23 (September 30, 2022)

USE OF PROCEEDS FROM FINANCING

	Amount
Operational and Drilling Budget for Fourth Quarter 2022 and 2023 (comprised of well re-activations and exploration wells)[1]	$18,500,000
Other Acquisition Opportunities[2]	$1,500,000
Equipment Inventory Orders for 2024[3]	$250,000
Unallocated Working Capital & Offering Fees/Expenses	$1,750,000
Total Expected Use of Proceeds	**$22,000,000**

Notes:

(1) To fund the Company's fourth quarter 2022 and 2023 operational and drilling budget at the ARF Reservoir in BED-1 in accordance with the PSA.
(2) To fund the Company to conduct technical studies and evaluations to pursue other acquisition opportunities in Egypt.
(3) To fund the Company to place equipment inventory orders for the Company's 2024 drilling campaign.

Strategy and Vision

- Driven by strong supply / demand fundamentals, oil prices have increased sharply post pandemic
- Focus on sourcing E&P acquisitions of international opportunities in Egypt and the Middle East / North Africa (MENA) Region
- Acquisition to be funded primarily out of existing cash, reserves base lending and production off-take credit facilities and equity issuance if necessary
- Utilize the leadership team expertise to target assets with significant upside potential by applying horizontal drilling techniques and enhanced secondary and tertiary recovery methods and access to capital to execute on strategic vision
- Strive to increase cash flow by continuous efforts to lower operating costs and general and administrative expenses
- Growth to continue by further development of acquired assets and corporate consolidation opportunities

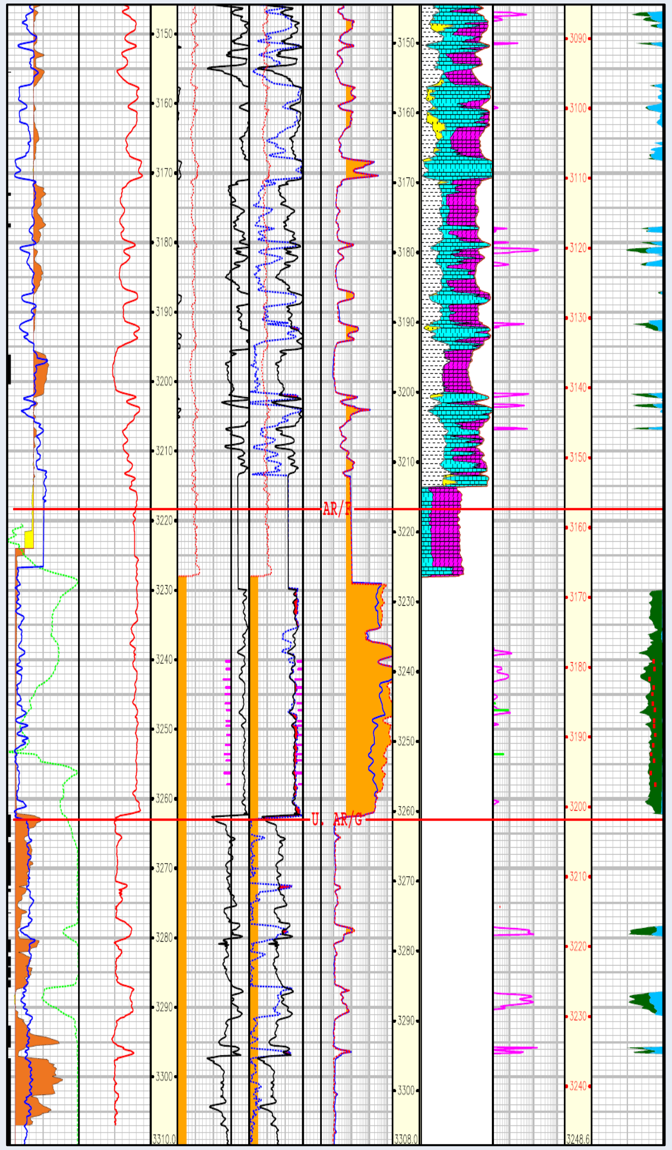
EGYPT

- Egypt is a democratic republic, its geography, population and history, have made it a highly influential country in the region
- Is the largest Arab country and has played a central role in Middle Eastern politics in modern times
- It has the largest and most diversified economies in the Middle East
- Oil and gas, mining, agriculture, the Suez Canal, tourism and textile industry are the major contributors to Egypt's economy
- Egypt produces approximately 700,000 bopd and is a net exporter of natural gas
- Recently signed a tri-lateral agreement with Israel and the EU to be a major gas and LNG export hub to Europe

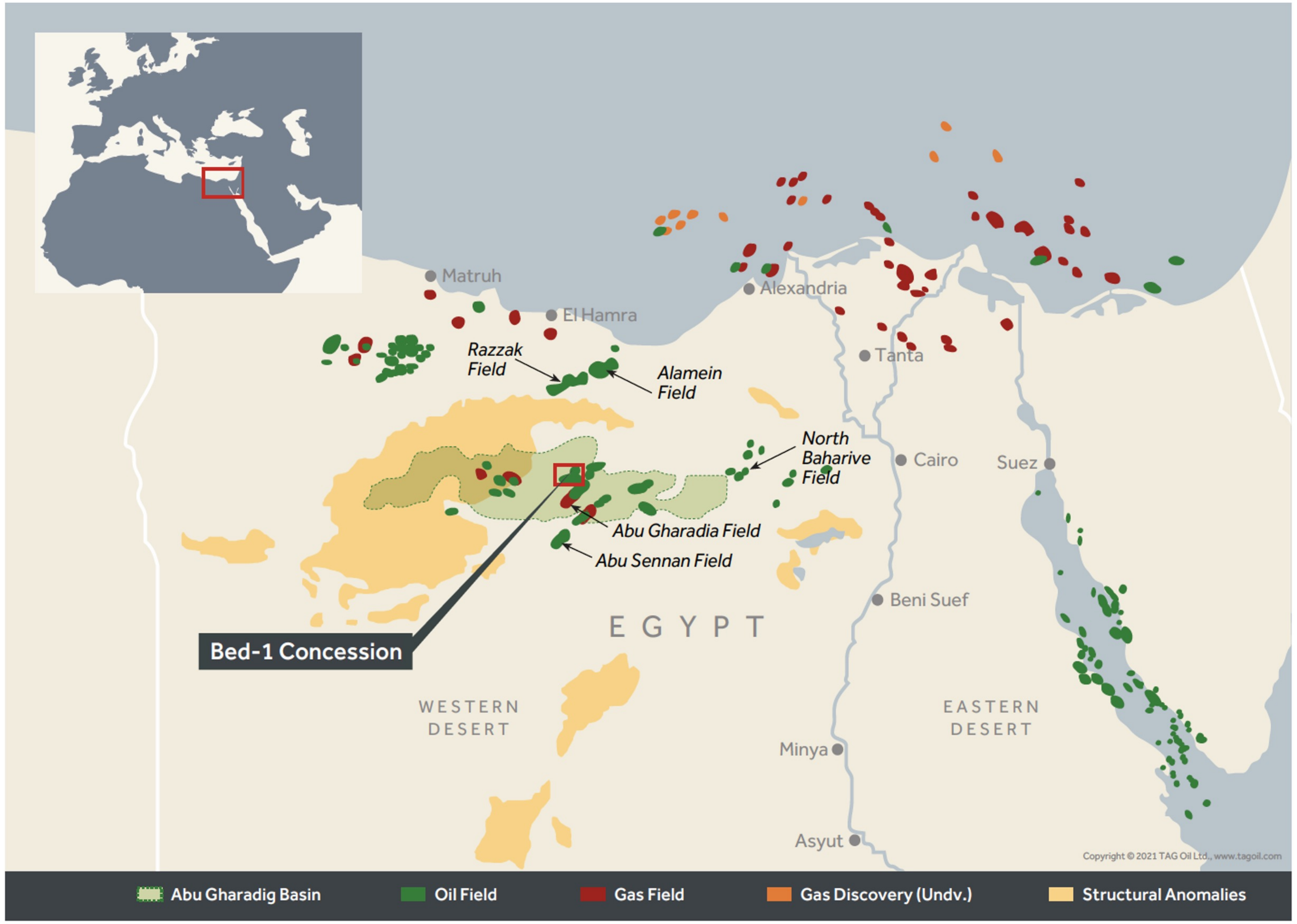
BED-1 Petroleum Services Agreement

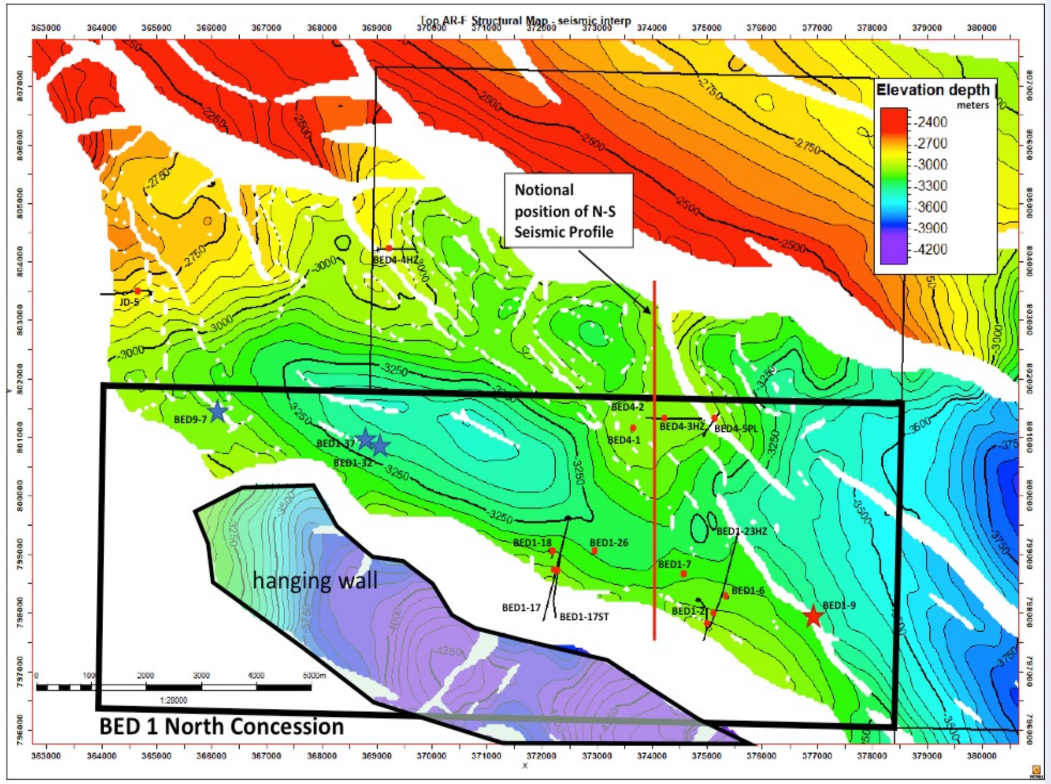
- Concession term until 2032 with a 10-year extension
- Badr Petroleum Company to pay the Company a service fee as a percentage of gross Production Revenue Entitlement to compensate the Company for assuming 100% of the capital and operating expenditures and to include a share of profit oil
- **Signature Bonus US$3.0 million**
- This resource play can be developed through proven technologies of long-reach horizontal wells, hydraulic fracture stimulation and potentially other Enhanced Oil Recovery production methodologies successfully implemented by TAG's management team's previous operating expertise
- Three Phase Development:
  - **Phase 1:** Evaluation Period, which is considered as a pilot development stage
  - **Phase 2 and 3:** Commercial Production stages that will be commenced once the pilot stage is successful

BED 1-7
Thick 40 meters
ARF Formation



Egypt Oil & Gas Fields - BED-1





BED-1 DEVELOPMENT PROGRAM PHASE 1

First Well Re-Completion: BED 1-7 Vertical Well

- Well previously tested at a peak rate of **418 barrels of 24° API oil** and produced **~20,000** barrels of oil from the ARF during a one-year production period before being suspended.

Q4 2023
- Condition open-hole with production liner
- Re-complete the ARF and conducting DFIT
- Gather information on geo-mechanical and natural fracture network in ARF

Q4 2023
- Hydraulic fracture stimulation for improved permeability and productivity, flow-back and production cycle to access potential oil recovery from ARF

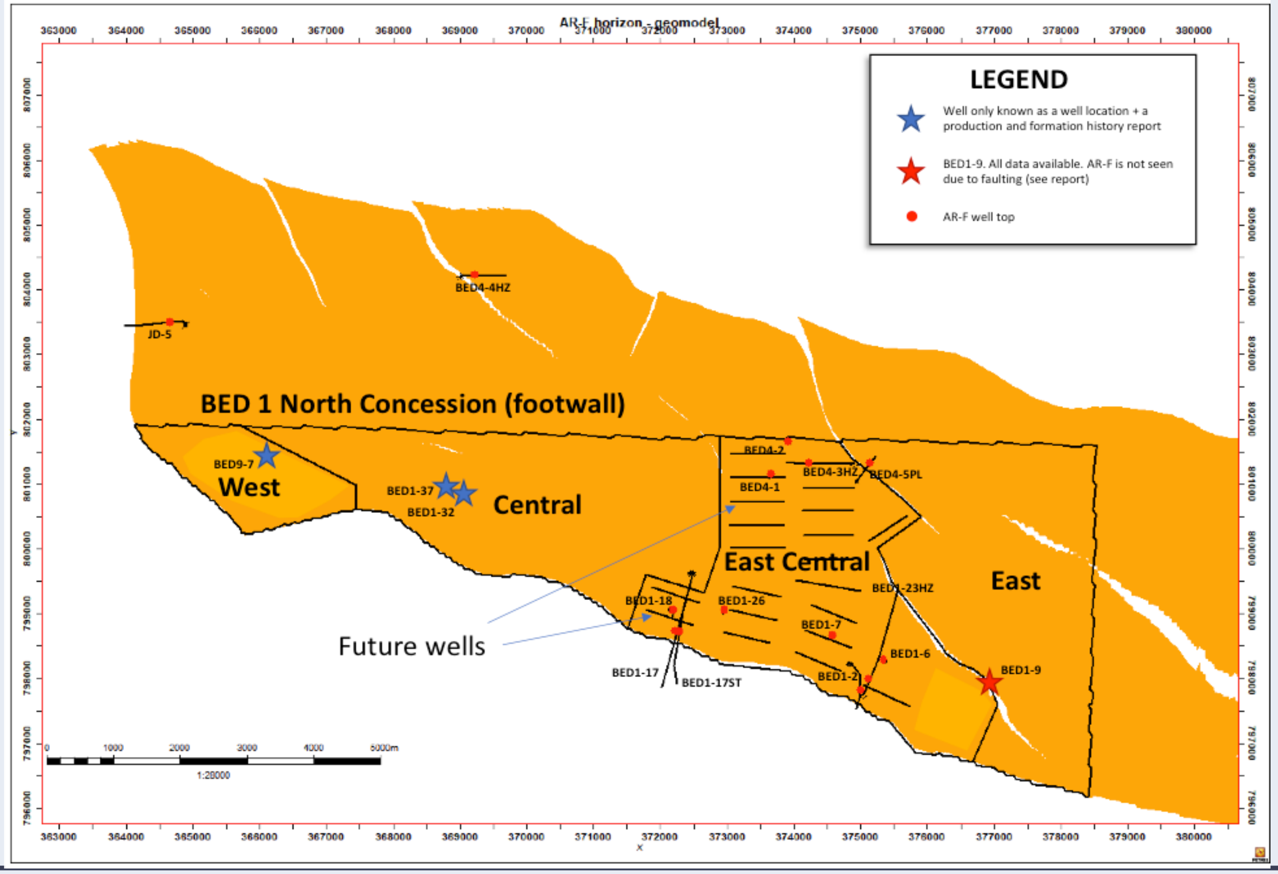
Q1 2024
- Provide Well Results to shareholders
- Collected data from BED 1-7 incorporated into modelling studies for first horizontal well

Q2 2024
- Drilling of first horizontal ARF well in BED-1
- Drilling rig secured and ready to spud

Q4 2024
- Second horizontal well to be drilled after observation of production performance of two previously drilled wells

RESERVES SUMMARY HIGHLIGHTS - BED-1

- RPS estimates the ARF OIIP P50 Volumes to be 531.5 million barrels over the BED-1 concession area and Mean Volumes to be 536.6 million barrels. The discovered OIIP in the ARF is imaged by 3D seismic coverage, significant well control with over 30 penetrations, petrophysical analysis of available log and core data and production tests from the ARF.
- TAG Oil's current Field Development Plan ("FDP"), consisting of drilling 20 horizontal wells to be completed with multi-stage fracture stimulation, is focused on the east central part of the BED-1 concession area, and contains OIIP P50 Volumes of 178.3 million barrels and Mean Volumes of 179.0 million barrels.
- FDP Capital investment discounted at 10% is US$104 million for the 2C Development Pending Contingent Resources in the ARF.
- FDP Operating investment discounted at 10% is US$160 million for the 2C Development Pending Contingent Resources in the ARF.
- RPS best estimate for Contingent Resources volumes (2C Development Pending) is 27.0 million barrels gross with 16.5 million barrels net to the Company.
- RPS estimate for Contingent Resources (2C Development Pending) net present value discounted at 10% and assumed RPS Price Forecast of April 1, 2022, per barrel is US$339 million (risked at 80% chance of development) and US$423 million (un-risked).



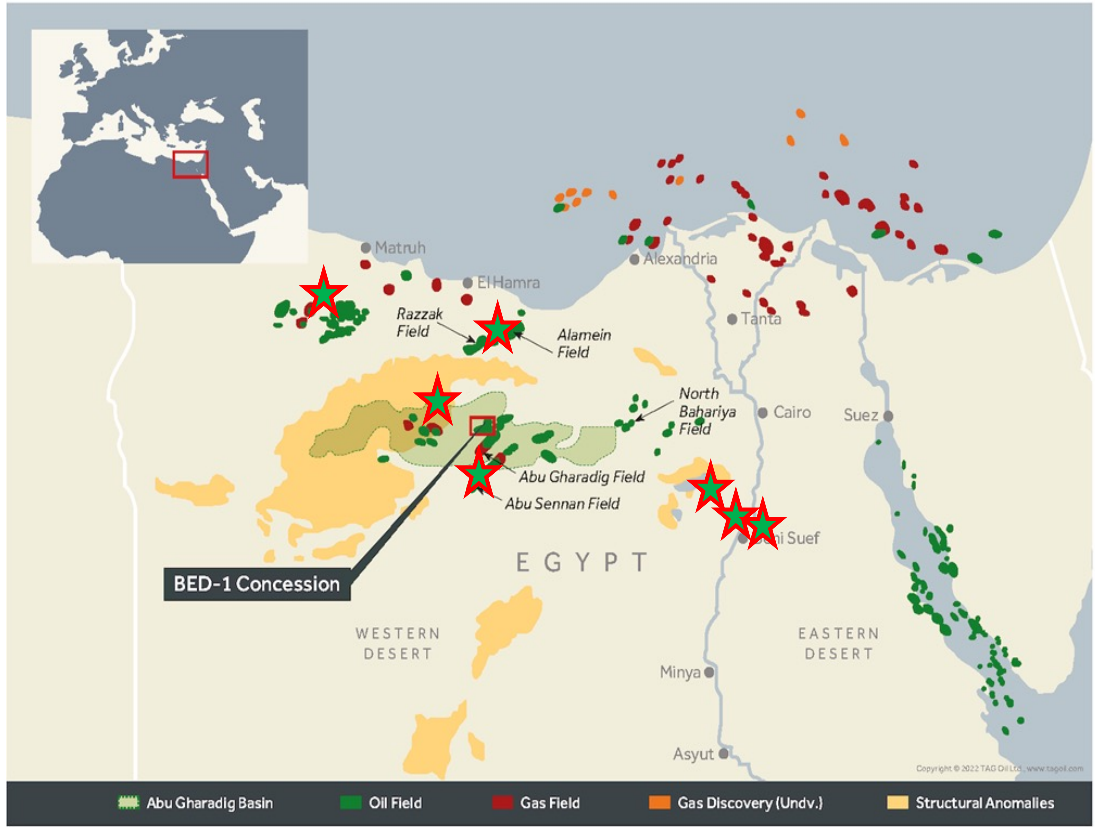
Comparison summary of BED-1 ARF Egypt and Eagle Ford in Texas

Asset	Location	Formation	Age	Depth	Avg Thickness	Porosity	Avg Perm	Avg Sw	Avg TOC	Avg Pressure	Avg Temp	Oil Quality	Lithology	Environment
BED-1 Field	Egypt	ARF	Early Cretaceous	10,000'	130-165'	5-9%	Nanodarcy range	5%	2.30%	6,200 psi	117° C	18-26°	Organic dolomitic shales with silty sand and limestone streaks	Shallow marine anoxic deposition
Eagle Ford	USA	Eagle Ford	Late Cretaceous	4,000-12,000'	250'	0.5-10%	Nanodarcy range	7-31%	2.40%	4,700 psi	102° C	30-60°	Organic marine shales and marls with thin interbedded limestones	Shallow marine anoxic deposition

Key Comparisons:

- Water saturation for ARF in BED-1 Field is much lower than in Eagle Ford.
- Average Total Organic Content (TOC) is very similar between BED-1 ARF and Eagle Ford.
- Oil quality and viscosity is slightly better in the Eagle Ford compared to the BED-1 ARF.
- Reservoir pressure and temperature for BED-1 ARF are both higher than the Eagle Ford.
- Similar depositional environments as well as age of deposition.
- BED-1 ARF has less shale content suggesting it is more brittle than the Eagle Ford and therefore more amenable to hydraulic fracturing.
- Reservoir depth of the BED-1 ARF is similar to the depth of the oil window in the Eagle Ford.
- Permeabilities for both unconventional reservoirs are on the nano-darcy scale prior to fracturing.

Egypt and Gulf Area Acquisition Opportunities



- TAG has been and continues to evaluate new acquisitions and joint venture opportunities in Egypt and the Arabian Gulf area, specifically Bahrain and Oman in order to expand and find the right fit for the Company's portfolio

Reserves Summary Highlights - New Zealand

- TAG continues to receive Royalty Revenue from New Zealand Assets
  – 2.5% on gross revenue produced from the New Zealand assets
  – $947,477 royalty payments received in 2022
  – Applies to all current and future production

- Independent reserves report associated with TAG's royalty interests within Petroleum Mining Permit ("PMP") 38156 (Cheal A/B), PMP 60291 (Cheal E) and PMP 53803 (Sidewinder) (collectively the "Permits"), onshore New Zealand, dated November 7, 2022, prepared by independent qualified reserves evaluator, ERC Equipoise Ltd. ("ERCE").

- ERCE estimates the 1P Proven Reserves Volumes to be 14 thousand barrels and 2P Proven plus Probable Reserves Volumes over the Permits to be 53 thousand barrels net to the Company.

- Net present value discounted at 10% is $1.47 million for Proved Reserves and $4.96 million for Proven plus Probable Reserves.

Why TAG Oil?

- Experienced exploration, development and operations team
- Strategic petroleum services agreement to develop the BED-1 ARF formation in stable, secure country with very good fiscal terms
- Targeting long life production with potential resources upside, with potential of 531.5 mmb OIIP in the BED-1 ARF formation
- Continuing to pursue other strategic opportunities in Egypt and the MENA Region
- Strong balance sheet and no debt

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