TAGOil

Management's Discussion and Analysis

For the Period Ending
September 30, 2023

TAGOIL.COM

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated November 29, 2023, for the six months ended September 30, 2023 and should be read in conjunction with the condensed consolidated interim financial statements for the same period and the audited conslidated financial statements for the year ended March 31, 2023.

The condensed consolidated interim financial statements for the six months ended September 30, 2023, have been prepared in accordance with International Financial Reporting Standards ("IFRS") specifically IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Results for the six month period ended September 30, 2023, 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. (the "Company" or "TAG") is a Canadian international upstream oil and gas exploration and production company listed on the TSX Venture Exchange under the trading symbol "TAO". The Company is focused on oil and gas exploration and development opportunities in the Middle East and North Africa ("MENA"). TAG holds an interest in the Badr Oil Field ("BED-1"), a 26,000 acres concession located in the Western Desert, Egypt, through a Production Services Agreement ("PSA") with Badr Petroleum Company ("BPCO"). The Company also is entitled to a 2.5% royalty on gross revenue produced from the New Zealand assets previous sold and 3.0% gross overriding royalty on potential future gas production from its former Australian assets.

TAG's long-term plan is to deliver sustainable shareholder value through the evaluation of new acquisitions and joint venture opportunities primarily in Egypt and the broader MENA region, with the aim of expanding and identifying suitable additions to the Company's portfolio.

TAG will maintain its primary focus on the BED-1 field and continue to work on optimizing and unlocking shareholder value in other assets.

TAG CORPORATE

On November 17, 2023, the Company was approved for a reduction in the Letter of Guarantee in the amount of US$2,562,595 based on expenditures reviewed by EGPC for fulfilling a portion of the commitments outlined in the PSA.

On September 1, 2023, the Company issued 1,450,000 shares for stock options exercised at a price of $0.25 per share.

On September 1, 2023, the Company issued 2,343,750 shares for warrants exercised at a price of $0.16 per share.

On August 24, 2023, and September 22, 2023, the Company issued 21,126,542 common shares for public offering and over-allotment option at a price of $0.58 per common share for aggregate gross proceeds of $12.25 million. The aggregate underwriters' fee paid to the underwriters in connection with the offering was $1.01 million and $0.05 in other costs relating to the issuance.

On July 19, 2023, the Company issued 1,562,500 shares for warrants exercised at a price of $0.16 per share.

On July 11, 2023, the Company granted 1,800,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On June 26, 2023, the Company issued 2,187,500 common shares for warrants exercised at a price of $0.16 per share.

Between May 10, 2023, to May 24, 2023, the Company issued 770,000 common shares for stock options exercised at a price of $0.50 per share.

On February 21, 2023, the Company issued 125,000 common shares for stock options exercised at a price of $0.50 per share.
On February 27, 2023, the Company granted 200,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On February 9, 2023, the Company granted 3,600,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On February 1, 2023, the Company issued 249,999 common shares for stock options exercised at a price of $0.25, $0.45, and $0.70 per share.

On February 1, 2023, the Company issued 156,250 common shares for warrants exercised at a price of $0.16 per share.

On January 6, 2023, the Company issued 130,000 common shares for stock options exercised at a price of $0.50 per share.

On December 15, 2022, the Company granted 1,150,000 stock options that are exercisable for a period of five years from the date of grant at a price of $0.70 per share.

On November 4, 2022, the Company completed a public offering of 63,250,000 common shares of the Company, at a price of $0.40 per common share for aggregate gross proceeds of $25.3 million. The aggregate fees paid in connection with the offering was $1.9 million.

RESULTS FROM OPERATIONS

On September 22, 2022, the Company was awarded the PSA for the development of the unconventional Abu Roash "F" ("ARF") reservoir in BED-1, Western Desert, Egypt, by BPCO, subject to various conditions. The two financial conditions being a signature bonus of US$3.0 million ($4.0 million) paid to BPCO and a performance letter of guarantee (of US$6.0 million ($8.3 million) in favor of BPCO for work commitments to be completed. The PSA was formally signed on October 13, 2022.

On January 26, 2023, the Company commenced at BED-1 the re-completion and evaluation operations of the BED 1-7 vertical well. These initial operations are part of TAG's phase 1 development program of ARF reservoir in the BED-1. On May 19, 2023, the BED 1-7 well started oil production from the ARF reservoir. The performance of the BED 1-7 well test has achieved the Company's objectives for the well, and data collected from the well along with geomechanical and 3D seismic review will be implemented for the first horizontal well.

On June 19, 2023, the Company announced that it was successful in securing a suitable drilling rig for the first horizontal well, BED4-T100 ("T100"), designed with a multi-stage fracture stimulation completion of the ARF reservoir. Mobilization of the rig was subsequently completed and the T100 well commenced drilling in August. Commencing the T100 drilling program marks a significant milestone in the Company's operations and ongoing commitment to unlocking the ARF reservoir's potential in BED-1.

The T100 well design included a vertical assessment pilot hole drilled down to the base of the Abu Roash "F" ("ARF") formation for open-hole logging, formation imaging, pressure measurement and fluid sampling. The vertical pilot was subsequently plugged-back prior to commencing whip-stock drilling of the build and lateral section of the well. The information obtained including gamma-ray, mud logs and drill cuttings is being used in conjunction with the work completed on the geo-mechanical properties and 3D seismic interpretation in the area, to design the well completion and fracture stimulation program. Performance from the T100 well will be important for planning and executing future drilling plans.

The horizontal build section of the T100 well and approximately 300 meters into the planned 1,000-meter lateral section in the ARF target reservoir encountered very good oil shows with high hydrocarbon gas readings and good indications of primary porosity. Initial drilling of the ARF unconventional, carbonate formation performed well at smooth build angles and steadily increasing drilling rates. However, drilling was encumbered by mechanical issues with the directional drilling tools and a minor throw fracture feature at which the Company elected to drill higher in the 50-meter ARF pay zone to go over the faulted section with the aim of increasing the final lateral length of the well. Drilling has commenced from the intermediate cased section at about 2,800 meters. Following completion, the drilling rig will be released and a rig-less well completion phase with fracture stimulation of the ARF will start immediately after.

The BED 1-7 well has been on production since April 2023 and has reached a cumulative production of approximately 10,000 barrels of oil from the ARF. The well is currently undergoing a build-up assessment of the reservoir pressure to determine the depletion and potential of the well. It will be followed by clean-out operations and then will resume production. The Company is pleased with the results from the well and it provides important data for further development planning of the ARF in the BED-1 field.

On November 4, 2022, the Company completed an offering of 63,250,000 common shares at a price of $0.40 per common share for aggregate net proceeds to the Company of $23,782,000. The following table provides an update on the anticipated use of proceeds raised in the November offering, along with the amounts expended:

The following table outlines the proposed use of the proceeds of the raise completed on November 4, 2022:

Activity or Nature of Expenditure	**Proposed use of Net Proceeds**	**Approximate Use of Proceeds to September 30, 2023**	**Variance**	**Comments**
Operational and Drilling Budget for fourth quarter of 2022 and 2023 (comprised of well re-activations and exploration wells)				
One well re-activation	$2,000	$5,370	$(3,370)	Rig availability, material and service provider availability and fishing activities added additional costs.
One horizontal side-track	$5,500	$0	$5,500	Work on the horizontal side-track well is tentatively scheduled for Q2 2024.
One horizontal new well with a vertical pilot hole	$11,000	$4,600	$6,400	T100 is in progress and looking to complete in Q4 2023 and may exceed the estimated spend of $11,000.
Other Acquisition Opportunities	$1,500	$950	$550	The Company is continuing to look at other acquisition opportunities.
Equipment Inventory Orders for 2024	$250	$647	$(397)	Equipment inventory orders are exceeding the estimated amount of $250.
Unallocated Working Capital	$3,532	$3,532	$0	
Total	**$23,782**	**$15,099**	**$8,683**	

The Company is part way through the program laid out in the November offering and is showing a variance of $8,683 as at September 30, 2023. The timing of the programs has been pushed out due to the availability of suitable rigs, material and service providers, and fishing and other activities in the executed portion of the program. Most of the variance in expenditures is slated for the horizontal well T100 with vertical pilot hole of $11,000, which has spudded in August of 2023 and completed the vertical pilot portion of the well, open-hole logging, formation imaging, pressure measurement and fluid sampling, and cement plug-back of lower vertical pilot hole. The drilling of build and lateral horizontal sections in the ARF reservoir has been encumbered by mechanical issues with the directional drilling tools and a minor throw fracture feature. Drilling is continuing from the intermediate cased section at about 2,800 meters. It is anticipated that the actual cost may exceed the original cost estimates. The horizontal side-track well will be planned and executed by information obtained in drilling the T100 well. The expected cost of the horizontal sidetrack should be in the range of the $5,500 indicated but could be revised after the results of the T100 are known. Other potential acquisition opportunities are ongoing and will continue to be funded, but no definite prospect has been accepted. Equipment orders for the 2024 program have been placed and currently exceed the $250 allocated but are within the amounts allocated in the current financing. The Company expects that it will be able to complete the activities or expenditures as outlined in the November offering.

The following table outlines the proposed use of the proceeds of the raise completed on August 24, 2023, and the over-allotment on September 22. 2023:

Activity or Nature of Expenditure	**Proposed use of Net Proceeds**	**Approximate Use of Proceeds to September 30, 2023**	**Variance**	**Comments**
Operational and Drilling Budget for third quarter of 2023 and year ended 2024 (comprised of exploration wells)				
Long lead items for the Drilling Program	$2,500	$0	$2,500	No current expenditures, and they are expected in the 2024 program.
Horizontal Drilling Program	$2,500	$0	$2,500	Work on the horizontal side-track well is tentatively scheduled for Q3 2024 but may be accelerated.
Potential Strategic Acquisition Opportunities	$2,500	$0	$2,500	The Company is continuing to look at other acquisition opportunities. The Company has funds remaining from previous financing still available therefore no current expenditures.
Unallocated Working Capital	$4,141	$0	$4,141	
Total	**$11,641**	**$0**	**$11,641**	

The Company is continuing to work through the program laid out in the August and September offering and is showing a variance with $11,641 remaining as at September 30, 2023. As we move into 2024, we will use the results of the T100 to evaluate and inform the future design and development of our program. It is anticipated that the above funds of $11,641 will be used as indicated in calendar 2024.

FIRST QUARTER FINANCIAL AND OPERATING HIGHLIGHTS

- At September 30, 2023, the Company had $23.0 million in cash and cash equivalents and $24.7 million in working capital.
- Production revenue in the amount of $0.3 million for the quarter ended September 30, 2023.
- Capital expenditures totaled $4.5 million for the quarter ended September 30, 2023.

BUSINESS ENVIRONMENT

OPEC Monthly Oil Report November 2023 reported: After three consecutive months of solid gains, crude oil futures prices retreated during a volatile October amid mixed signals from the market, witnessing about a 4% decline compared to September's monthly average. The market dynamics last month were influenced by a mixture of macroeconomic factors, geopolitical tensions, supply-demand factors, and sell-offs from money managers.

Crude oil futures prices sharply declined in the first week of October, fuelled by investors engaging in profit taking, reacting to the significant price surge from September. This came amid a market narrative on concerns about the macroeconomic outlook and weaker-than-expected US consumer spending data for August. Additionally, investors anticipated that the Fed might keep borrowing rates high for an extended period. This sentiment led to the US dollar gaining strength against other major currencies, a factor that exerts downward pressure on oil prices. The US dollar index rose to nearly a year high. Further declines in prices were driven by heavy sell-offs in futures and options long positions from hedge funds and other money managers. The selloff was fuelled by EIA data highlighting a substantial reduction in US gasoline demand on a weekly basis, and a larger-than-expected build-up in US crude oil stocks in the first week of October.

However, geopolitical developments in the Middle East added risk premiums to oil prices and fuelled volatility. Coupled with the Fed's optimistic remarks hinting at a more cautious approach to rate hikes, this limited the oil price decline. Positive physical market fundamentals also provided support.

In the third week of October, futures prices recouped some of the previous losses amid tensions in the Middle East and worries about a disruption in oil supplies. A seemingly resilient US economy, combined with a decrease in US crude stocks in the second week of October, provided additional support to oil prices.

Nonetheless, oil prices resumed their downward trend in the last week of October as investors shifted their focus to broader macroeconomic concerns, amid soft economic data from China that heightened concerns about slowing oil demand. Data indicating rising oil output, including from the US, further weighed on futures prices. On the other hand, weekly data indicating lower seasonal demand in the US, and refinery operations undergoing turnarounds – temporarily affecting demand for crude – also weighed on market sentiment.

As reported in OPEC's OMOR August 2023 report the forecast for world economic growth remains unchanged at 2.8% for 2023 and 2.6% for 2024. US economic growth is revised up to 2.3% for 2023 and 0.9% for 2024. Eurozone economic growth is revised down for both 2023 and 2024 to stand at 0.2% and 0.5%, respectively. Japan's economic growth forecast for 2023 is revised up to 1.9%, while growth in 2024 remains at 1.0%. The forecast for China remains unchanged at 5.2% for 2023 and 4.8% for 2024. India's growth forecast remains unchanged at 6.2% for 2023 and 5.9% for 2024. Brazil's forecast also remains unchanged at 2.5% in 2023 and 1.2% in 2024. Russia's economic growth forecast is revised up to 1.9% for 2023 and 1.2% for 2024.

The world oil demand according to OPEC's OMOR November 2023 report growth forecast for 2023 is revised up marginally from the previous month's assessment to 2.5 mb/d. Revisions to data for the OECD countries throughout the first three quarters largely offset each other. In the non-OECD, the upward revisions to China's oil demand in both 3Q23 and 4Q23 outpaced the downward revisions in the non-OECD region in 3Q23. In 2023, OECD oil demand is expected to rise by around 0.1 mb/d, while non-OECD oil demand is expected to increase by 2.4 mb/d. For 2024, world oil demand is expected to grow by a healthy 2.2 mb/d, unchanged from the previous month's assessment. The OECD is expected to expand by about 0.3 mb/d in 2024, with OECD Americas contributing the largest increase. The non-OECD is set to drive next year's growth, increasing by about 2.0 mb/d, with China, the Middle East, Other Asia and India contributing the most.

As reported in the OPEC OMOR August 2023 report, non-OPEC liquids supply growth forecast is revised up to 1.8 mb/d in 2023. Main drivers of liquids supply growth for 2023 include the US, Brazil, Kazakhstan, Norway, Guyana, Mexico and China. For 2024, non-OPEC liquids production is expected to grow by 1.4 mb/d, broadly unchanged from the previous month's assessment. Main drivers for liquids supply growth next year are set to be the US, Canada, Guyana, Brazil, Norway, and Kazakhstan. OPEC NGLs and non-conventional liquids are forecast to grow by around 50 tb/d in 2023 to average 5.4 mb/d and by another 65 tb/d to average 5.5 mb/d in 2024. OPEC-13 crude oil production in October increased by 80 tb/d m-o-m to average 27.90 mb/d, according to available secondary sources.

OUTLOOK AND RESPONSE TO COVID-19

The British Columbia and Alberta work environments have returned to pre-pandemic conditions. Travel restriction and increased precautions have been removed and progress and timing of most activities are normal. TAG has commenced exploration and evaluation operations in BED-1, Western Desert, Egypt, pursuant to the PSA and has established an Egyptian branch office. The Company is continuing to seek out and evaluate other new opportunities in the Middle East and North Africa.

The Company has sufficient liquidity to operate beyond the next twelve months. The Company completed an offering for aggregate gross proceeds of $12.25 million on August 21, 2023, and September 22, 2023 and continues to receive royalty payments, stemming from the sale of substantially all of TAG's Taranaki Basin assets and operations in New Zealand (the "NZ Transaction").

SUMMARY OF QUARTERLY INFORMATION

Canadian, except per share or boe	**Sept 30, 2023**	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Net production volumes (boe/d)	**41**	44	0	0	0	0	0	0
Total revenue	**262**	307	-	-	-	-	-	-
Operating costs	**(877)**	-	-	-	-	-	-	-
Depletion, depreciation and accretion	**(61)**	(44)	(43)	(41)	(40)	(40)	(32)	(28)
Foreign exchange (loss) gain	**326**	(400)	(46)	188	569	166	(153)	(87)
Interest and other income	**268**	255	275	210	62	24	4	4
Stock-based compensation	**(630)**	(262)	(683)	(175)	(33)	(53)	(46)	(78)
General and administative	**(1,125)**	(1,353)	(1,378)	(2,487)	(788)	(664)	(842)	(662)
Exploration expense and other income	**-**	(54)	(6)	-	(110)	(139)	31	(437)
Gain on lease modification	**-**	-	-	-	-	-	6	-
Gain (loss) on royalty valuation and other interests	**566**	43	990	(155)	791	603	1,173	75
Net (loss) income before tax	**(1,271)**	(1,508)	(891)	(2,460)	451	(103)	141	(1,213)
Income tax	**-**	-	-	-	-	-	-	-
Net (loss) income	**(1,271)**	(1,508)	(891)	(2,460)	451	(103)	141	(1,213)
(Loss) income per share – basic	**(0.01)**	(0.01)	(0.01)	(0.02)	0.00	(0.00)	0.00	(0.01)
(Loss) income per share – diluted	**(0.01)**	(0.01)	(0.01)	(0.02)	0.00	(0.00)	0.00	(0.01)
Adjusted net loss*(1)*	**(1,837)**	(1,551)	(1,881)	(2,305)	(340)	(706)	(1,038)	(1,288)
Capital expenditures	**4,516**	3,489	2,066	4,499	15	4	243	12
Cash flow used in o*perating activities(1)*	**(1,549)**	(727)	(1,179)	(2,207)	(803)	(837)	(885)	(1,109)

(1) Adjusted net loss and cash flow used in operating activities are non-GAAP measure. Adjusted net loss represents earnings before impairment expense and write-offs. Cash flow used in operating activities represents cash flow from operating activities before changes in working capital. See non-GAAP measures for further explanation.

The Company has produced revenue for the quarter ended September 30, 2023 in the amount of $262 compared to $307 for the quarter ended June 30, 2023 and $nil for the quarter ended September 30, 2022. The Company is currently incurring exploration costs while carrying out preliminary evaluation work on properties in Egypt. The Company has incurred operating costs of $877 for the quarter ended September 30, 2023 compared to $nil for the quarter ended June 30, 2023 and for the quarter ended September 30, 2022.

Net loss before tax for the quarter ended September 30, 2023, was $1,271 compared to $1,508 for the quarter ended June 30, 2023. The adjusted net loss is $1,837 for the quarter ended September 30, 2023, compared with $1,551 for the quarter ended June 30, 2023. The adjusted net loss compared to the prior quarter is primarily due to a increase in foreign exchange gain of $326 from a loss of $400 and offset by an increase in stock-based compensation of $630 up from $262 for the quarter ended June 30, 2023. Net loss before tax for the quarter ended September 30, 2023 was $1,271 compared to net income of $451 for the quarter ended September 30, 2022. The adjusted net loss is $1,837 for the quarter ended September 30, 2023, compared to $340 for the quarter ended September 30, 2022. The increase is due to general and administrative of $1,125 compared to $788 for the quarter ended September 30, 2022, an increase in stock-based compensation of $630 up from $33 for the quarter ended September 30, 2022 and a decrease in foreign exchange gain of $326 compared to foreign exchange gain of $569 for the quarter ended September 30, 2022.

General and Administrative Expenses ("G&A")

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Consulting and director fees	**64**	92	**145**	166
Filing, listing and transfer agent	**33**	37	**43**	46
Insurance	**42**	18	**91**	36
Office and administration	**182**	53	**360**	82
Professional fees	**110**	65	**262**	88
Rent	**14**	9	**47**	18
Reports	**31**	-	**31**	-
Shareholder relations and communications	**190**	136	**477**	225
Travel	**235**	43	**430**	114
Wages and salaries	**224**	335	**592**	677
Oil and Gas G&A expenses	**1,125**	788	**2,478**	1,452

General and administrative costs increased to $1,125 for the quarter ended September 30, 2023, from $788 for the quarter ended September 30, 2022. The increase is due to additional office and administration of $129, which is partly from the increased activity in the operations in Egypt, additional professional fees of $45 due to an increased legal and tax advice required for continuing operations in Egypt, additional shareholder relations and communications of $54 which includes a business development on a new project in Egypt and additional travel of $192.

The disclosure in the Company's short form prospectus dated August 21, 2023, regarding notable changes in the Company's general and administrative expenses relating to office and administration expenses and consulting and director fees for March 31, 2023 are as follows:

"The Annual MD&A indicated that consulting and director fees were $475,000 for the quarter ended March 31, 2023, and $774,000 for the year ended March 31, 2023. Additionally, salaries and wages were recorded as $29,000 for the quarter ended March 31, 2023, and $2,011,000 for the year ended March 31, 2023.

However, they should have been reported as consulting and director fees of $100,000 for the quarter ended March 31, 2023, and $399,000 for the year ended March 31, 2023. Furthermore, salaries and wages should have been stated as $404,000 for the quarter ended March 31, 2023, and $2,386,000 for the year ended March 31, 2023.

Consulting fees were overstated in the Annual MD&A by $375,000, while salaries and wages were understated by the same amount. This discrepancy occurred due to posting all the capitalized amounts of consulting and salaries and wages to the "Salaries and wages" category."

Stock-based Compensation

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Stock-based compensation	**630**	33	**892**	86

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

In the quarter ended September 30, 2023, the Company granted 1,800,000 stock options and 2,220,000 options were exercised.

Stock-based compensation increased to $630 in the quarter ended September 30, 2023, compared $33 for the quarter ended September 30, 2022. The increase in total stock-based compensation costs is due to options granted and vested in the current period.

Depletion, Depreciation and Accretion ("DD&A")

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Depletion, depreciation and accretion	**61**	40	**105**	80

DD&A expenses increased for the quarter ended September 30, 2023 to $61 compared with $40 for the quarter ended September 30, 2022. The increase is due to the deprecation of the Company's purchases of computer and office equipment in the quarter ended September 30, 2023 of $69 compared to $4 in the quarter ended September 30, 2022.

Foreign Exchange Gain (Loss)

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Foreign exchange gain (loss)	**326**	569	**(74)**	735

The foreign exchange gain (loss) for the quarter ended September 30, 2023 was a result of movement of the USD against the NZD and CDN.

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

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Net (loss) income before tax	**(1,271)**	451	**(2,779)**	348
Income tax	**-**	-	**-**	-
Net (loss) income after tax	**(1,271)**	451	**(2,779)**	348
(Loss) Earnings per share – basic ($)	**(0.01)**	0.00	**(0.02)**	0.00
(Loss) Earnings per share – diluted ($)	**(0.01)**	0.00	**(0.02)**	0.00

Cash Flow

	Three months ended		Six months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Operating cash flow *(1)*	**(1,549)**	(803)	**(2,276)**	(1,640)
Cash used in operating activities	**(1,552)**	(880)	**(3,830)**	(1,659)
Operating cash flow per share – basic and diluted ($)	**(0.01)**	(0.01)	**(0.01)**	(0.02)

(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 increased to $1,549 for the quarter ended September 30, 2023, compared to $803 for the quarter ended September 30, 2022.

CAPITAL EXPENDITURES

Capital expenditures consisted of exploration and evaluation assets of $4,369 and capital leases, computer and office equipment and leasehold improvements of $147 for the quarter ended September 30, 2023. Capex for the quarter ended September 30, 2022, consisted of $15 for capital leases, computer and office equipment and leasehold improvements.

FUTURE CAPITAL EXPENDITURES

The Company had the following commitments for capital expenditure at September 30, 2023:

Contractual Obligations	Total	Less than One Year	Two to Five Years	More than Five Years
Operating leases *(1)*	493	235	258	-
Other long-term obligations *(2)*	8,319	-	8,319	-
Total contractual obligations	8,812	235	8,577	-

(1) The Company has commitments related to corporate office leases signed in Vancouver and Calgary, Canada and a lease for apartments in Egypt .

(2) The Company has commitements under it's PSA related to exploration and evaluation in the BED-1 fiield in the Western Desert of Egypt.

The Company expects to manage its working capital on hand to meet its commitments in the PSA and any future selective development and exploration opportunities. Commitments and work programs are subject to change as dictated by cashflow. The Company is also obligated under the PSA to provide equal to US$50,000 at the beginning of each financial year towards training technology transfer.

LIQUIDITY AND CAPITAL RESOURCES

	Sept 30, 2023	Sept 30, 2022
Cash and cash equivalents	**23,029**	9,205
Working capital	**24,701**	11,448
Contractual obligations, next twelve months	**235**	233
Revenue for six month period ended	**569**	-
Cashflow used in operating activities for the six month period ended	**(3,830)**	(1,659)

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 recent financings, 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 focus on the recently signed PSA and continue to pursue opportunities with the goal of acquiring concessions leading to exploration, productions, and reserves.

The Company may require additional financing in the event of adding any additional material commitments or any additional agreements or 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.

Adjusted net (loss) income

The term "adjusted net loss" 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.

	Three months ended		**Six months ended**	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Adjusted net loss	**(1,837)**	(340)	**(3,388)**	(1,046)
Gain on royalty valuation	**566**	791	**609**	1,394
Net loss before tax	**(1,271)**	451	**(2,779)**	348

Reconciliation of Operating Cash Flow

Operating cash flow is a non-GAAP measure. Operating cash flow 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.

	Three months ended		**Six months ended**	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Cash used in operating activities	**(1,552)**	(880)	**(3,830)**	(1,659)
Changes in non-cash working capital	**3**	77	**1,554**	19
Operating cash flow	**(1,549)**	(803)	**(2,276)**	(1,640)

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions other than the transactions disclosed in this MD&A.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments on the Company's balance sheet include cash, trade receivable and other , restricted cash and accounts payable. The carrying value of these instruments approximates their fair value due to the short term nature of the instruments. Royalties are classified as fair value through profit or loss. 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, Executive 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 approximate what the Company would incur to arms-length parties for the same services. Compensation paid to key management is as follows:

	Three months ended		Nine months ended	
	Sept 30, 2023	Sept 30, 2022	**Sept 30, 2023**	Sept 30, 2022
Stock-based compensation	**284**	20	**467**	46
Management wages and director fees	**277**	237	**554**	474
Total management compensation	**561**	257	**1,021**	520

The breakdown for the related party transactions during the three months ended September 30, 2023:

Related Party	Role	Salaries	Stock-based compensation	Total
Abdel Badwi	Executive Chairman and Director	$ 120	$ 108	$ 228
Toby Pierce	CEO and Director	150	101	251
Suneel Gupta	VP and COO	120	25	145
Barry MacNeil	CFO	110	62	172
Gavin Wilson	Independent Director	18	41	59
Keith Hill	Independent Lead Director	18	62	80
Thomas Hickey	Independent Director	18	42	60
Shawn Reynolds	Independent Director	-	26	26
		$ 554	$ 467	$ 1,021

SHARE CAPITAL

a. At September 30, 2023, there were 185,117,793 common shares, 11,525,001 stock options outstanding and no warrants outstanding.

b. At November 29, 2023, there were 185,117,793 common shares, 11,525,001 stock options outstanding and no warrants outstanding.

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

SUBSEQUENT EVENTS

On November 17, 2023, the Company was approved for a reduction in the Letter of Guarantee in the amount of US$2,562,595 based on expenditures reviewed by EGPC for fulfilling a portion of the commitments outlined in the PSA.

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 consolidated financial statements. These estimates are subject to measurement uncertainty. Actual results could differ from and affect the results reported in these consolidated 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.

Property and Equipment, and Exploration and Evaluation

The recoverable amount for property and equipment and exploration and evaluation is the higher of fair value less costs to sell and value in use. In assessing fair value less costs to sell, the Company must estimate the price that would be received to sell the asset or cash-generating unit ("CGU") less any incremental costs directly attributable to the disposal. In assessing value in use, the estimated cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Arriving at the estimated future cash flows involves significant judgments, estimates and assumptions, including those associated with the future cash flows of the CGU, determination of the CGU and discount rates.

Royalty and Other Interests

The calculation of Royalty and Other Interests requires estimates of future production, oil and gas prices, and quality discounts. These estimates impact royalty and other interests and gain on royalty valuation.

Income taxes

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

Stock-based compensation

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

Functional currency

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

Contingencies

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

FUTURE CHANGES IN ACCOUNTING POLICIES

None noted.

CHANGES IN ACCOUNTING POLICIES

None noted.

BUSINESS RISKS AND UNCERTAINTIES

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

There have been no significant changes in these risks and uncertainties during the period ended September 30, 2023.

Please also refer to "Forward Looking Statements".

Additional information relating to the Company is available on Sedar+ at www.sedarplus.ca.

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 that it sold will continue to be operated 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.

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

The forward-looking statements contained herein are as of September 30, 2023, 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

CORPORATE OFFICE

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BANKER

Bank of Montreal
Vancouver, British Columbia

LEGAL COUNSEL

Blake, Cassels & Graydon LLP
Vancouver, British Columbia

AUDITORS

Deloitte
Chartered Professional Accountants
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
100 University Avenue, 9th Floor
Toronto, Ontario
Canada M5J 2Y1

Telephone: 1-800-564-6253
Facsimile: 1-866-249-7775

The Annual General Meeting was held on December 1, 2022 at 10:00 am in Vancouver, British Columbia, Canada.

SHARE LISTING

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

SHAREHOLDER RELATIONS

Telephone: 604-682-6496
Email: ir@tagoil.com

SHARE CAPITAL

At November 29, 2023, there were 185,117,793 shares issued and outstanding.
Fully diluted: 196,642,794 shares.

WEBSITE

www.tagoil.com

SUBSIDIARIES (at September 30, 2023)

TAG Energy International Ltd.
TAG Petroleum Egypt Ltd. (Cyprus)
TAG Petroleum Egypt Ltd. (Egypt Branch)
TAG Oil (NZ) Limited
TAG Oil (Offshore) Limited
Trans-Orient Petroleum Ltd.
Orient Petroleum (NZ) Limited
CX Oil Limited