Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023
(Unaudited)

(Expressed in thousands of Canadian Dollars, unless otherwise stated)

TAG Oil Ltd. 1050 West Pender Street, Suite 1710, Vancouver, British Columbia, Canada, V6E 3S7

Condensed Consolidated Interim Statements of Financial Position

(Expressed in thousands of Canadian Dollars)

Unaudited

	Note	September 30, 2024	December 31, 2023
Assets			
Current:			
Cash and cash equivalents		$ 4,413	$ 16,436
Trade receivable and other		1,330	788
Prepaid expenses	2	561	1,292
Restricted cash	5	608	-
Royalty and other interests	12	721	945
		7,633	19,461
Non-Current:			
Restricted cash	5	118	8,109
Royalty and other interests	12	1,217	1,771
Exploration and evaluation	3	38,225	24,099
Property and equipment	4	1,552	470
		$ 48,745	$ 53,910
Liabilities and Shareholders' Equity			
Current:			
Accounts payable and accrued liabilities	8	$ 5,034	$ 7,016
Lease liabilities	9	313	208
		5,347	7,224
Non-Current:			
Long term portion of lease liabilities	9	1,161	202
		6,508	7,426
Share capital	7	256,568	256,568
Stock-based payment reserve	7	23,969	23,435
Accumulated other comprehensive income (loss)		75	(344)
Deficit		(238,375)	(233,175)
		42,237	46,484
		$ 48,745	$ 53,910

Nature of Operations (Note 1)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Approved by the Board of Directors:

"Toby Pierce"	***"Abby Badwi"***
Toby Pierce, Director	Abdel (Abby) Badwi, Director

Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in thousands of Canadian Dollars, except for share information)

Unaudited

	Note	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue					
Oil sales		$ 403	$ 262	$ 403	$ 569
Expenses					
Production costs		(551)	(877)	(780)	(877)
Depletion and depreciation	4	(79)	(62)	(192)	(149)
Foreign exchange gain (loss)		1	326	288	(120)
General and administration		(1,672)	(1,124)	(5,025)	(3,855)
Interest and other income		76	268	441	798
Stock-based compensation		(110)	(630)	(534)	(1,575)
		(2,335)	(2,099)	(5,802)	(5,778)
Other Items					
Exploration expense		(10)	-	(27)	(60)
(Loss) gain on royalty valuation	12	(297)	566	(135)	1,599
Interest and penalties recovered	13	-	-	361	-
		(307)	566	199	1,539
Net loss for the period		$ (2,239)	$ (1,271)	$ (5,200)	$ (3,670)
Other comprehensive (loss) income					
(Loss) gain on translation of foreign operations		(483)	284	419	216
Net comprehensive loss for the period		$ (2,722)	$ (987)	$ (4,781)	$ (3,454)
Loss per share – basic and diluted	7	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.02)

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

TAG Oil

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

Unaudited

	Note	Nine Months Ended September 30, 2024	2023
Operating Activities			
Net loss for the period		$ (5,200)	$ (3,670)
Changes for non-cash operating items:			
Depletion and depreciation	4	192	149
Foreign exchange (gain) loss		(526)	559
Loss (gain) on royalty valuation		135	(1,599)
Interest on restricted cash		3	106
Stock-based compensation	7	534	1,575
		(4,862)	(2,880)
Changes for non-cash working capital accounts:			
Increase in trade receivable and other		(410)	(751)
Decrease/(increase) in prepaid expenses		731	(781)
(Decrease)/increase in accounts payable and accrued liabilities		(621)	892
Cash used in operating activities		(5,162)	(3,520)
Financing Activities			
Principal repayment of lease liability		(163)	(137)
Private placement	7	-	12,253
Share issue costs	7	-	(1,064)
Stock options exercised	7	-	976
Warrants exercised	7	-	1,000
Cash (used in) provided by financing activities		(163)	13,028
Investing Activities			
Exploration and evaluation additions	3	(15,069)	(9,134)
Property and equipment additions	4	(31)	(79)
Proceeds received on royalty and other interests	10	567	1,428
Cash used in investing activities		(14,533)	(7,785)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		158	21
Net (decrease in) increase in cash and cash equivalents during the period		(19,700)	1,744
Release of restricted cash		7,677	(135)
Cash and cash equivalents – beginning of the period		16,436	21,420
Cash and cash equivalents – end of the period		$ 4,413	$ 23,029
Supplementary disclosures:			
Interest received		$ 438	$ 692
Cash		$ 4,413	$ 22,891
Cash equivalents		-	138
		$ 4,413	$ 23,029

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in thousands of Canadian Dollars, except for share information)

Unaudited

	Number of Shares (Note 7)	Share Capital (Note 7)	Stock-Based Payments	Accumulated Other Comprehensive (Loss) Income	Deficit	Total Equity
Balance as at January 1, 2024	185,117,793	$ 256,568	$ 23,435	$ (344)	$ (233,175)	$ 46,484
Stock-based compensation	-	-	534	-	-	534
Net comprehensive income (loss)	-	-	-	419	(5,200)	(4,781)
Balance as at September 30, 2024	185,117,793	$ 256,568	$ 23,969	$ 75	$ (238,375)	$ 42,237
Balance as at January 1, 2023	155,016,252	$ 243,059	$ 21,881	$ -	$ (226,134)	$ 38,806
Private placement – net of share issue costs	21,126,542	11,189	-	-	-	11,189
Stock options exercised	2,724,999	1,338	(362)	-	-	976
Warrants exercised	6,250,000	1,000	-	-	-	1,000
Stock-based compensation	-	-	1,575	-	-	1,575
Net comprehensive income (loss)	-	-	-	216	(3,670)	(3,454)
Balance as at September 30, 2023	185,117,793	$ 256,586	$ 23,094	$ 216	$ (229,804)	$ 50,092

See accompanying notes to the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2024 and 2023
(Expressed in thousands of Canadian Dollars, unless otherwise stated, except per share, options or warrants)
Unaudited

Note 1 – Nature of Operations

TAG Oil Ltd. (the "Company" or "TAG") is a publicly listed issuer that is incorporated under the Business Corporations Act (British Columbia), with a current focus on oil and gas exploration and development opportunities in the Middle East and North Africa. TAG's head office is in Vancouver, British Columbia, Canada.

These condensed consolidated interim financial statements 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").

The accounting policies applied by the Company in the condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the nine month period ended December 31, 2023. However, as they are prepared on a condensed basis, they may lack certain disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company's last audited financial statements as at and for the nine month period ended December 31, 2023, issued on April 29, 2024.

These condensed consolidated interim financial statements were authorized for issuance on November 29, 2024, by the directors of the Company.

Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with IFRS on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations.

While the Company has a positive working capital balance of $2.3 million, there can be no assurance that the positive working capital balance will be sufficient to fund the Company's operations.

The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operations or obtain additional financing to fund its operations. Although the Company has raised funds through the issuance of equity securities in 2022 and 2023, there can be no assurance that the Company will be able to raise sufficient funds in the future.

If future financing efforts required to fund the Company's operations are unsuccessful it indicates that material uncertainties may exist that cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated financial statements do not include any adjustments to the carrying value of the assets and liabilities, the reported revenues and expenses, or the balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Note 2 – Prepaid Expenses

	September 30, 2024	December 31, 2023
Prepaid exploration work commitments (1)	$ -	$ 604
Prepaid expenses	561	688
	$ 561	$ 1,292

(1) The Company has advanced funds to Badr Petroleum Company ("BPCO") to cover the amounts for services and materials to be provided to the Company by vendors currently under contract to BPCO.

Note 3 – Exploration and Evaluation

The following table reconciles the change in the Company's exploration and evaluation:

	Abu Roash "F"
As at March 31, 2023	$ 6,647
Additions	17,912
Foreign exchange movement	(460)
As at December 31, 2023	24,099
Additions	13,754
Foreign exchange movement	372
As at September 30, 2024	$ 38,225
Carry amounts	
As at December 31, 2023	$ 24,099
As at September 30, 2024	**$ 38,225**

On October 13, 2022, the Company was awarded the petroleum services agreement (the "PSA") for the development of the unconventional Abu Roash "F" reservoir in the Badr Oil Field (the "Project Area"), Western Desert, Egypt, by BPCO, subject to various conditions. During the year ended March 31, 2023, the Company met the two financial conditions, being a signature bonus of US$3.0 million ($4.0 million) paid to BPCO and the performance letter of guarantee (the "Letter of Guarantee") of US$6.0 million ($8.2 million) in favor of BPCO for work commitments to be completed. The Letter of Guarantee must be renewed annually and may be reduced by up to US$3.0 million by the amount spent by TAG and approved by Egyptian General Petroleum Corporation. During the nine month period ended September 30, 2024, the Company issued letters releasing US$5.5 million ($7.4 million) of the Letter of Guarantee for completion of the majority of the commitments in the first phase of the PSA, leaving a balance US$0.4 million of the original US$ 6.0 million outstanding. 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. During the nine month period ended September 30, 2024, $13.8 million (December 31, 2023 – $17.9 million) in additions in exploration and evaluation consisted primarily of exploration work.

Note 4 – Property and Equipment

The following table reconciles the change in the Company's property and equipment:

	Right of use Assets	Office Equipment and Leasehold Improvements	Total
Cost			
As at March 31, 2023	$ 590	$ 355	$ 945
Additions	92	73	165
Disposals	(10)	(190)	(200)
Foreign exchange movements	(2)	(1)	(3)
As at December 31, 2023	670	237	907
Additions	1,250	31	1,281
Foreign exchange movements	(8)	1	(7)
As at September 30, 2024	$ 1,912	$ 269	$ 2,181
Accumulated depletion and depreciation			
As at March 31, 2023	$ (197)	$ (271)	$ (468)
Depletion and depreciation	(135)	(35)	(170)
Disposals	10	190	200
Foreign exchange movements	1	-	1
As at December 31, 2023	(321)	(116)	(437)
Depletion and depreciation	(164)	(28)	(192)
Foreign exchange movements	-	-	-
As at September 30, 2024	$ (485)	$ (144)	$ (629)
Carry amounts			
As at December 31, 2023	$ 349	$ 121	$ 470
As at September 30, 2024	$ 1,427	$ 125	$ 1,552

Note 5 – Restricted Cash

	September 30, 2024	December 31, 2023
GIC in support of Guarantee (1)	$ 608	$ 7,991
Mastercard securities	118	118
	$ 726	$ 8,109
Current portion of restricted cash	$ 608	$ -
Long-term portion of restricted cash	118	8,109
	$ 726	$ 8,109

(1) The Company issued a US$6.0 million Letter of Guarantee to BPCO secured by a US$6.0 million ($8.0 million) GICs for work commitments. The work commitments consist of assessing and modeling the Project Area and reprocessing existing seismic data; drilling one deviated well and hydraulic fracture and production testing the well; recompletion of wells including re-perforation and conduction all necessary tests to collect the necessary information and put the well on production; and conduct study of the effectiveness of improved production techniques, including water-flood, polymer-flood, and thermal recovery techniques by September 22, 2025. . During the nine month period ended September 30, 2024, the Company issued letters releasing US$5.5 million ($7.4 million) of the Letter of Guarantee for completion of the majority of the commitments in the first phase of the PSA, leaving a balance US$0.4 million of the original US$ 6.0 million outstanding.

Note 6 – Related Party Transactions

The amounts incurred for services provided by related parties approximate what the Company would incur to arms-length parties for the same services.

Key management consists of executive officers and directors. The compensation consists of the following:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Stock-based compensation	**67**	284	**288**	1,030
Management wages and director fees	**277**	277	**831**	818
Total management compensation	**344**	561	**1,119**	1,848

Note 7 – Share Capital

a) Authorized and Issued Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the nine months ended September 30, 2024:

No common shares were issued and no stock options or warrants were exercised.

b) Incentive Stock Options

The Company has a stock option plan for the granting of stock options to directors, employees, and service providers. Under the terms of the stock option plan, the number of shares reserved for issuance as stock options will be equal to 10% of the Company's issued and outstanding shares at any time. The exercise price of each option equals the market price of the Company's shares the day prior to the date that the grant occurs less any applicable discount approved by the Company's board of directors (the "Board") and per the guidelines of the TSX Venture Exchange. The maximum term for the expiry of stock options is five years.

During the nine month period ended September 30, 2024, no stock options were exercised, granted or expired.

The following is a continuity of outstanding stock options:

	Weighted Average of Options	Weighted Average of Exercise Price
Balance as at March 31, 2023	11,945,001	$ 0.46
Granted during the period	1,800,000	0.70
Exercised during the period	(2,220,000)	0.34
Balance as at December 31, 2023	11,525,001	$ 0.53
Cancelled during the period	(100,000)	0.48
Balance as at September 30, 2024	11,425,001	$ 0.53

The following table summarizes information about stock options that are outstanding at September 30, 2024:

Number of Options	Price per Share	Expiry Date	Options Exercisable
250,000	$0.50	February 7, 2025	250,000
3,266,667	$0.25	September 1, 2025	3,266,667
625,000	$0.25	September 11, 2025	625,000
650,000	$0.45	June 28, 2026	650,000
1,033,334	$0.70	December 15, 2027	1,033,334
3,600,000	$0.70	February 9, 2028	2,400,000
200,000	$0.70	February 27, 2028	133,333
1,800,000	$0.70	July 5, 2028	1,200,000
11,425,001			9,558,334

As at September 30, 2024, the weighted average contractual remaining life is 2.42 years.

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.

	Risk-free interest rate	Expected stock price volatility	Expected option life in years	Dividend rate
February 7, 2020	1.34%	62.09%	5 Years	Nil
September 1, 2020	1.30%	81.64%	5 Years	Nil
September 11, 2020	1.30%	82.12%	5 Years	Nil
June 28, 2021	0.97%	81.33%	5 Years	Nil
December 15, 2022	1.59%	88.00%	5 Years	Nil
February 9, 2023	1.62%	88.05%	5 Years	Nil
February 27, 2023	1.63%	86.46%	5 Years	Nil
July 5, 2023	3.82%	87.17%	5 Years	Nil

c) Warrants

The following is a continuity of outstanding warrants:

	Warrants	Weighted Average of Exercise Price
Balance as at March 31, 2023	6,093,750	$ 0.16
Exercised during the period	(6,093,750)	0.16
Balance as at December 31, 2023 and September 30, 2024	-	$ -

d) Loss Per Share

Basic and diluted weighted average shares outstanding for the nine month period ended September 30, 2024 was 185,117,793 (September 30, 2023: 160,337,251). Basic and diluted weighted average shares outstanding for the three month period ended September 30, 2024 was 185,117,793 (September 30, 2023: 169,270,945).

Note 8 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are principally comprised of amounts outstanding for purchases relating to exploration activities and amounts payable for operating activities. The usual credit period for purchases is between 30 to 90 days.

	September 30, 2024	December 31, 2023
Accounts payable	$ 3,326	$ 5,685
Accrued liabilities	1,708	1,331
	$ 5,034	$ 7,016

Note 9 – Lease Liabilities

The Company has the following lease obligations outstanding:

As at March 31, 2023	$ 459
Additions	92
Interest expense	21
Lease payments	(160)
Foreign exchange movement	(2)
As at December 31, 2023	$ 410
Additions	1,250
Interest expense	21
Lease payments	(184)
Foreign exchange movement	(23)
As at September 30, 2024	**$ 1,474**
Current portion of lease liabilities	313
Long-term portion of lease liabilities	1,161
	$ 1,474

Note 10 – Capital Management

The Company's primary objective for managing its capital structure is to maintain financial capacity for the purpose of sustaining the future development of the business and maintaining investor, creditor and market confidence.

The Company considers its capital structure to include shareholders' equity and working capital. Management is continually monitoring changes in economic conditions and the risk characteristics of the underlying oil and gas industry. If adjustments to the capital structure are necessary, the Company may consider issuing additional equity, raising debt or revising its capital investment programs.

The Company's share capital is not subject to any external restrictions. The Company has not paid any cash dividends but has declared a dividend in kind since the date of incorporation. There have been no changes to the Company's approach to capital management during the period other than the contemplation of a dividend in kind.

Note 11 – Financial Instruments

The nature of the Company's operations exposes the Company to credit risk, liquidity risk and market risk, and changes in commodity prices, foreign exchange rates and interest rates may have a material effect on cash flows, net loss and comprehensive loss. This note provides information about the Company's exposure to each of the above risks as well as the Company's objectives, policies and processes for measuring and managing these risks.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and to monitor market conditions and the Company's activities. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework and policies.

a) Credit Risk

Credit risk is the risk of financial loss to the Company if counterparties to financial instruments do not fulfill their contractual obligations. The Company's exposure to this risk is relative to the following:

Cash and cash equivalents consist of cash bank balances and restricted cash consists of short-term investments. The Company's short-term investments are held with a Canadian chartered bank and are monitored to ensure a stable return. The Company's short-term investments currently consist of term deposits as it is not the Company's policy to utilize complex, higher-risk investment vehicles.

The carrying amount of trade receivable and other represent a credit exposure. The Company does not have an allowance for doubtful accounts as at September 30, 2024 and did not provide for any doubtful accounts. During the period ended September 30, 2024, there were no write-offs. As at September 30, 2024, there were no significant amounts impaired.

The carrying amount of royalty payments relate to the New Zealand Taranaki Basin operations of Matahio Energy New Zealand (formerly Tamarind NZ Onshore Limited) ("Matahio"). The Company is due an overriding royalty of 2.5% on all production based on Tamarind's production and sales from its petroleum and natural gas operations under standard industry sale and payment terms. The bulk of Matahio's sales are contracted to the multinational OMV, Austrian Petrochemical Company and the Company monitors for any change to the arrangement.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its purchase and capital commitments, and other financial obligations as they are due. The Company's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation. Refer to Note 3.

The Company's liquidity is dependent upon maintaining its current working capital balances, operating cash flows and ability to raise funds. To forecast and monitor liquidity the Company prepares operating and capital expenditure budgets which are monitored and updated as considered necessary.

c) Market Risk

Market risk is the risk that changes in the economic outlook, foreign exchange rates, commodity prices and interest rates will affect the Company's cash flows, net loss and comprehensive loss. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Company is exposed to risks associated with finding and developing new sources of production in Egypt, North Africa and the Middle East to replace its previous production. Once acquired there is the risk of maintaining and increasing production at economically profitable levels. This will be further complicated by geopolitical turmoil generated by the Russia\Ukraine and Middle East conflicts and changing supply and demand dynamics.

d) Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk is the risk that future cash flows, net loss and comprehensive loss will fluctuate as a result of changes in foreign exchange rates. The Letter of Guarantee and supporting GIC of US$0.5 million and all of royalties and other interests are denominated in USD and operational and capital activities related to the transactions primarily in New Zealand dollars, and/or USD with some costs also being incurred in CAD.

The Company currently does not have significant exposure to other currencies, and this is not expected to change in the foreseeable future as the work commitments in Egypt are expected to be carried out in USD.

e) Commodity Price Risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities. Prices received by the Company for its production are largely beyond the Company's control as petroleum prices are impacted by world economic events that dictate the levels of supply and demand.

f) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to interest rate fluctuations on its cash and cash equivalents which bear a floating rate of interest. The risk is not considered significant.

The Company did not have any interest rate swaps or financial contracts in place during the nine month period ended September 30, 2024 and any variations in interest rates would not have materially affected net income.

g) Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value classification of the Company's financial instruments are as follows:

		September 30, 2024	
	Fair Value Level	Fair Value through Profit or Loss	Amortized Cost
		$	$
Financial assets:			
Cash and cash equivalents		-	4,413
Restricted cash		-	726
Royalty and other interests	3	1,938	-
Trade receivable and other		-	1,330
		1,938	7,288
Financial liabilities:			
Accounts payable and accrued liabilities		-	5,034
		-	5,034

During the period ended September 30, 2024, there were no transfers between level 1, level 2 and level 3.

Fair Value measurement, valuation techniques and inputs

The Company adopted internal valuation for the royalty interest payments using the NPV of future expected cash-flow on the 2.5% gross overriding royalty payments from the New Zealand Taranaki Basin operations of Matahio. Matahio provides TAG with their expected production profile based on their upcoming development and work over program. TAG uses a price published by ICE Brent Crude for the forward price on brent oil and a price for New Zealand Natural Gas based on the information available in the Reserve Report prepared for the Company, dated February 21, 2024. The Natural Gas price is based on a combination of a contracted price for approximately two thirds of the production and market price on the balance, which accounts for approximately 7% of the future oil and gas royalty. Matahio sells its oil on a contract basis to a multinational oil corporation and has a set discount to Brent negotiated on a periodic basis. The following are the inputs used in the valuation calculation:

Twelve month period ended September 30,		2025	2026	2027	2028	2029	2030 – 2035 (1)	Total
Oil Production	bbl	363,754	302,437	258,677	66,568	30,726	136,336	1,158,497
Oil Price	USD	71.10	70.55	70.34	70.41	70.48	70.59	
Discount	USD	8.00	8.00	8.00	8.00	8.00	8.00	
Royalty Rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Annual Oil Payment	USD	551,673	472,904	403,167	103,863	47,994	213,331	1,792,932

(1) – Oil price for 2030 to 2035 is 70.59 and oil production and annual oil payments for 2030 – 2035 are the cumulative total.

Twelve month period ended September 30,		2025	2026	2027	2028	2029	2030 – 2035 (2)	Total
Gas Production	msfc	454,139	342,324	346,048	123,010	45,569	259,293	1,570,383
Gas Price	USD	4.70	4.70	4.70	4.70	4.70	4.70	
Royalty Rate		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	
Annual Gas Payment	USD	53,377	40,235	40,673	14,458	5,356	30,476	184,576

(2) – Gas price for 2030 to 2035 remain at 4.70 and gas production and annual gas payments for 2030 – 2035 are the cumulative total.

Note 12 – Royalty and other Interests

On September 25, 2019, the Company and certain of its subsidiaries completed the sale of substantially all of TAG's Taranaki Basin assets and operations in New Zealand (the "Transaction"). The sale included TAG's 100% working interests in: PMP 38156 (Cheal and Cardiff), PMP 53803 (Sidewinder), PMP 60454 (Supplejack), PEP 51153 (Puka), PEP 57065 (Waitoriki) and TAG's 70% interest in PMP 60291 (Cheal East) and PEP 54877 (Cheal East) (collectively, the "NZ Assets").

The terms of the Transaction consisted of the following:

- Cash payment to TAG of US$30 million at closing (received).
- TAG receiving a 2.5% gross overriding royalty on future production from all NZ Assets.

		Royalty
Balance as at March 31, 2023	$	3,502
Payments earned		(552)
Loss on royalty and other interests		(45)
Foreign exchange movement		(189)
Balance as at December 31, 2023	$	2,716
Payments earned		(684)
Loss on royalty and other interests		(135)
Foreign exchange movement		41
Balance as at September 30, 2024	$	1,938

	Royalty
This is represented by:	
Current asset	$ 721
Non-current asset	1,217
	$ 1,938

The royalty has been recorded as a financial asset at its fair value, reduced by the actual payments received and subject to revaluation on an ongoing basis. The royalty payments which remain outstanding are classified as current in respect to the values applicable to the period ending one year from the balance sheet date; the residual balances are classified as non-current.

Note 13 – Interest and Penalties

The Company was assessed penalties and interest of $224 and $326 by Canada Revenue Agency ("CRA") under subsection 247(3) of the Income Tax Act (*Canada*), in connection with transfer pricing for the years ended March 31, 2012 and 2013. TAG's management filed a Notice of Objection to dispute process. TAG paid $276 in the 2018 fiscal year and had accrued $227 as at December 31, 2023. On March 28, 2024, the Company's assessed penalties and interest by CRA was resolved and a total of $134 was refunded.