



Egyptian Operator Primed for Growth

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

October 2022

A preliminary short form prospectus containing important information relating to TAG Oil Ltd. ("TAG", "TAG Oil" or the "Company") and the securities described in this document has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec. A copy of the preliminary short form prospectus, and any amendment thereto, is required to be delivered with this document. The preliminary short form prospectus is still subject to completion. There will not be any sale or acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment





DISCLAIMER AND FORWARD-LOOKING STATEMENTS

Prospective investors should rely only on the information contained in the preliminary short form prospectus (the “Preliminary Prospectus”). This presentation is qualified in its entirety by reference to, and must be read in conjunction with, the information contained in the Preliminary Prospectus. A prospective investor is not entitled to rely on parts of the information contained in this presentation to the exclusion of others. None of the Company, or Research Capital Corporation, Echelon Wealth Partners Inc., and Tennyson Securities (collectively, the “Underwriters”) have authorized anyone to provide prospective purchasers with additional or different information. The Company and the Underwriters are not offering to sell shares in any jurisdiction where the offer or sale of such securities is not permitted. An investment in the Company’s securities is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under “Risk Factors” in the Preliminary Prospectus before purchasing securities of the Company.

For prospective purchasers outside Canada, none of the Company nor the Underwriters have done anything that would permit this offering or possession or distribution of the Preliminary Prospectus and final prospectus, or any amendment thereto, in any jurisdiction where action for that purpose is required, other than in Canada. Prospective purchasers are required to inform themselves about, and to observe any restrictions relating to, this offering and the possession or distribution of the Preliminary and final prospectus. In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Capitalized terms that are not defined in this presentation have the meanings ascribed to them in the Preliminary Prospectus. Any graphs, tables or other information in this presentation demonstrating the historical performance of the Company or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future results of the Company.

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 document that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG Oil. Such statements can generally, but not always, be identified by words such as “expects”, “plans”, “anticipates”, “intends”, “estimates”, “forecasts”, “schedules”, “prepares”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. All statements that describe the Company’s plans relating to operations and potential strategic opportunities are forward-looking statements under applicable securities laws. These statements address future events and conditions and are reliant on assumptions made by the Company’s management, and so involve inherent risks and uncertainties, as disclosed in the Company’s periodic filings with Canadian securities regulators. As a result of these risks and uncertainties, and the assumptions underlying the forward-looking information, actual results could differ from those currently projected, and there is no representation by TAG Oil that the actual results realized in the future will be the same in whole or in part as those presented herein. The Company does not assume the obligation to update any forward-looking statement, except as required by applicable law.

Unless otherwise noted, the oil in place volumes in this document are an estimate by non-independent TAG Oil professionals who are qualified reserves evaluators in accordance with NI 51-101 and COGE Handbook, with an effective date of September 30, 2021 . The volume estimates provided in this document are estimates only and not an indication of resources or recovered volumes, and there is no certainty that any portion of the oil in place volumes will be commercially viable to produce.

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. The Company’s future success in exploiting and increasing its current reserve base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that the Company’s future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities of the Company in any jurisdiction in which an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The securities have not been approved or disapproved by the SEC or by any state securities commission or regulatory authority, nor have any of the foregoing authorities passed on the accuracy or adequacy of the disclosures contained herein and any representation to the contrary is a criminal offense. The securities of the Company have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state and may only be offered for sale and sold pursuant to registration under the U.S. Securities Act pursuant to an available exemption thereto. Prospective investors will be required to represent, among other things, that they meet the requirements of an available exemption from the registration requirements of the U.S. Securities Act and are familiar with and understand the terms of the offering and have all requisite authority to make such investment. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES OR ANY SECURITIES REGULATOR PASSED ON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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		

- **Canadian Energy Company Listed on TSX-V: TAO.V**
- Officers:
 - Abby Badwi – Executive Chairman
 - Toby Pierce – CEO and Director
 - Suneel Gupta – COO
 - Gamal Rezk – General Manager Egypt
- Directors:
 - Thomas Hickey – Head of Corporate Legal for Roquette Frères
 - Keith Hill – CEO of Africa Oil
 - Shawn Reynolds – Portfolio Manager at Van Eck Securities
 - Gavin Wilson – Investment Manager for Meridian Group
- Strategy:
 - Focus on sourcing oil and gas opportunities in Egypt and the Middle East



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

- **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 was awarded its first major transaction in Egypt in September 2022**

- Working Capital
 - C\$13.3 million in cash with no debt
 - C\$15.4 million in working capital
 - ~C\$0.15 / share in cash
 - G&A substantially covered by royalty and interest payments
- Capital Structure⁽¹⁾
 - 91.8 million shares o/s; 105.5 million fully diluted
- Royalty Revenue
 - 2.5% on gross revenue from the sale of the New Zealand assets
 - Current production ~1100 boepd
 - Applies to all current and future production in New Zealand

- Egypt
 - Award of agreement 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 announced on September 20, 2022⁽²⁾
 - ARF data indicates significant volumes of oil in place in BED-1 and is estimated to be potentially in excess of 500 MMbbl⁽³⁾
- New Zealand
 - Up to US\$4.5 million in milestone payments
 - 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 future gas production

(1) As at QE/22 (June 30, 2022)

(2) Subject to the Petroleum Services Agreement with EGPC (Badr Petroleum Company) becoming effective

(3) Internal estimate provided by non-independent TAG Oil professionals



CAPITALIZATION TABLE

(\$C Millions, except per share figures)

	TSXV:TAO
Share Price⁽¹⁾	\$0.59
Basic Shares Outstanding ⁽¹⁾	91.8
In-The-Money Options ⁽²⁾	7.5
In-The-Money Warrants ⁽²⁾	6.3
F.D. Shares Outstanding	105.5
F.D. Market Capitalization	\$62.3
Cash ⁽²⁾	\$13.3
Cash from In-The-Money Dilutive Securities ⁽²⁾	\$3.3
Debt ⁽²⁾	–
Enterprise Value	\$45.9

(1) As at close October 7, 2022

(2) As at QE/22 (June 30, 2022)

USE OF PROCEEDS

	Amount (C\$)
Operational and Drilling Budget for Fourth Quarter 2022 and 2023 (comprised of well re-activations and exploration wells) ⁽¹⁾	\$[●]
Other Acquisition Opportunities ⁽²⁾	\$[●]
Equipment Inventory Orders for 2024 ⁽³⁾	\$[●]
Unallocated Working Capital & Offering Fees/Expenses	\$[●]
Total Expected Use of Proceeds	\$20,000,000

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.



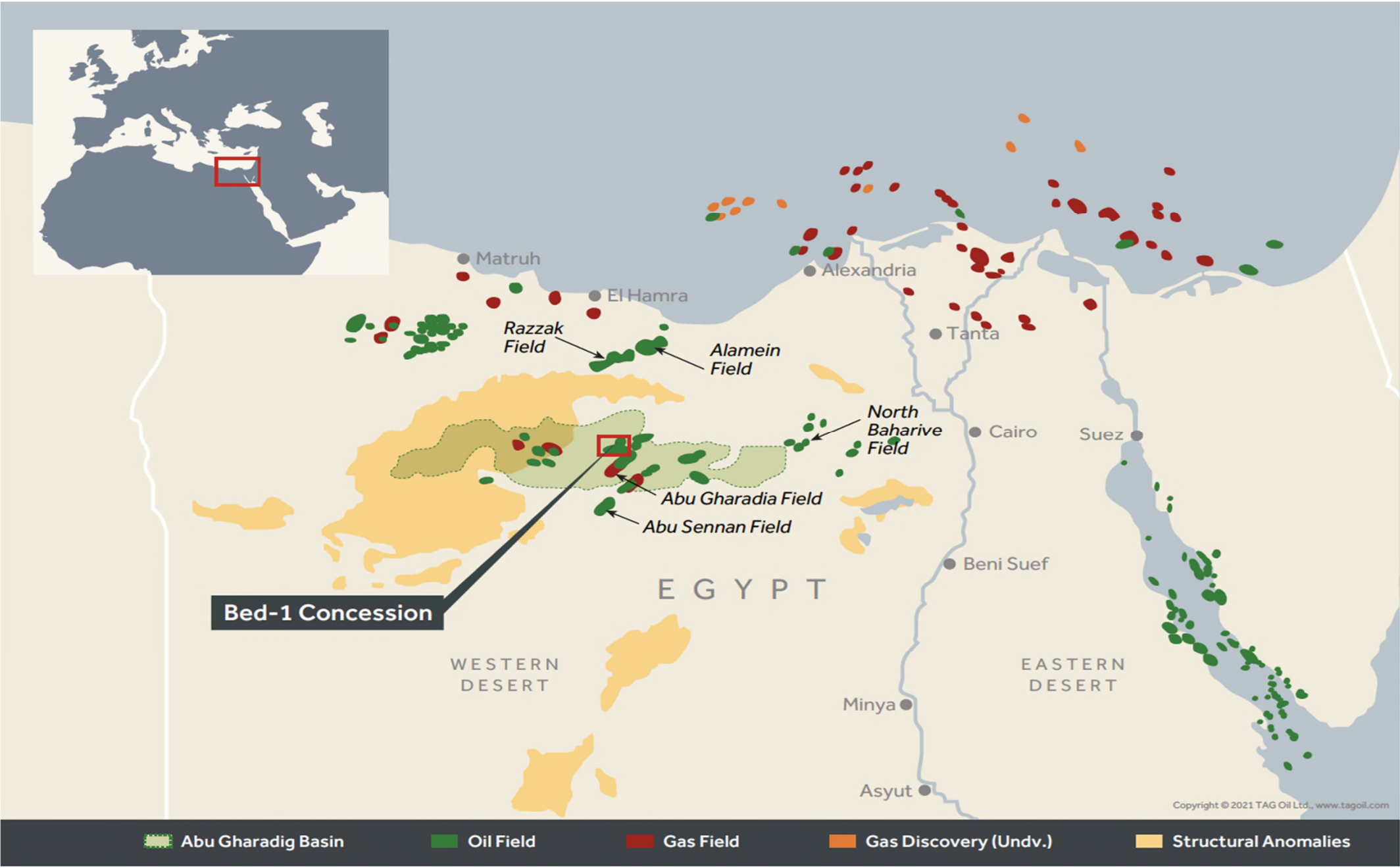
STRATEGY AND VISION

- Driven by strong supply / demand fundamentals, oil prices have increased sharply post pandemic
- Focus on sourcing E&P acquisitions of international opportunities in 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 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



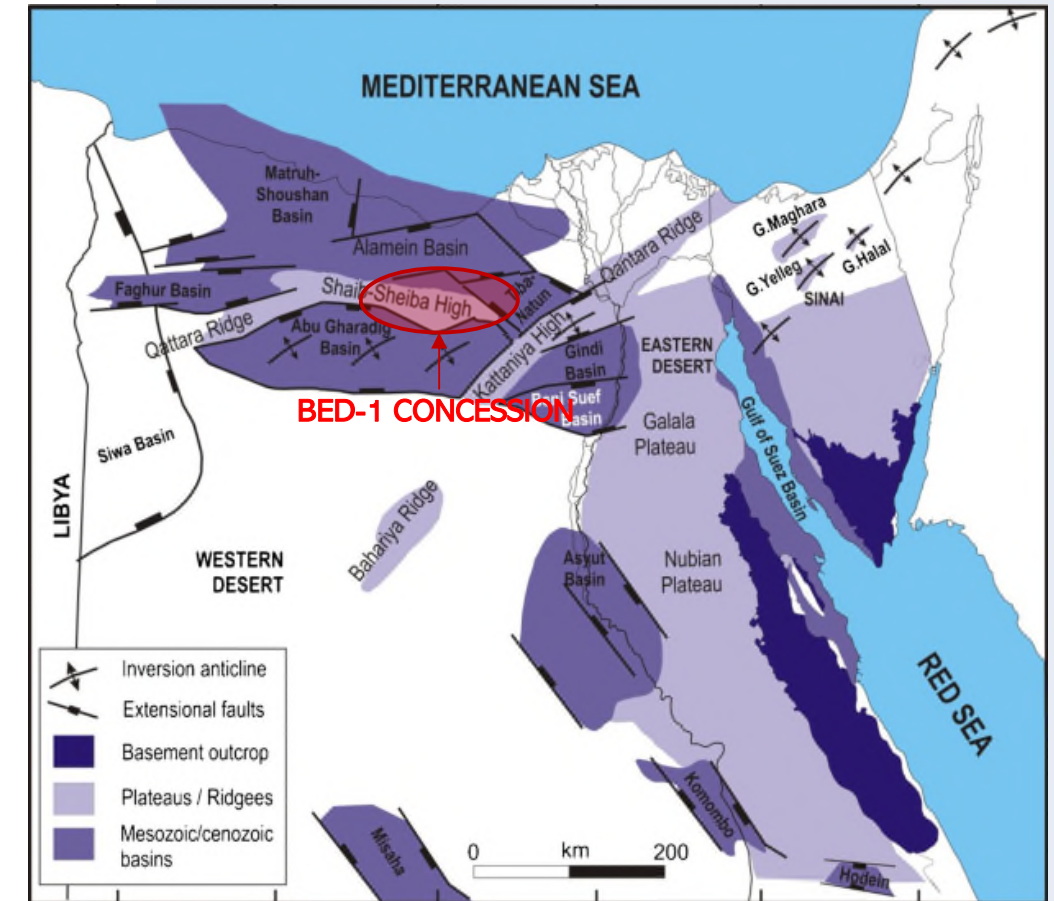
EGYPT OIL & GAS FIELDS - BADR OIL FIELD (BED-1)



ABU ROASH "F" (ARF) FORMATION IN BED-1

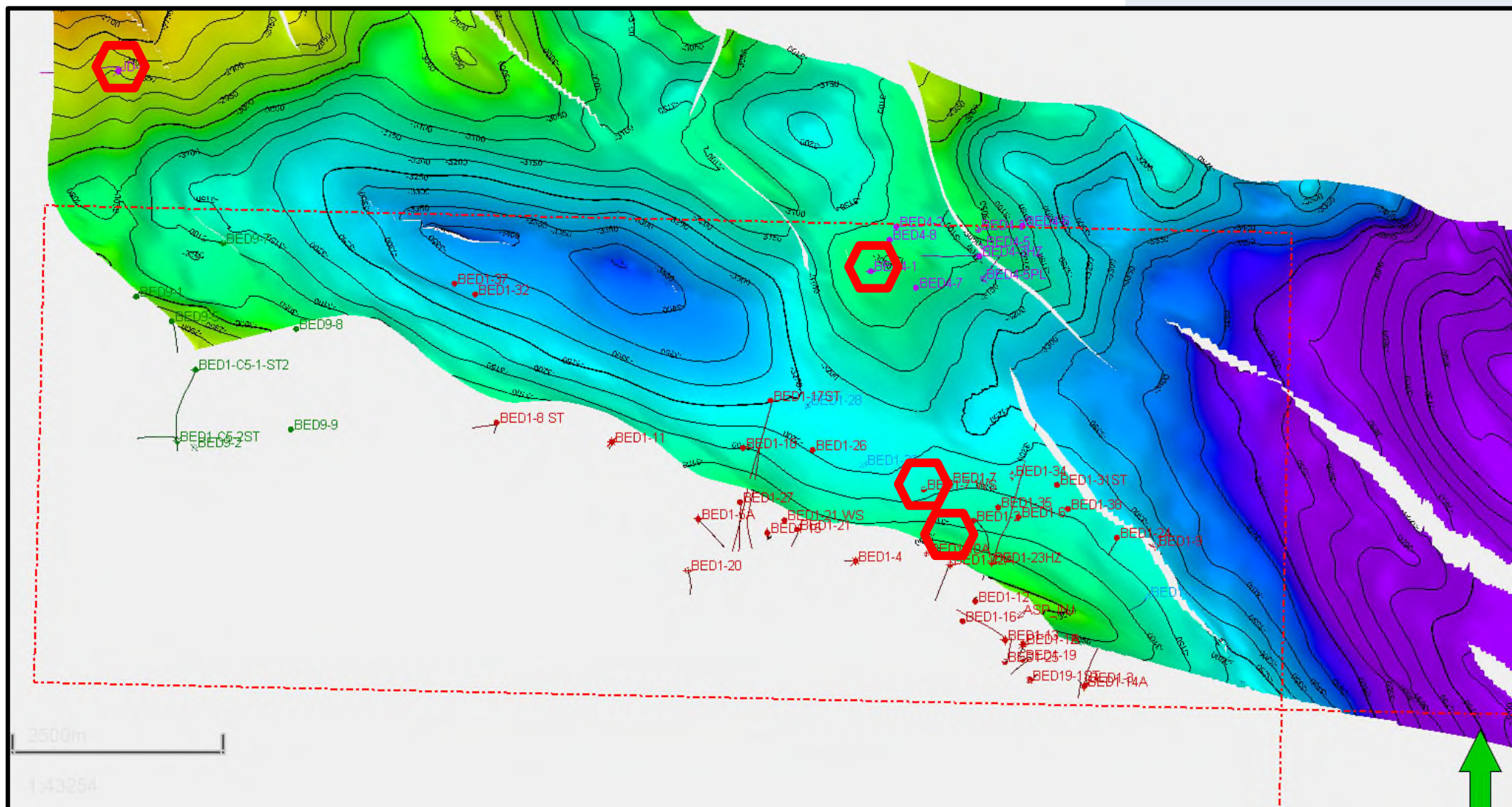
A resource play with potentially over 500 MMbbl in place

- The BED-1 field was discovered in 1982
 - It produced over 95 million barrels of light oil and 100 billion cubic feet of natural gas
 - Peak production reached approximately 15,000 bopd from primary development of the deeper Kharita and Bahariya formations
- All the wells in the area have penetrated the shallower, thick (25–50 meters) ARF formation with three wells testing 3100, 450 and 300 bopd between 18° and 24° API medium oil
- This potential 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 in Canada, Albania and Egypt
- Oil price will be set by EGPC and expect Brent Price less US\$5 to US\$6/bbl

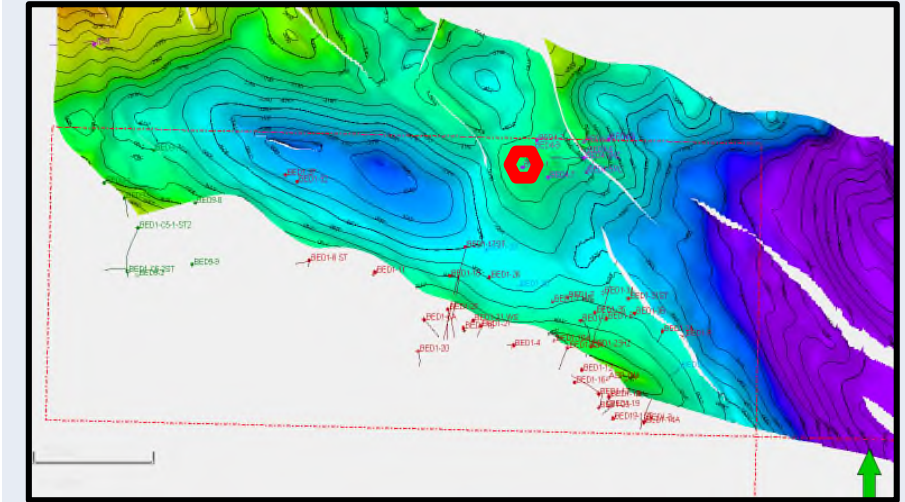
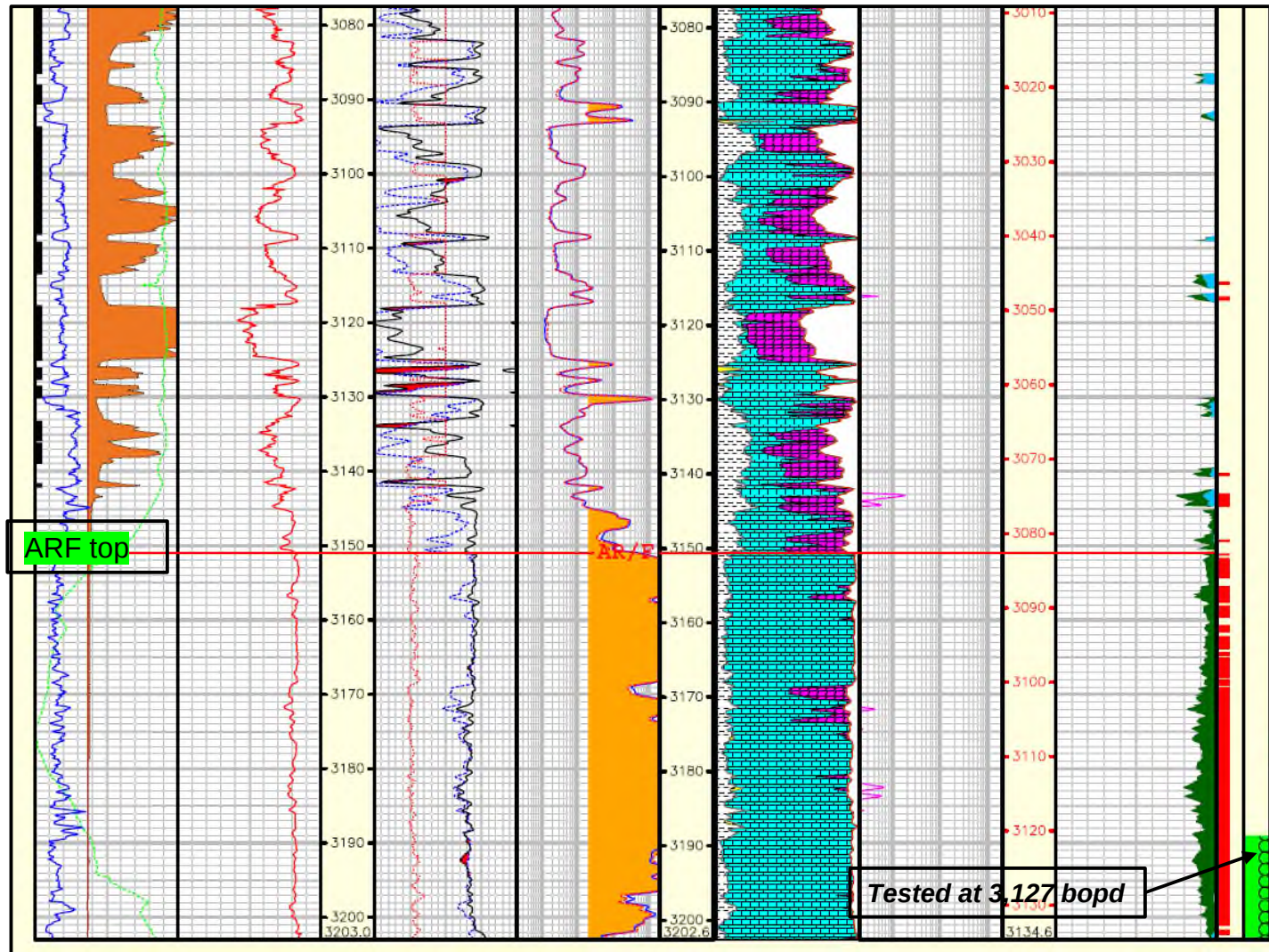


ARF WELL TEST RESULT LOCATIONS

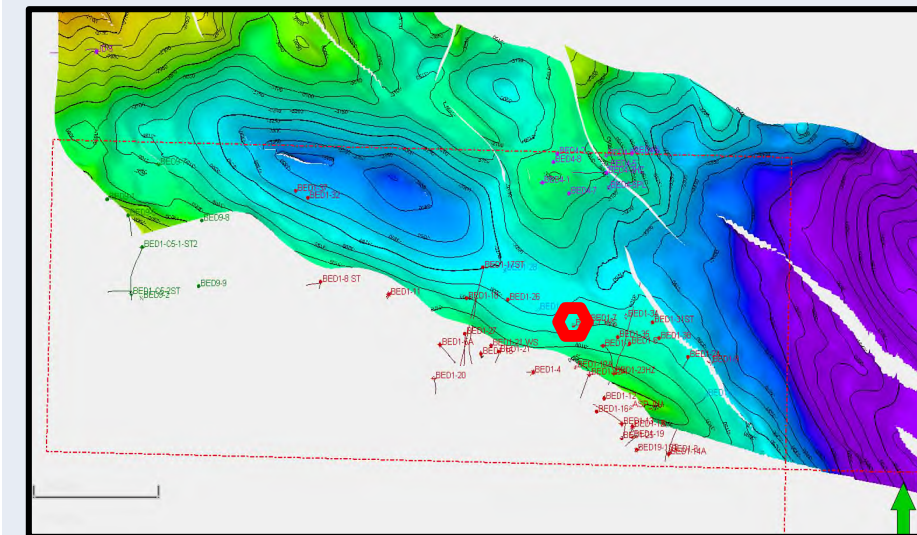
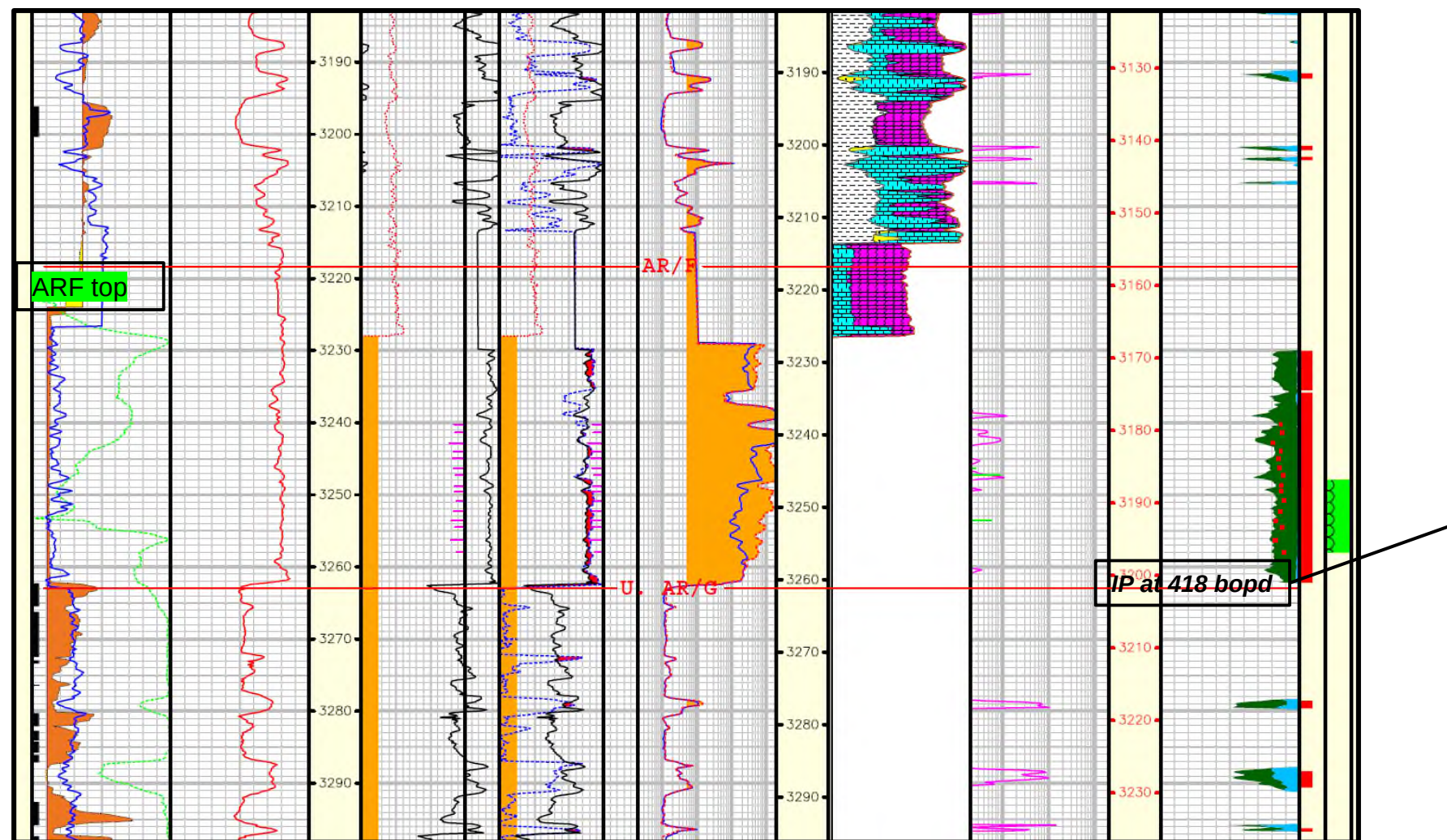
- The concession area has multiple ARF well tests ranging from 300-3100 bopd – including two wells that produced 20,000 and 70,000 cumulative bbl from the ARF without stimulation; proving mobile oil in the target zone



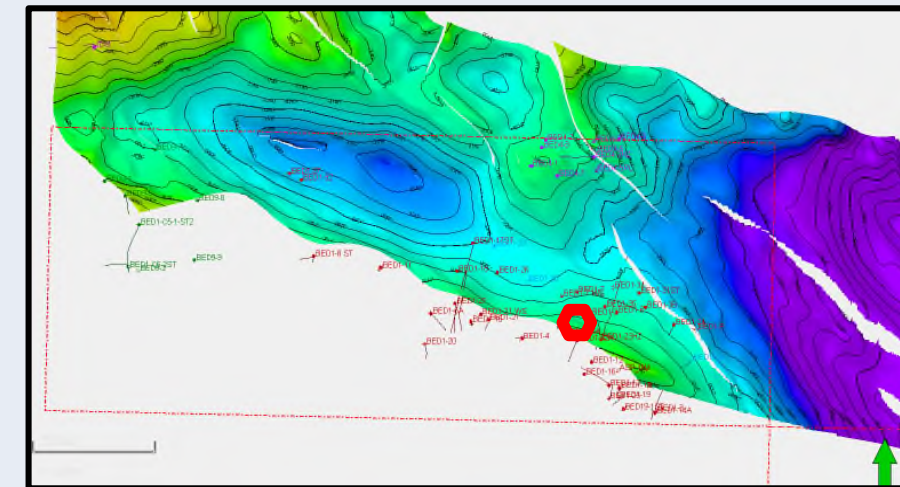
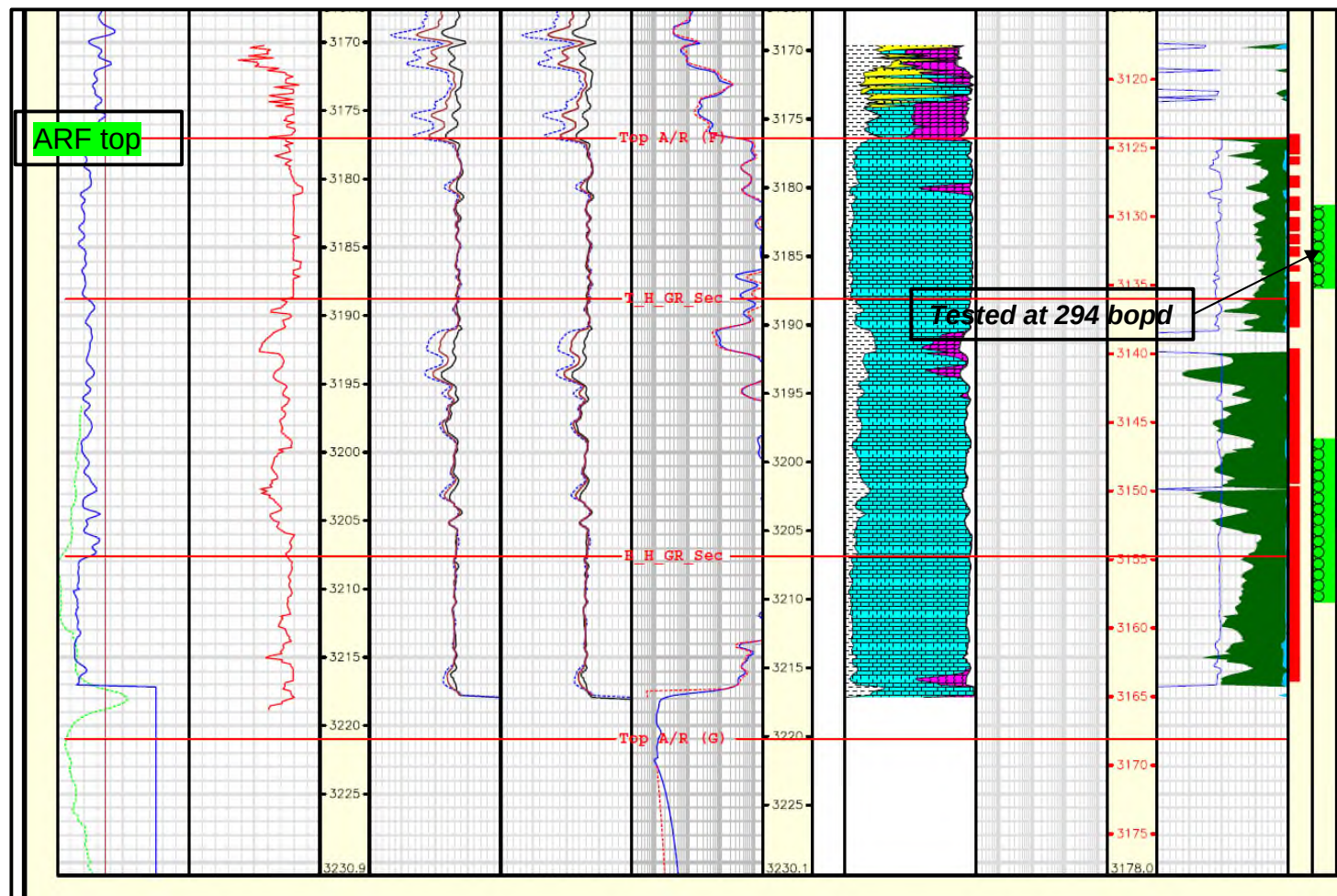
ARF WELL TEST RESULTS – BED4-2



- The BED4-2 well was drilled in 1985
- The ARF perforation was done on the very bottom of the zone, in less than ideal reservoir rock and tested over 3,000 bopd
- The zone averaged 600-700 bopd for the first five months before dropping below 100 bopd. The ARE perf was added at this time
- The well produced ~ 70,000 bbl from the ARF perf before being commingled with the ARE – total cum was 280,000 bbl

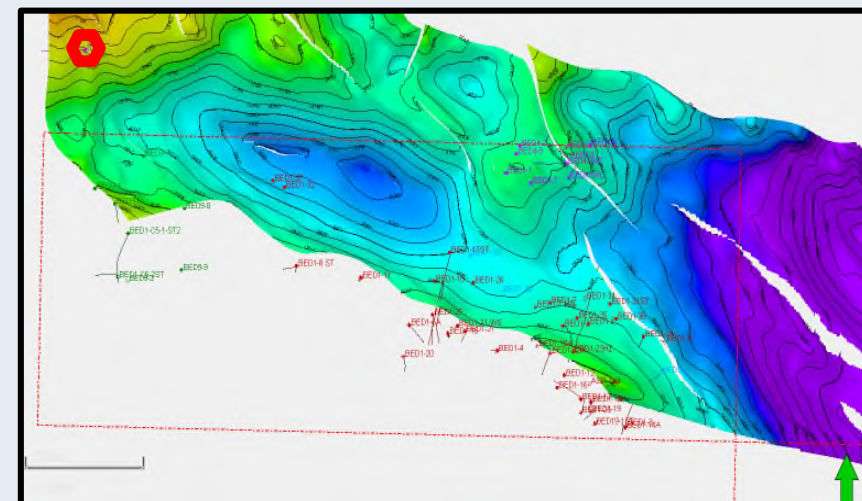
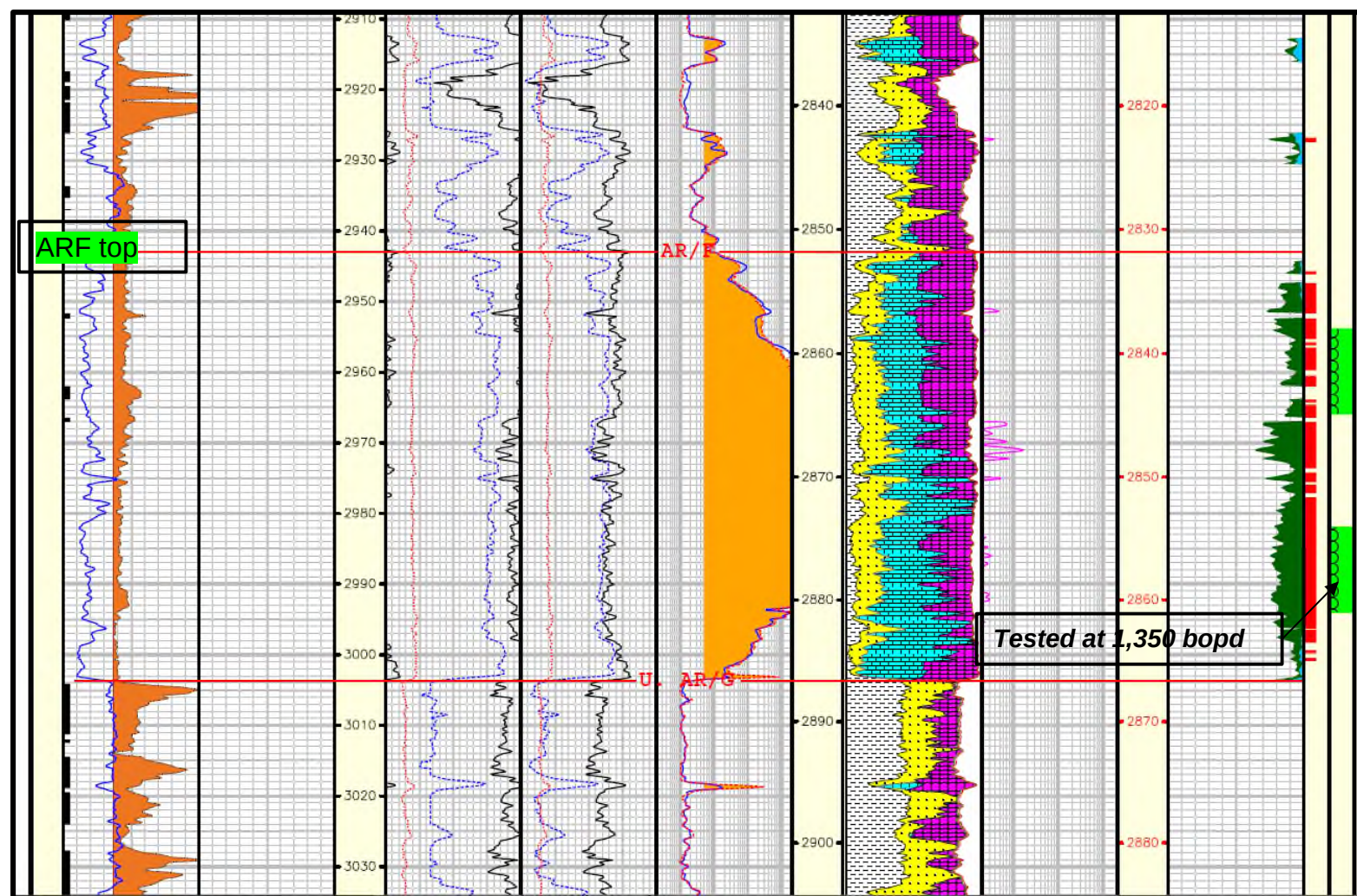


- The BED1-7 well was drilled on May 1987
- Image logs over the ARF showed the presence of near wellbore drilling induced fractures
- BED1-7 produced 20,338 bbl from the ARF for about 2 years before suspended in March 1989



- The BED1-6 well was drilled in 1985
- The upper ARF zone was perforated, and acid stimulated prior to testing at 294 bopd, but was never brought on production
- Shallower AR zones were the primary target and were brought on production
- The lower ARF zone here was perforated, unstimulated and did not flow
- BED1-6 upper ARF interval had an average porosity of 5.0 and 8.5% with an average permeability of 3.5mD

ARF WELL TEST RESULTS – JD-5 (NORTH OF CONCESSION)

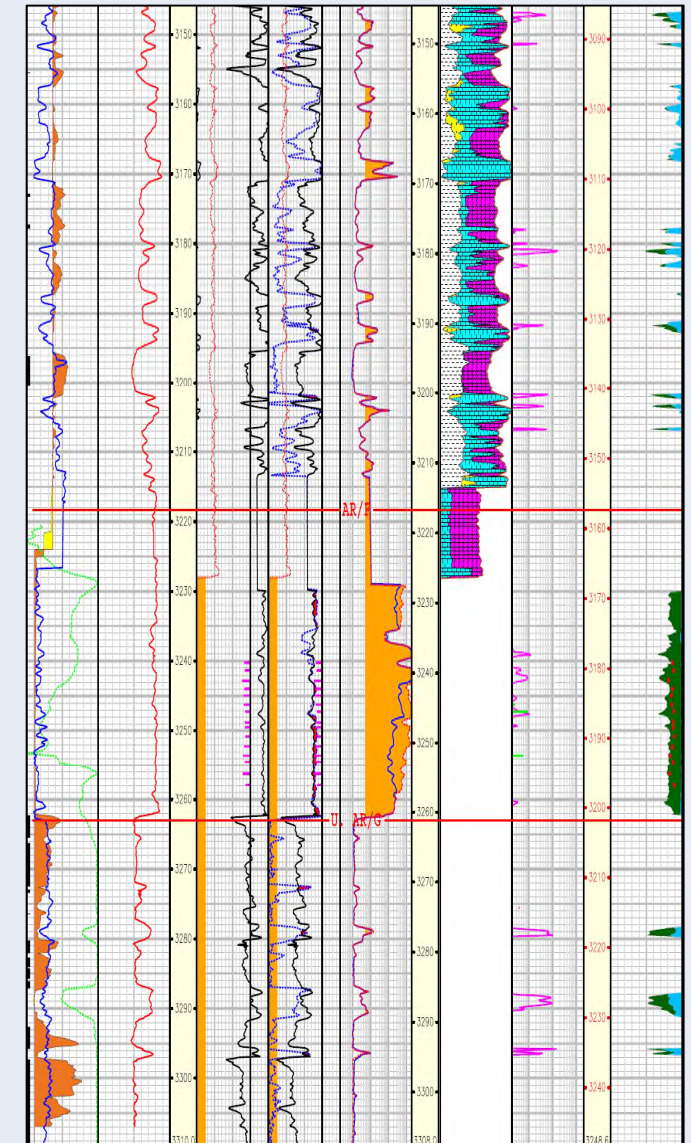


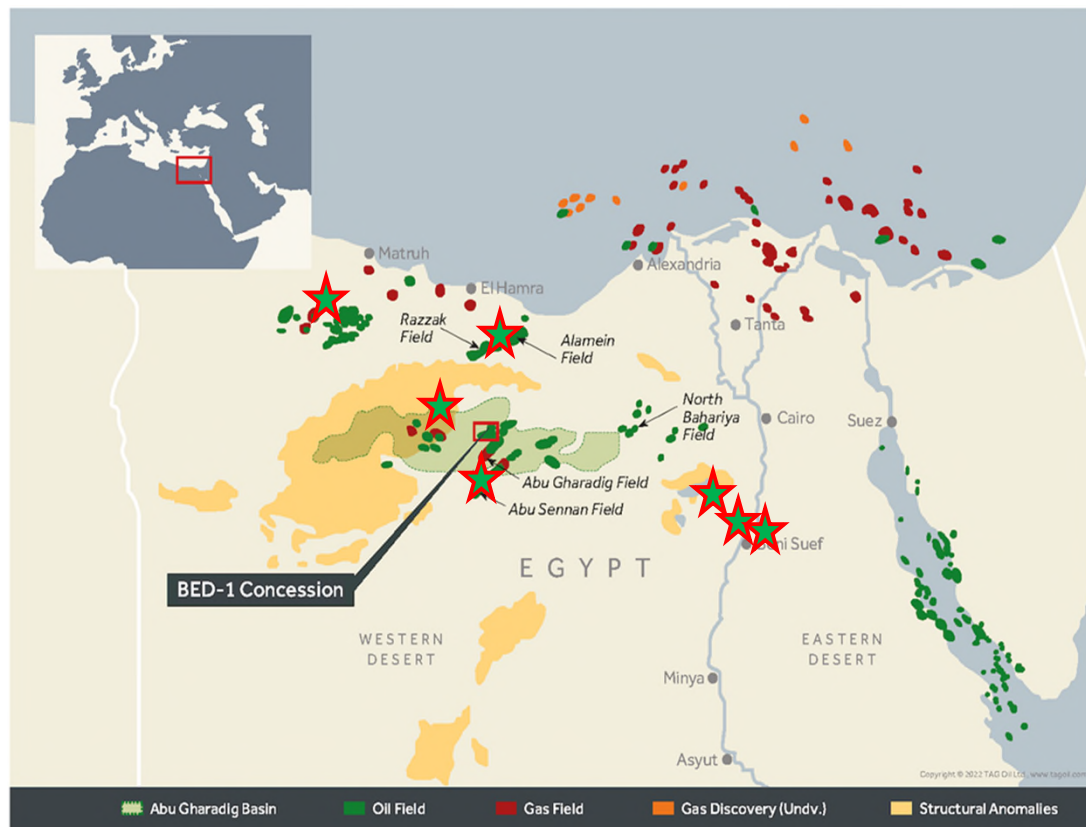
- The JD-5 well was drilled on March 2007 and tested 1350 bopd from the ARF
- It was drilled into a structural high in the ARF
- Not much else is known of the JD well, as it is on a competitors block directly north

BED-1 PETROLEUM SERVICES AGREEMENT

- Concession term until 2032 with a 10-year extension, TAG is operator with 100% working interest
- Gross Production Revenue Entitlement average **62.5% TAG** and 37.5% EGPC, TAG's entitlement increases to 65% with lower oil prices and decreases to 60% at higher oil prices
- **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 firm US\$6.0 million commitment** to drill one horizontal well with multistage fracture completion
- **Phase 2 commitment is US\$9.0 million** to drill additional horizontal wells
- **Phase 1 and 2 contingent commitments is US\$85 million** to include several vertical recompletions of existing wells and to drill up to 18 horizontal wells

BED 1-7
Thick 40 meters
ARF Formation





- 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



WHY TAG OIL?

- Experienced exploration, development and operations team
- Strategic holdings in stable, secure country with very good fiscal terms
- Targeting long life production with potential resources upside
- 100% working interest and operatorship
- Pursuing other opportunities in Egypt and the MENA Region
- Strong balance sheet and no debt





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