

**FORM 51-102F3**

**Securities Act**

**MATERIAL CHANGE REPORT**

**Item 1.**

**Name and Address of Company**

TAG Oil Ltd.  
Suite 2040 - 885 W. Georgia Street  
Vancouver, B.C. V6C 3E8

Main Tel. (604) 682-6496  
Main Fax (604) 682-1174

(referred to as the “**Company**” or “**TAG**”)

**Item 2.**

**Date of Material Change**

November 6, 2018

**Item 3.**

**News Release**

A news release announcing this material change was issued on November 6, 2018, and a copy is filed on SEDAR.

**Item 4.**

**Summary of Material Change**

On November 6, 2018, the Company announced that it, along with certain of its subsidiaries in New Zealand, has entered into a definitive share and asset purchase agreement with Australian-based Tamarind Resources Pte. Ltd. (“**Tamarind**”), and certain of its subsidiaries (the “**SPA**”). This arm’s length transaction is for the sale of substantially all of TAG’s Taranaki Basin assets and operations in New Zealand (the “**Transaction**”).

**Item 5.**

**5.1 - Full Description of Material Change**

On November 6, 2018, the Company announced that it, along with certain of its subsidiaries in New Zealand, has entered into the SPA with Tamarind, and certain of its subsidiaries.

This Transaction will include the sale of 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"). Formal closing of the Transaction is expected in calendar Q1 2019, depending on timing of regulatory approvals.

### **Transaction Highlights**

- Cash payment to TAG of US\$30 million at closing.
- TAG to receive a 2.5% gross overriding royalty on future production from all NZ Assets.
- Up to US\$5 million in event specific payments payable on achieving various milestones (first milestone, grant of PMP 60454 (Supplejack) conversion, has already been achieved triggering payment of US\$500,000 at closing).
- The Transaction will be funded from Tamarind's available financial resources.

Following completion of the Transaction, TAG expects to have over C\$0.50 per share in cash and working capital, continued exposure to the current operations and upside of the NZ Assets. Additionally, TAG will be in a better position to pursue its exploration prospects covering over 275,000 net acres in Australia, including the producing 25,000-acre petroleum mining license in the Surat Basin.

### **Additional Information on the Transaction**

The Transaction will require the approval of two thirds of votes cast in person or by proxy by holders of common shares of TAG at the special meeting of TAG shareholders to be held in December 2018 (the "**Meeting**"). Information regarding the Transaction will be contained in the management information circular (the "Circular") that TAG will prepare, file and mail to shareholders in connection with the Meeting. All shareholders are urged to read the Circular as it contains additional important information.

Completion of the Transaction is also subject to a number of additional conditions typical of a transaction of this nature, including: (i) the receipt of Toronto Stock Exchange approval, New Zealand regulatory approval and all other required regulatory approvals and third party consents or approvals; (ii) the approval of TAG shareholders; (iii) the continued accuracy of the parties' representations and warranties as at the closing date; and (iv) the fulfillment of all covenants and obligations of the parties under the SPA having been complied with or performed, in all material respects, as of the closing date.

The SPA provides for, among other things, a non-solicitation covenant on the part of TAG, subject to a "fiduciary out" provision that entitles TAG to consider and accept a superior proposal to the Transaction. The SPA also provides for a non-completion fee of US\$1 million if the Transaction is terminated by TAG in certain circumstances, including if TAG enters into an agreement with respect to a superior proposal.

The full text of the SPA may be found under TAG's profile at [www.sedar.com](http://www.sedar.com). Additional information will be provided in the Circular provided to shareholders in connection with the Meeting.

### **Recommendation of the Board**

The board of TAG, following an extensive review and analysis of the Transaction and the consideration of other available alternatives, and after consulting with its financial and legal advisors and receiving the recommendation of the Special Committee consisting of the independent directors of TAG's board, has unanimously: (i) determined that the Transaction is in the best interest of TAG; (ii) determined that the consideration being offered to TAG is fair from a financial point of view; and (iii) recommended that TAG's shareholders vote their shares in favor of the Transaction.

### **Advisors and Fairness Opinion**

PillarFour Securities is acting as financial advisor to TAG with respect to the Transaction and has provided the board with a fairness opinion that, subject to the various factors, assumptions, qualifications and limitations upon which the opinion is based, the consideration to be received by TAG pursuant to the Transaction is fair, from a financial point of view, to TAG. FirstEnergy Capital LLP ("GMP FirstEnergy") has provided the Special Committee and the remaining board members, with a fairness opinion that, subject to the various factors, assumptions, qualifications and limitations upon which the opinion is based, the consideration to be received by TAG pursuant to the Transaction is fair, from a financial point of view, to TAG.

Blake, Cassels and Graydon LLP is acting as Canadian legal counsel to TAG and Greenwood Roche is acting as New Zealand legal counsel to TAG.

### **5.2 – Disclosure for Restructuring Transactions**

None

#### **Item 6.**

#### **Reliance on subsection 7.1(2) of National Instrument 51-102**

N/A

#### **Item 7.**

#### **Omitted Information**

None

#### **Item 8.**

#### **Executive Officer**

For further information, please contact Toby Pierce, CEO, at (604) 682-6496.

#### **Item 9.**

#### **Date of Report**

This Material Change Report is dated as of November 6, 2018.