

TAG Oil

Egyptian Operator Primed for Growth

TSXV : TAO | OTCQX : TAOIF

July 2023

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. 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 decision.





FORWARD-LOOKING STATEMENTS AND DISCLAIMER

TAG Oil Ltd. ("TAG", "TAG Oil" or the "Company") has adopted the standard of six thousand cubic feet of gas to equal one barrel of oil when converting natural gas to "boe," which may be misleading, particularly if used in isolation. A boe conversion ratio of 6Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. All estimates and statements that describe the Company's operations are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein. TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors change. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates. Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

The reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Where discussed herein "NPV 10%" represents the net present value (net of capital expenditures) of net income discounted at 10%, with net income reflecting the indicated oil prices and initial production rate, less internal estimates of operating costs and royalties. It should not be assumed that the future net revenues estimated by TAG Oil's independent resource evaluators represent the fair market value of the resources.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources, by definition, are not classified as reserves due to several conditions including but not limited to the uncertainties of future oil prices and performance of the initial pilot wells in the first phase of the field development of the project which must be resolved to ensure commerciality. There is no certainty that it will be commercially viable to produce any portion of the resources. The Development Pending sub-set for contingent resources have reasonable potential for eventual commercial development, to the extent that further data acquisition and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time frame. As of the effective date of the RPS report (March 31, 2022), there was a risk associated with the immature stage of the lease ownership and also uncertainties related to the performance of the development wells in the first phase of the ARF reservoir development of the project.

Crude Oil and Natural Gas Liquids

| | |
|-------|---|
| bbl | barrel(s) |
| bopd | barrels per day |
| Mbbl | thousand barrels |
| MMbbl | million barrels |
| boe | barrel of oil equivalent |
| boepd | barrel or barrels of oil equivalent per day |
| MMboe | million barrel of oil equivalent |

Natural Gas

| | |
|--------|-----------------------------|
| Mcf | thousand cubic feet |
| MMcf | million cubic feet |
| Mcf/d | thousand cubic feet per day |
| MMcf/d | million cubic feet per day |
| Bcf | billion cubic feet |
| NGL | natural gas liquids |

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. The Company's future success in exploiting and increasing its current resource base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that the Company's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if the Company encounters unforeseen geological conditions. The Company is subject to uncertainties related to the proximity of any resources that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such resources may be found. Adverse climatic conditions at such properties may also hinder the Company's ability to carry on exploration or production activities continuously throughout any given year.

The significant positive factors that are relevant to the resource estimates are: proven production in close proximity; proven commercial quality reservoirs in close proximity; oil and gas shows while drilling wells; and calculated hydrocarbon pay intervals from open hole logs. The significant negative factors that are relevant to the resource estimates are: tectonically complex geology could compromise seal potential; and seismic attribute mapping can be indicative but not certain in identifying proven resource.

Certain information in the Information Materials may constitute "analogous information" as defined in NI 51-101, including, but not limited to, information relating to the areas in geographical proximity to the lands held by TAG. Such information is derived from a variety of publicly available information from government sources, regulatory agencies, public databases or other industry participants (as at the date stated therein) that TAG believes are predominantly independent in nature. TAG believes this information is relevant as it helps to define the reservoir characteristics in which TAG may hold an interest. TAG is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the Canadian Oil and Gas Evaluator Handbook. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by TAG and there is no certainty that the reservoir data and economics information for the lands held by TAG will be similar to the information presented therein. The reader is cautioned that the data relied upon by TAG may be in error and/or may not be analogous to TAG's land holdings. This presentation includes cumulative production rates for a certain well over short period of time. Short term production rates are preliminary, subject to a high degree of predictive uncertainty, and not determinative of the rates at which those or other wells will continue to produce and thereafter decline. Short term test rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Production over a longer period will experience natural declines, which can be high and may not be consistent over a longer period. Actual results will differ from those realized during an initial production period and the differences may be material.

References to "oil" in this presentation include crude oil and field condensate, and all currency amounts in this document are stated in Canadian dollars unless otherwise indicated.

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 Securities and Exchange Commission ("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.

(\$C Millions or millions of shares, except per share figures)

| | TSXV:TAO |
|--|-----------------|
| Share Price⁽¹⁾ | \$0.65 |
| Basic Shares Outstanding ⁽¹⁾ | 160.2 |
| Options ⁽¹⁾ | 13.0 |
| Warrants ⁽¹⁾ | 2.3 |
| F.D. Shares Outstanding⁽¹⁾ | 175.5 |
| Market Capitalization | \$104.1 |
| Cash ⁽²⁾ | \$19.5 |
| Debt ⁽²⁾ | - |
| Enterprise Value | \$84.6 |

- Canadian International E&P Company listed on TSX-V under the symbol TAO
- Focused on oil and gas exploration and development opportunities in the Middle East and North Africa (“MENA”)

⁽¹⁾ As at July 28, 2023.
⁽²⁾ As of March 31, 2023

USE OF PROCEEDS

| | Amount (C\$) |
|--|---------------------|
| Long Lead Items for the Drilling Program ⁽¹⁾ | \$2.5 |
| Horizontal Drilling Program ⁽¹⁾ | \$2.5 |
| Potential Strategic Acquisition Opportunities ⁽²⁾ | \$2.5 |
| Unallocated Working Capital & Offering Fees/Expenses | \$2.5 |
| Total Expected Use of Proceeds | \$10,000,000 |

Notes:

- (1) To fund the Company’s 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 potential strategic acquisition opportunities in Egypt.

**Abby Badwi**

Executive Chairman and Director, BSc

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

**Toby Pierce**

Chief Executive Officer and Director, BSc, MBA

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

**Keith Hill**

Director, MBA

More than 30 years of leadership experience in the oil and gas industry; Geologist

**Gavin Wilson**

Director, BA

Investment Manager for Meridian Group of Companies, a private investment Company, with 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, and formerly an exploration geologist for Tenneco

**Thomas Hickey**

Director, MBA

An 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

EXPERIENCED LEADERSHIP TEAM - OPERATIONS AND FINANCE



Suneel Gupta
 VP & 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



Barry MacNeil
 Chief Financial Officer, CPA, CGA

A member of the Chartered Professional Accountants of BC with more than 30 years of management and accounting experience



Gamal Rezk
 VP & General Manager, Egypt

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



Samir Abady
 VP & Operations Manager, Egypt

35 years of experience in the oil & gas industry in Egypt, having supervised and managed the drilling of numerous exploration and development wells in the country



Kevin Baxter
 VP & Technical Manager, Egypt

30 years of proven oil & gas management experience in developing and managing large, diverse organizations that have delivered against challenging objectives

- **Working Capital⁽¹⁾**
 - \$19.5 million⁽¹⁾ in cash with no debt
 - \$21.6 million⁽¹⁾ in working capital
- **Equity Financing**
 - Completed a \$25.3 million financing in November 2022
- **New Zealand Royalty Revenue**
 - 2.5% on gross revenue produced from the New Zealand assets
 - \$1.4 million royalty payments received in F2023
 - Applies to all current and future production
- **Australia**
 - Three blocks sold in 2020 for a cash payment of ~A\$2,500,000
 - TAG Oil to receive a 3.0% gross overriding royalty on potential future gas production

- **New Focus**

- Following return of capital to shareholders and retaining a strong balance sheet in 2019, TAG Oil embarks on a strategic initiative in September 2020 to acquire oil and gas assets in the MENA region
- Additional leadership team with proven track record join TAG Oil in September 2020
- TAG Oil completes the Badr Oil Field (“BED-1”) transaction in Egypt in October 2022
- In May 2023, TAG Oil announces first oil production from the successful re-entry of BED 1-7

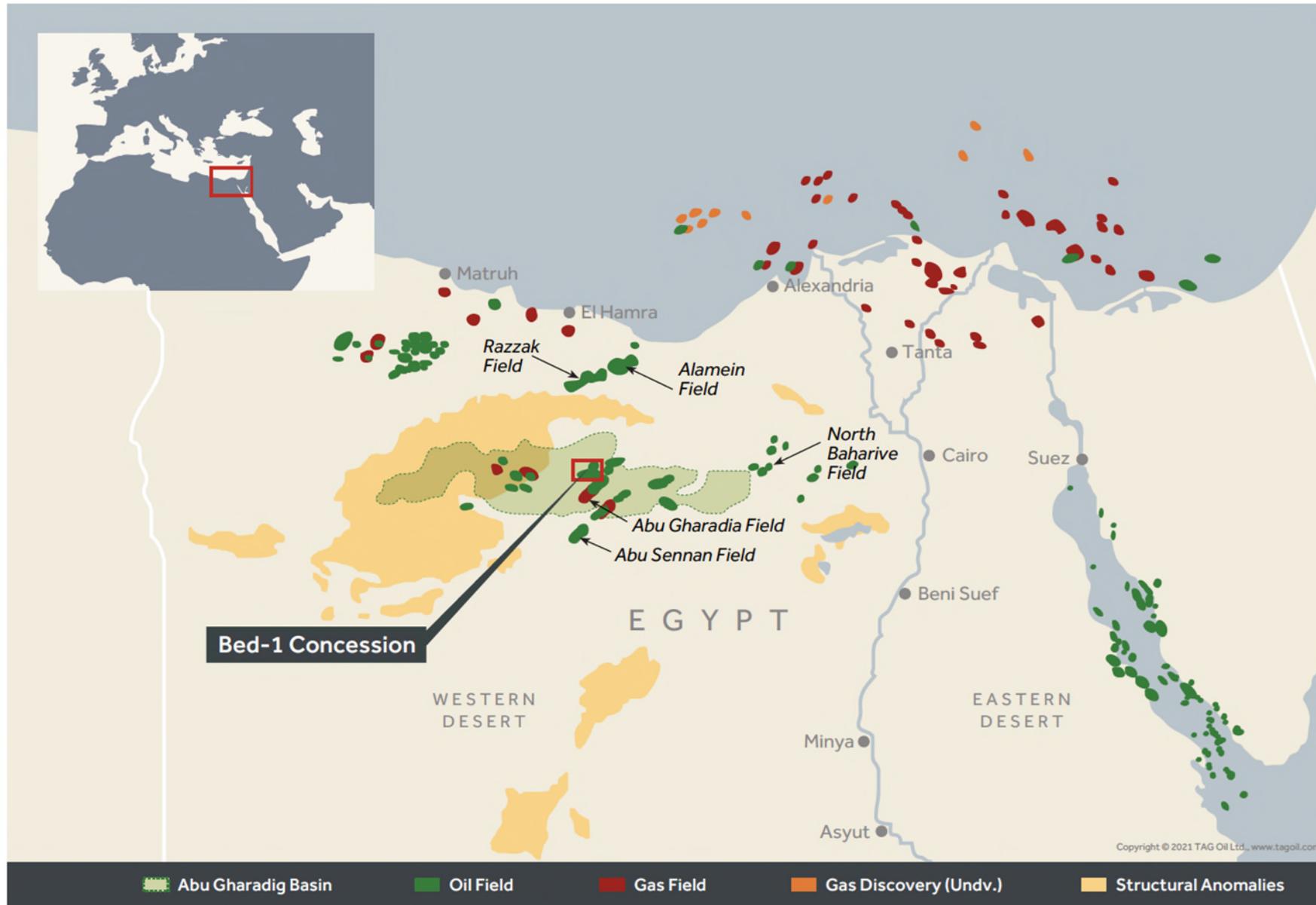
(1) As at March 31, 2023

- **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

- Egypt is a democratic republic, its geography, population and history, have made it a highly influential country in the region
- 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



TAGOIL EGYPT OIL & GAS FIELDS - BED-1



- Signed a **Petroleum Services Agreement** with Badr Petroleum Company (“BPCO”), a wholly owned subsidiary of EGPC, on October 13, 2022 to develop Abu Roash “F” (“ARF”) formation in the BED-1 Field, a 107 km² (26,000 acres) concession located in the Western Desert, Egypt

TAGOIL BED-1 PETROLEUM SERVICES AGREEMENT

- **Concession History:** BED-1 concession was previously held by Shell and produced more than 90 million bbl⁽¹⁾ of light oil from formations below the ARF. Shell surrendered BED-1 in 2012 and the field has since been operated by BPCO, a wholly owned subsidiary of EGPC
 - Current production from BED-1 deeper zones is ~5,000 bopd⁽²⁾, and the field has a 25,000 bbl processing facility
- **Concession Term:** Until 2032 with a 10-year extension to 2042
- **Service Fee:** BPCO to pay TAG Oil a service fee as a percentage of gross Production Revenue Entitlement to compensate the Company for assuming 100% of the capital and operating expenditures
 - Production level of up to 10,000 bopd and Brent Oil price between \$70 and \$90 the fee is **62% of production revenue**. Taxes and Royalties to be paid by BPCO
- **Phase 1:** Evaluation Period, which is considered as a pilot development stage, \$6 million commitment
- **Phase 2:** Commercial Development stage to commence following a successful evaluation period, \$6 million commitment

(1) Source of information is from EGPC for the BED-1, Western Desert, Egypt, dated January 1, 2023. The relevance of the information to TAG Oil's oil and gas activities is to illustrate the production in BED-1 from formations below the ARF during the period that the concession was held by Shell.

(2) Source of information is from BPCO for the BED-1, Western Desert, Egypt, dated June 30, 2023. The relevance of the information to TAG Oil's oil and gas activities is to illustrate the production in BED-1 from formations below the ARF during the period that the concession was held by BPCO.

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

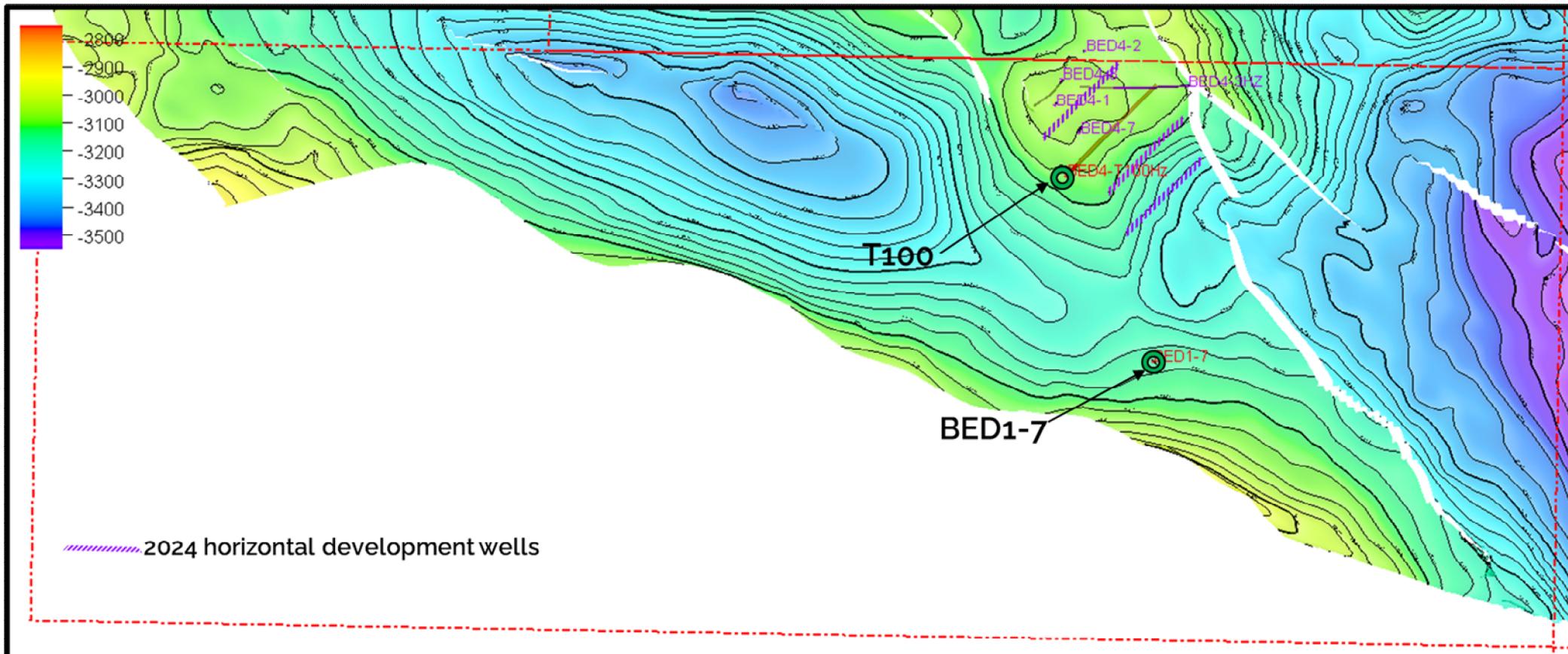
Key Comparisons:

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

(1) Source of information is from Yellowstone Resources for the Eagle Ford, Texas, dated March 14, 2023. The relevance of the information to TAG Oil's oil and gas activities is to provide a summary of a comparative reservoir to the ARF reservoir in BED-1.

BED-1 CONCESSION – PHASE 1 DEVELOPMENT WELLS

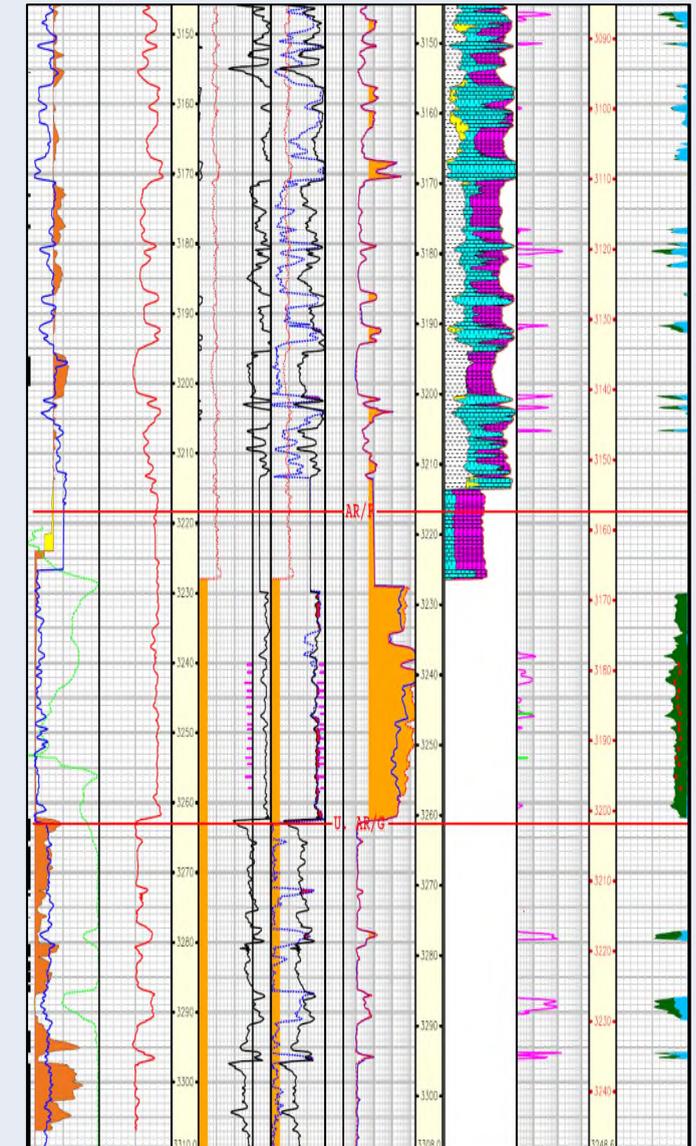
- BED 1-7 Vertical Recompletion was completed in May 2023
- BED4-T100 Horizontal Well drilling planned for early August 2023, anticipate results in Q4 2023
- 3 to 4 Horizontal Well locations planned for 2024 drilling program



TAGOIL BED 1-7 RE-ENTRY – PROOF OF CONCEPT

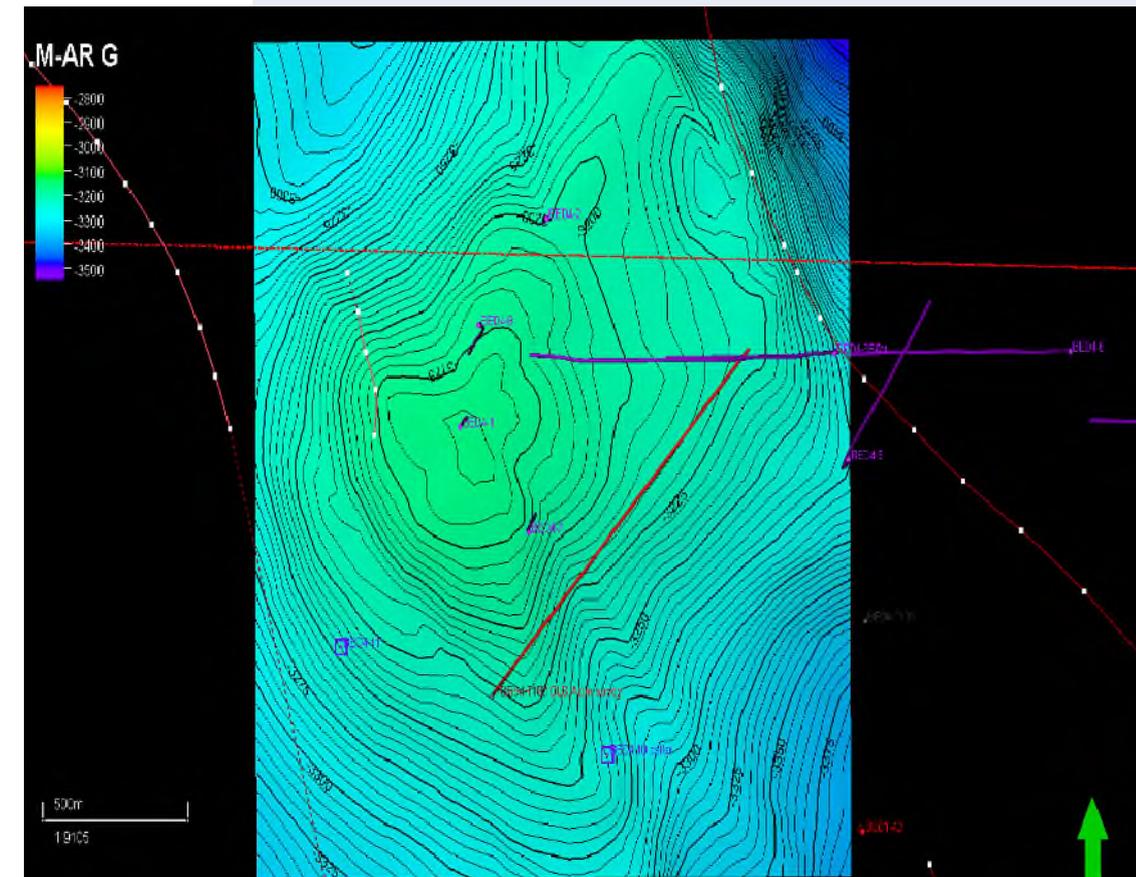
- Successful re-entry of an existing vertical well
- First step to establish oil production from the ARF formation
- Perforated and conducted Diagnostic Fracture Injectivity Test (DFIT) of the ARF
- Conducted a single fracture stimulated with 110 ton frac.
- Installed Electric Submersible Pump (ESP pump)
- Well production stabilized at 140 bopd of 23° API Oil
- Cumulative production as of July 31, 2023 is in excess of 6,000 barrels
- Positive response confirming reservoir model and performance

BED 1-7
Thick 40 meters
ARF Formation



TAG Oil | BED4-T100 HORIZONTAL WELL LOCATION

- Located adjacent to wells BED 4-2 (75,500 bbl⁽¹⁾) and BED 4-3Hz (74,000 bbl⁽¹⁾) that produced oil from ARF natural fractures, but the wells stopped producing after depleting primary fractures
- Expected to spud in early August 2023
- Estimate 90 days to drill and complete
- Well expected to be tied-in to BED-1 processing facility immediately after
- Anticipating first oil production in Q4 2023
- Modeling estimates initial production forecast to be between 1,000 and 1,500 bopd⁽²⁾



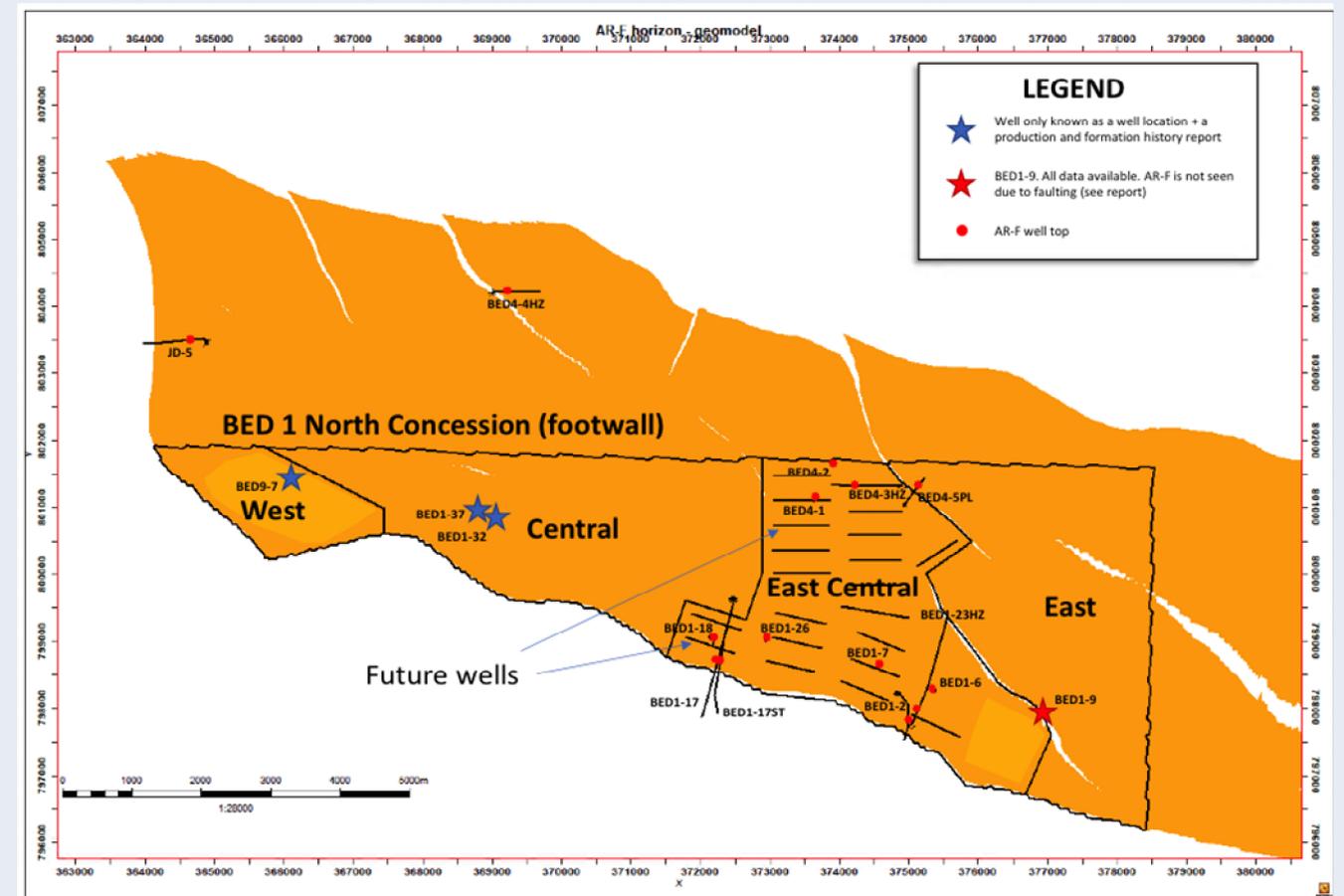
(1) Cumulative oil produced from ARF. Source of information is from BPCO for the BED-1, Western Desert, Egypt, dated August 1, 2022. The relevance of the information to TAG Oil's oil and gas activities is to illustrate the production in BED-1 from wells that are adjacent to TAG Oil's first horizontal well, BED4-T100.

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

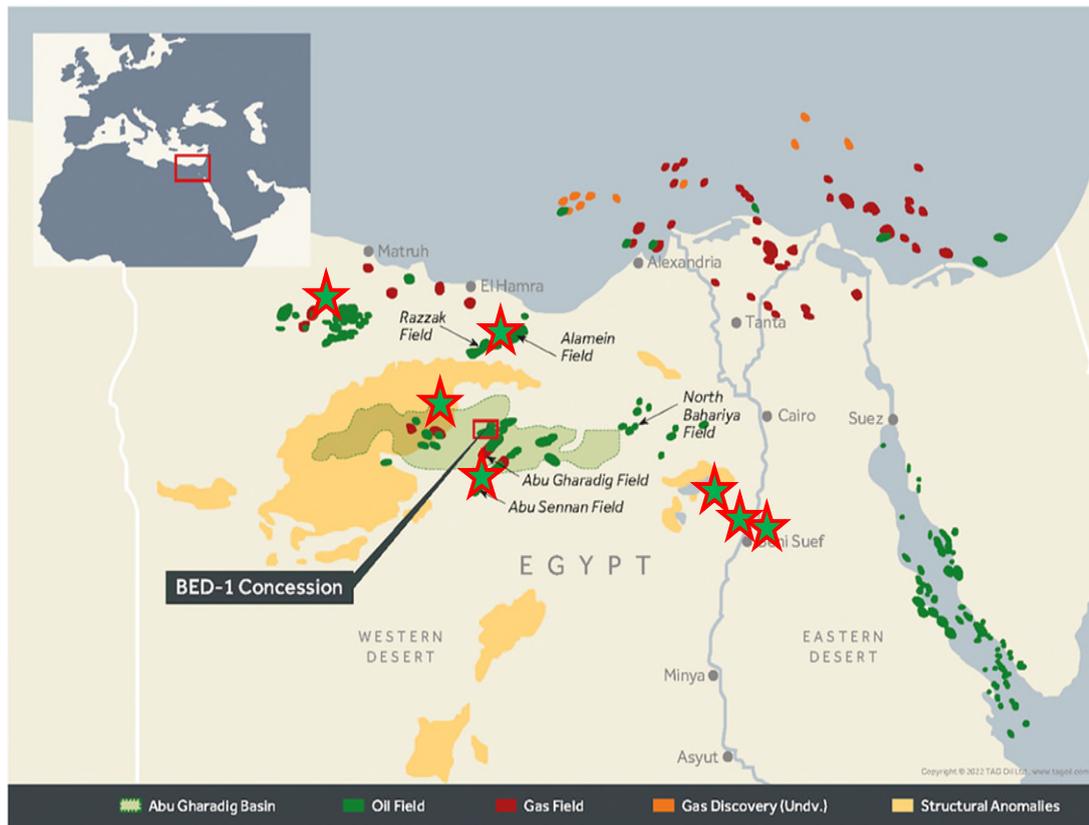
RESERVES SUMMARY HIGHLIGHTS - BED-1

- RPS estimates the **ARF OIIP P50 Volumes to be 531.5 million barrels over the BED-1 concession area**. The discovered OIIP in the ARF is imaged by 3D seismic coverage, significant well control with over 30 penetrations, petrophysical analysis of available log and core data and production tests from the ARF.
- TAG Oil's **current Field Development Plan ("FDP")**, consisting of drilling 20 horizontal wells to be completed with multi-stage fracture stimulation, is focused on the east central part of the BED-1 concession area, and contains OIIP P50 Volumes of 178.3 million barrels.
- RPS best estimate for Contingent Resources volumes (2C Development Pending) is **27.0 million barrels gross with 16.5 million barrels net** to the Company.
- Estimate **recovery of approximately 15%** in the East Central part of the concession
- FDP **CAPEX and OPEX discounted at 10% is US\$104 million and \$160 million** for the 2C Development Pending Contingent Resources in the ARF.

- RPS estimate for Contingent Resources (2C Development Pending) **net present value discounted at 10%** and assumed RPS Price Forecast of April 1, 2022, per barrel is **US\$339 million (risked at 80% chance of development) and US\$423 million (un-risked)**.



TAG continues to evaluate new acquisitions and joint venture opportunities primarily in Egypt and the Arabian Gulf area, with the aim of expanding and identifying suitable additions to the Company's portfolio.





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

info@tagoil.com

1-604-682-6496

Suite 1710, 1050 West Pender Street
Vancouver, BC
V6E 3S7, Canada

www.tagoil.com

