MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is dated November 16, 2020, for the six months ended September 30, 2020 and should be read in conjunction with the condensed consolidated interim financial statements for the same period and audited conslidated financial statements for the year ended March 31, 2020.

The condensed consolidated interim financial statements for the six months ended September 30, 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Results for the period ended September 30, 2020, are not necessarily indicative of future results. All figures are expressed in Canadian dollars unless otherwise stated.

ABOUT TAG OIL LTD.

TAG Oil Ltd. ("TAG" or the "Company") is an international oil and gas exploration, development and production company with assets that are situated in Australia. As of the date of this MD&A, the Company controls holdings consisting of three onshore oil and gas permits amounting to 284,172 net acres of land.

During the year ended March 31, 2020, the Company, and certain of its subsidiaries, completed the definitive share and asset purchase agreement with Tamarind Resources Pte. Ltd. ("Tamarind"), and certain of its subsidiaries (collectively, the "NZ Transaction").

On March 16, 2020, the Company conducted a return of capital to its shareholders in the amount of $0.30 per common share (approximately $25.6 million in cash), in accordance with Canadian income tax law.

The return of capital was paid on April 14, 2020 to all shareholders of record of the common shares of the Company on March 27, 2020 (record date).

Following the return of capital, the Company retained approximately $15 million in cash along with the 2.5% gross overriding royalty on all future production from the New Zealand assets sold and up to US$5 million in future event specific payments payable on Tamarind achieving certain milestones.

On June 15, 2020, TAG confirmed that its common shares would be voluntarily delisted from the Toronto Stock Exchange immediately following the close of trading on June 26, 2020 and would begin trading on the TSX Venture Exchange (the "TSX-V") at market open on June 29, 2020. TAG's trading symbol will continue to be "TAO" on the TSX-V. TAG continues to maintain its listing on the premier tier of the OTC market in the United States, the OTCQX International (the "OTCQX"), under the trading symbol "TAOIF".

On September 1, 2020, the Company announced the following corporate updates:

- Mr. Abdel (Abby) Badwi joined the Company as Executive Chairman of the board of directors, along with Mr. Suneel Gupta who has been appointed as VP and COO of the Company. Messrs. Shawn Reynolds and Thomas Hickey have also been appointed to TAG's board of directors as non-executive directors.
- The Company completed a non-brokered private placement of 6.25 million units ("Units") at a price of C$0.16 per Unit for aggregate gross proceeds of C$1.0 million. Each Unit consists of one common share ("Common Share") and one common share purchase warrant ("Warrant"), with each Warrant entitling the holder thereof to acquire one Common Share in the capital of the Company at a price of C$0.16 per Common Share for a period of three years from the date of closing.
- The grant of 4.85 million stock options exercisable for a period of five years at a price of C$0.25 per share to the newly appointed officers, directors, and consultant. The options will be subject to deferred vesting over three years.

On September 25, 2020, the Company announced the following corporate updates:

- Mr. Peter Loretto resigned from his position as a non-executive director of the Company.
- The grant of 775,000 stock options on September 11, 2020, to various officers, directors, and staff members. These options vested immediately and are exercisable until September 11, 2025, at a price of $0.25 per share.

On October 30, 2020, the Company closed the purchase and sale agreement with Luco Energy Pty. Ltd. ("Luco"), a company owned by Ilwella Pty. Ltd. and AJ Lucas Services, to divest its Australian assets and operations as part of a strategic realignment of the Company's oil and gas exploration and development activities. This was an arm's length transaction that involved the sale of the shares of TAG's Australian subsidiary, Cypress Petroleum Pty Ltd. ("Cypress"), which holds the Company's 100% working interests in PL 17, ATP 2037, and ATP 2038 (collectively, the "Permits") located in the Surat Basin of Queensland, Australia, to Luco in exchange for a cash payment of A$2,500,000 at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

On having completed the NZ Transaction and it's the sale of the Autralian assets and operations, the Company will be pursuing consolidation opportunities through the acquisition of assets and/or companies in the initial focus area of Middle East and North Africa.

SECOND QUARTER FINANCIAL AND OPERATING HIGHLIGHTS

- At September 30, 2020, the Company had $15.1 million (June 30, 2020: $15.0 million) in cash and cash equivalents and $17.6 million (June 30, 2020: $17.4 million) in working capital.
- Average net daily production remained shut in with no production for the quarter ended September 30, 2020 the same for the quarter ended June 30, 2020.
- The production was shut-in mainly due to scheduling maintenance during COVID-19 restrictions.
- Capital expenditures totaled $0.05 million for the quarter ended September 30, 2020, compared to $0.10 million for the quarter ended June 30, 2020. The majority of the expenditures in Q2 2021 relate to ATP 2037/2038 seismic acquisition program for 2021.

BUSINESS ENVIRONMENT AND THE IMPACT OF COVID-19

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Global commodity prices declined significantly as countries around the world enacted emergency measures to combat the spread of the virus. The decrease in oil demand has been unprecedented. Since April 2020, global demand has improved while OPEC and North American producers have cut production. Global inventories have begun to moderate with economies reopening and leading to a partial recovery and stabilization in oil prices.

In Australia and New Zealand, benchmark prices had initially declined but have recovered somewhat affecting revenue from production, royalties, and future event specific payments. However, commodity prices are recovering, and TAG remains in a strong cash position.

OUTLOOK AND RESPONSE TO COVID-19

The Company has implemented procedures that comply with British Columbia Health Guidelines in Canada and followed Queensland Guidelines in Australia. We currently do not have any personnel in New Zealand. TAG has transitioned its office staff in Vancouver back to the office on a rotating basis and the field sites in Australia continue to take site specific pre-cautionary measures related to COVID-19.

The production at PL 17 had initially been shut-in due to maintenance issues and travel and other restrictions around bringing in service personnel into the remote well site locations.

The Company has not experienced any COVID-19 cases in any location and the Company has sufficient liquidity supplemented by the recent private placement of $1 million to operate beyond the next twelve months. The Company continues to receive royalty and event specific payments from the sale of its New Zealand assets, however at a lower level due to the decline in global oil prices due to the affects of COVID-19.

RESULTS FROM OPERATIONS

Net Oil and Natural Gas Production, Pricing and Revenue

	2021		2020	Six months ended September 30,	
Daily production volumes (1)	**Q2**(3)	Q1(3)	Q2	**2020**	2019
Oil (bbl/d)	0	0	990	0	1,051
Natural gas (boe/d)	0	0	290	0	295
Combined (boe/d)	0	0	1,280	0	1,346
% of oil production	0%	0%	77%	0%	78%
Daily sales volumes (1)					
Oil (bbl/d)	0	0	823	0	969
Natural gas (boe/d)	0	0	161	0	155
Combined (boe/d)	0	0	984	0	1,124
Natural gas (MMcf/d)	0	0	966	0	930

Product pricing					
Oil ($/bbl)	0.00	0.00	83.16	0.00	88.35
Natural gas ($Mcf)	0.00	0.00	4.83	0.00	4.93
Oil and natural gas revenues - gross *($000s)*	-	-	6,726	-	16,500
Oil and natural gas royalties (2)	-	-	(580)	-	(1,595)
Oil and natural gas revenues - net *($000s)*	-	-	6,146	-	14,905

(1) Natural gas production converted at 6 Mcf:1 boe (for boe figures).
(2) Relates to government royalties and includes an ORR of 7.5% royalty related to the acquisition of a 69.5% interest in the Cheal field.
(3) The productions had been shut-in the prior quarter due to the requirement for repairs but have not been restarted due to the concern over COVID-19 and bringing in outside technical personal into the area during the process.

Average net daily production remained at nil boe/d (100% oil) for the quarter ended September 30, 2020, from nil boe/d for the quarter ended June 30, 2020. This is due to PL 17 not being restarted for the quarter due to maintenace issues delayed while observing COVID-19 precautions.

SUMMARY OF QUARTERLY INFORMATION

Canadian $000s, except per share or boe	**2021**		2020				2019	
	Q2(2)	Q1(2)	Q4	Q3	Q2	Q1	Q4	Q3
Net production volumes (boe/d)	**0**	0	2	4	1,280	1,413	1,218	1,211
Total revenue	**-**	-	(77)	25	6,726	9,774	7,407	8,810
Operating costs	**(55)**	(32)	188	(57)	(3,827)	(4,654)	(4,589)	(4,246)
Depletion, depreciation and accretion	**(35)**	(34)	165	(231)	(137)	(142)	(344)	(23)
Finance Costs	**-**	**-**	-	1	(72)	(15)	(75)	(132)
Foreign exchange	**(235)**	(969)	1,918	(1,177)	349	(87)	22	(134)
Interest and other income	**158**	19	133	128	153	194	137	195
Share-based compensation	**(139)**	(6)	(34)	(4)	7	(17)	(60)	(70)
General and administative	**(909)**	(596)	(858)	(2,020)	(912)	(2,398)	(2,247)	(1,985)
Exploration recovery (impairment)	**(50)**	-	57	34	(7)	(30)	(4)	(9)
Recovery (write-down) to AHFS	**-**	-	-	-	3,498	(3,498)	3,590	(7,661)
(Loss) gain on derivative financial instrument	**-**	-	-	-	-	-	(401)	1,164
(Loss) gain on sale of property	**-**	-	-	(102)	319	-	-	-
Gain on sale of PP&E	**-**	-	2,235	651	1,370	-	-	-
(Loss) gain on royalty valuation	**(42)**	(87)	155	249	-	-	-	-
Write-off of inventory	**-**	-	-	-	-	-	(450)	-
Write-off of oil and gas property	**-**	-	-	-	(41)	-	-	-
Net (loss) income before tax	**(1,307)**	(1,705)	3,882	(2,503)	7,426	(873)	2,986	(4,091)
Income tax	**-**	-	2	-	-	-	(586)	(2)
Net (loss) income for the period	**(1,307)**	(1,705)	3,884	(2,503)	7,426	(873)	2,400	(4,093)
(Loss) earnings per share – basic	**(0.02)**	(0.02)	0.05	(0.03)	0.09	(0.01)	0.03	(0.05)
(Loss) earnings per share – diluted	**(0.02)**	(0.02)	0.05	(0.03)	0.09	(0.01)	0.03	(0.05)
Capital expenditures	**(48)**	(98)	(17)	2,629	34	992	1,354	3,817
Operating cash flow *(1)*	**(1,156)**	(1,133)	1,056	(2,785)	2,417	2,815	69	2,506

(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.
(2) The productions had been shut-in in the prior quarter due to the requirement for repairs but have not been restarted due to the concern over COVID-19 and bringing in outside technical personal into the area during the process.

The wells were shut in with no revenue generated from oil and gas sales for the quarter ended September 30, 2020 and for the quarter ended June 30, 2020. This is due to maintenace issues and operations being shut-in due to COVID-19 restrictions and having crews enter the well locations on a timely basis. Revenues generated from oil and gas sales decreased to $nil for the quarter ended September 30, 2020 from $6.7 million for the quarter ended September 30, 2019. The decrease is due to operations being shut-in in Australia due to maintenace issues delayed while observing COVID-19 precautions and completion of the NZ Transaction on September 25, 2019.

Operating costs increased for the quarter ended September 30, 2020, to $0.06 million from $0.03 million for the quarter ended June 30, 2020. Operating costs decreased for the quarter ended September 30, 2020, to $0.06 million from $3.83 million when compared to the quarter ended September 30, 2019. Operating costs decreased due to completion of the NZ Transaction on September 25, 2019 and the operations being shut-in in Australia due to maintenace issues delayed while observing COVID-19 precautions.

General and administrative costs increased to $0.91 million for the quarter ended September 30, 2020 from $0.60 million for the quarter ended June 30, 2020. The increase is mainly due to an increase in shareholder relations in Q2 F2021. General and administrative costs remained at $0.91 million for the quarter ended September 30, 2020 from $0.91 million for the quarter ended September 30, 2019.

Net loss before tax for the quarter ended September 30, 2020, was $1.31 million compared to net loss before tax of $1.71 million for the quarter ended June 30, 2020. Excluding impairment expense and write-offs, on a comparative basis, this equates to net loss before tax of $1.27 million for the quarter ended September 30, 2020, compared with net loss of $1.71 million for the quarter ended June 30, 2020. The net loss compared to the prior quarter is due to a significant decrease in foreign exchange from $0.97 million to $0.24 million, offset by an increase in share-based compensation from $0.006 million to $0.14 million. Additionally, the Company reduced costs from operations being shut-in in Australia due to maintenace issues delayed while observing COVID-19 precautions. Net loss before tax for the quarter ended September 30, 2020 was $1.31 million compared to net income $7.43 million for the quarter ended September 30, 2019. Excluding impairment expense and write-offs, on a comparative basis, equates to net loss before tax of $1.27 million for the quarter ended September 30, 2020, compared to a net income of $2.6 million for the quarter ended September 30, 2019. The decrease is due to the Company reducing costs from operations being shut-in in Australia and also due to maintenace issues delayed while observing COVID-19 precautions and completion of the NZ Transaction on September 25, 2019.

Net Production by Area (boe/d)

Area	**2021**		2020	Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019
PMP 38156 (Cheal) (1)	**0**	0	906	**0**	880
PMP 60291 (Cheal East) (1)	**0**	0	192	**0**	278
PMP 53803 (Sidewinder) (1)	**0**	0	177	**0**	183
PL 17 (Cypress)	**0**	0	5	**0**	6
Total boe/d	**0**	0	1,280	**0**	1,347

(1) All production assets in New Zealand have been sold as of September 2019.

Average net daily production remained halted for the quarter ended September 30, 2020 from as was the production for the quarter ended June 30, 2020. This is due to PL 17-B1/B4 being shutdown due to maintenace issues delayed while observing COVID-19 precautions.

Average net daily production was halted for the quarter ended September 30, 2020 from 1,280 boe/d (77% oil) for the quarter ended September 30, 2019. The decrease is due to the sale of the New Zealand producing assets and due to PL 17-B1/B4 being shutdown due to maintenace issues delayed while observing COVID-19 precautions.

Oil and Gas Operating Netback ($/boe)

	2021		2020	Six months ended September 30,	
	Q2(1)	Q1(1)	Q2	**2020(1)**	2019
Oil and natural gas revenue	**0.00**	0.00	74.30	**0.00**	80.24
Production costs	**(0.00)**	(0.00)	(25.98)	**(0.00)**	(23.84)
Royalties	**(0.00)**	(0.00)	(6.40)	**(0.00)**	(7.76)
Transportation and storage costs	**(0.00)**	(0.00)	(9.89)	**(0.00)**	(9.64)
Operating Netback per boe ($)	**0.00**	0.00	32.03	**0.00**	39.00

(1) There is no calculation in the period as there was no production.

Operating netback per boe is the operating netback divided by barrels of oil equivalent sold in the applicable period. See non-GAAP measures for further explanation. These measures may not be comparable to similar measures presented by other issuers and should not be considered in isolation with measures that are prepared in accordance with IFRS.

General and Administrative Expenses ("G&A")

	2021		2020	Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019
Consulting and director fees	**156**	167	306	**323**	504
Filing, listing and transfer agent	**27**	14	7	**41**	31

Insurance	**21**	9	23	**30**	44
Office and administration	**58**	37	132	**95**	307
Overhead recoveries	**-**	-	(46)	**-**	(92)
Professional fees	**100**	83	108	**183**	227
Rent	**30**	14	64	**44**	116
Reports	**-**	(5)	-	**(5)**	(5)
Shareholder relations and communications	**258**	51	38	**309**	101
Travel	**7**	1	22	**8**	79
Wages and salaries	**252**	225	258	**477**	1,998
Oil and Gas G&A expenses ($000s)	**909**	596	912	**1,505**	3,310
Per boe ($) (1) (2)	**N/A**	N/A	8.17	**N/A**	13.61

(1) Per boe ($) is the G&A expenses divided by barrels of oil equivalent production volume for the applicable period.
(2) There is no calculation in the period as there was no production.

Share-based Compensation

	2021		2020	Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019
Share-based compensation ($000s)	**139**	6	(7)	**145**	10
Per boe ($) (1) (2)	**N/A**	N/A	(0.06)	**N/A**	0.04

(1) Per boe ($) is the share-based compensation divided by barrels of oil equivalent production volume for the applicable period.
(2) There is no calculation in the period as there was no production.

Share-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, 2020, the Company granted 5,625,000 options at $0.25 per share (June 30, 2020 – nil) and no options were exercised (June 30, 2020: nil).

Share-based compensation increased for the quarter ended September 30, 2020 to $0.22 million when compared to $0.006 million in the quarter ended June 30, 2020. Share-based compensation costs increased due to options being granted in Q2 2021.

Share-based compensation increased to $0.22 million in the quarter ended September 30, 2020, compared with negative $0.007 million for the quarter ended September 30, 2019. The increase in total share-based compensation costs is due to options granted in Q2 2021.

Depletion, Depreciation and Accretion (DD&A)

	2021		2020	Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019
Depletion, depreciation and accretion ($000s)	**35**	34	138	**69**	280
Per boe ($) (1) (2)	**N/A**	N/A	1.17	**N/A**	1.13

(1) Per boe ($) is the depletion, depreciation and accretion divided by barrels of oil equivalent production volume for the applicable period.
(2) There is no calculation in the period as there was no production.

DD&A expenses have increased for the quarter ended September 30, 2020 to $0.035 million compared to $0.034 million the quarter ended June 30, 2020.

DD&A expenses decreased for the quarter ended September 30, 2020 to $0.035 million compared with $0.138 million for the quarter ended September 30, 2019. The decrease is due to the completion of the NZ Transaction on September 25, 2019 for the sale of the New Zealand producing assets.

Foreign Exchange Loss (Gain)

	2021	2020		Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019
Foreign exchange (gain) loss ($000s)	235	969	(349)	**1,204**	(262)

The foreign exchange loss for the quarter ended September 30, 2020 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

	2021	2020		Six months ended September 30,	
($000s)	**Q2**	Q1	Q2	**2020**	2019
Net (loss) income before tax	**(1,307)**	(1,705)	7,426	**(3,012)**	6,553
Income tax	**-**	-	-	**-**	-
Net (loss) income after tax	**(1,307)**	(1,705)	7,426	**(3,012)**	6,553
(Loss) income per share – basic ($)	**(0.02)**	(0.02)	0.09	**(0.03)**	0.08
(Loss) income per share – diluted ($)	**(0.02)**	(0.02)	0.09	**(0.03)**	0.08

Cash Flow

	2021	2020		Six months ended September 30,	
($000s)	**Q2**	Q1	Q2	**2020**	2019
Operating cash flow ***(1)***	**(1,156)**	(1,132)	2,417	**(2,288)**	5,232
Cash provided by operating activities	**(1,154)**	(1,160)	246	**(2,314)**	2,864
Operating cash flow per share, basic ($)	**(0.01)**	(0.01)	0.00	**(0.03)**	0.03
Operating cash flow per share, diluted ($)	**(0.01)**	(0.01)	0.00	**(0.03)**	0.03

(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 flow decreased by $0.024 million for the quarter ended September 30, 2020 compared to n the quarter ended June 30, 2020. The decrease is consistent with the prior quarter with production being halted for both.

Operating cash flow decreased to $1.2 million for the quarter ended September 30, 2020 compared to $2.4 million for the quarter ended September 30, 2019. The decrease is to the operations being shut-in in Australia due to COVID-19 and completion of the Transaction on September 25, 2019.

CAPITAL EXPENDITURES

Capital expenditures were $0.05 million for the quarter ended September 30, 2020 compared to $0.1 million for the quarter ended June 30, 2020 and $0.03 million for the quarter ended September 30, 2019.

The expenditures are related to the Australian exploration activities ($0.05 million).

Taranaki Basin ($000s)	2021	2020		Six months ended September 30,	
	Q2	**Q1**	Q2	**2020**	2019
Mining permits	**-**	-	-	**-**	503
Exploration permits	**-**	-	-	**-**	138
Total Taranaki Basin	**-**	-	-	**-**	641

Australia Surat Basin ($000s)	2021	2020		Six months ended September 30,	
	Q2	Q1	Q2	**2020**	2019

Exploration permits	**48**	96	34	**144**	176
Total Surat Basin	**48**	96	34	**144**	176

FUTURE CAPITAL EXPENDITURES

The Company had the following commitments for capital expenditure as at September 30, 2020:

Contractual Obligations ($000s)	**Total**	Less than One Year	Two to Five Years	More than Five Years
Operating leases ***(1)***	**174**	139	35	-
Other long-term obligations ***(2)***	**8,070**	3,687	4,383	-
Total contractual obligations ***(3)***	**8,244**	3,826	4,418	-

(1) The Company has commitments related to corporate office lease signed in Vancouver, Canada.
(2) The other long term obligations that the Company has are in respect to the Company's share of expected exploration and development permit obligations and/or commitments at the date of this report. The Company may choose to alter the program, request extensions, reject development costs, relinquish certain permits or farm-out its interest in permits where practical.
(3) The Company's total commitments include those that are required to be incurred to maintain its permits in good standing during the current permit term, prior to the Company committing to the next stage of the permit term where additional expenditures would be required. In addition, costs are also included that relate to commitments the Company has made that are in addition to what is required to maintain the permit in good standing.

The details of the Company's material commitments shown previously are as follows:

Permit	**Commitment**	**Less than One Year ($000s)**	**Two to Five Years**	**More than Five Years**
ATP 2037	G&G studies, seismic reprocessing, seismic acquisition and one exploration well	1,582	2,191	**-**
ATP 2038	G&G studies, seismic reprocessing, seismic acquisition and one exploration well	2,106	2,191	-
	TOTAL COMMITMENTS	**3,688**	**4,382**	**-**

The Company expects to manage its working capital on hand as well as cash flow from oil and gas sales to meet commitments that best allow it to continue with its core operations while allowing selective development and exploration. Commitments and work programs are subject to change as dictated by cashflow, which in turn is affected by oil and gas prices and production levels.

LIQUIDITY AND CAPITAL RESOURCES

($000s)	**2021**		2020
	Q2	Q1	Q2
Cash and cash equivalents	**15,096**	14,960	39,906
Working capital	**17,627**	17,419	42,234
Contractual obligations, next twelve months	**3,826**	3,669	1,454
Revenue	**-**	-	6,726
Cashflow from operating activities	**(1,154)**	(1,160)	246

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 NZ Transaction royalty and event specific payments allows the Company to meet its commitments for the next twelve months. TAG's management continues to adjust to changes in the price of oil and will reduce and relinquish obligations as necessary to provide more certainty and liquidity for the Company as needed. The Company has cash available and it continues to monitor commodity prices and cash flow. TAG will react to up or down movements in commodity prices and cash flow, which may result in future reductions in commitments or taking on additional projects and obligations to improve productions and reserves.

The Company may require a source of financing in the event of adding material commitments, continued low oil prices, or any 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. The terms "operating cash flow", "operating netback" and "operating margin" are not recognized measures under the applicable IFRS. Management of the Company believes that these terms are useful to provide shareholders and potential investors with additional information, in addition to profit and loss and cash flow from operating activities as defined by IFRS, for evaluating the Company's operating performance and leverage. References to operating cash flow are to cash revenue less direct operating expenses, which includes operations and maintenance expenses and taxes (other than income and capital taxes) but excludes the effect of changes in non-cash working capital accounts. Operating netback denotes oil and gas revenue, less royalty expenses, operating expenses and transportation and storage expenses.

Operating Margin ($000s)	**2021**		2020	Six months ended September 30,	
	Q2(1)	Q1(1)	Q2	**2020**	2019
Total revenue	**0**	0	6,726	**0**	16,500
Less production costs	**(55)**	(32)	(2,352)	**(87)**	(4,903)
Less royalties	**0**	0	(580)	**0**	(1,595)
Less transportation and storage	**0**	0	(895)	**0**	(1,983)
Operating margin	**(55)**	(32)	2,899	**(87)**	8,019

(1) The productions had been shut-in in the prior quarter due to the requirement for repairs but have not been restarted due to precautions concerning COVID-19 and bringing in outside technical personnel into the area during the process.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

	2021		2020	Six months ended September 30,	
($000s)	**Q2**	Q1	Q2	**2020**	2019
Share-based compensation	**91**	6	8	**97**	16
Management wages and director fees	**184**	147	139	**331**	596
Total Management Compensation	**275**	153	147	**428**	612

SHARE CAPITAL

a. At September 30, 2020, there were 91,666,252 common shares, 9,150,000 stock options outstanding and 6,250,000 warrants outstanding.

b. At November 13, 2020, there were 91,666,252 common shares, 9,150,000 stock options outstanding and 6,250.000 warrants outstanding.

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

SUBSEQUENT EVENTS

On October 30, 2020, the Company closed the purchase and sale agreement with Luco, a company owned by Ilwella Pty. Ltd. and AJ Lucas Services, to divest its Australian assets and operations. This was an arm's length transaction that involved the sale of the shares of TAG's Australian subsidiary, Cypress, which holds the Company's 100% working interests in the Permits located in the Surat Basin of Queensland, Australia, to Luco in exchange for a cash payment of A$2,500,000 at closing and a 3.0% gross overriding royalty on future production from all liquids produced from the Permits.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Areas of judgment that have the most significant effect on the amounts recognized in these condensed consolidated interim 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 condensed consolidated interim financial statements are: recoverability, impairment and fair value of oil and gas properties, deferred tax assets and liabilities, determination of the fair values of share-based compensation and assessment of contingencies.

Recoverability, impairment and fair value of oil and gas properties

Fair values of oil and gas properties, depletion and depreciation and amounts used in impairment calculations are based on estimates of crude oil and natural gas reserves, oil and gas prices and future costs required to develop those reserves. By nature, estimates of reserves and the related future cash flows are subject to measurement uncertainty and the impact of differences between actual and estimated amounts on the condensed consolidated interim financial statements of future periods could be material. The fair value of properties is determined based on cost and supported by the discounted cash flow of reserves based on anticipated work program. The net present value uses a discount rate of 10% and costs are determined on the anticipated exploration program, forecast oil prices and contractual price of natural gas along with forecast operating and decommissioned costs. A discount rate of 10% has been used in determining the net present value of oil and gas properties.

Petroleum and natural gas properties, exploration and evaluation assets and other corporate assets are aggregated into cash-generating-units (CGUs) based on their ability to generate largely independent cash flows and are used for impairment testing unless the recoverable amount based on value in use can be estimated for an individual asset. The determination of the Company's CGUs is based on separate business units for retail and producing oil and gas fields with petroleum mining permits granted including associated infrastructure on the basis that field investment decisions are made based on expected field production and all wells are dependent on the field infrastructure.

Each CGU or asset is evaluated for impairment to ensure the carrying value is recoverable. Management looks at the discounted cash flows of capital development, income, production, reserves, and field life and asset retirement obligations of the CGU or asset in assessing the recoverable amount of the CGU or asset. A discount rate of 10% is applied to the assessment of the recoverable amount.

The decision to transfer exploration and evaluation assets to property, plant and equipment is based on management's determination of an area's technical feasibility and commercial viability based on proved and probable reserves. The calculation of decommissioning liabilities includes estimates of the future costs to settle the liability, the timing of the cash flows to settle the liability, the risk-free rate and the future inflation rates. The rates used to calculate decommissioning liabilities are an inflation rate of 1.62% and a risk-free discount rate ranging from 0.33% to 1.56%, which prevailed at the date of these financial statements. The impact of differences between actual and estimated costs, timing, and inflation on the condensed consolidated interim financial statements of future periods may be material.

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).

Share-based compensation

The calculation of share-based compensation requires estimates of volatility, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact share-based compensation expense and share-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 in the six month period ended September 30, 2020.

Please also refer to Forward Looking Statements.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting during the period ended September 30, 2020, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

The following pertains to the Company's MD&A for the period ended September 30, 2020, confirming that the Company is in compliance with disclosure controls and procedures and internal controls over the financial reporting period:

The Company's management, with the participation of its Chairman, CEO and CFO, have evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chairman, CEO and CFO have concluded that, as of the end of the year covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods. Required information is accumulated and communicated to management, including the Chairman, CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Chairman, CEO and the CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's Chairman, CEO and CFO and effected by the board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed consolidated interim financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets and liabilities of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the condensed consolidated interim financial statements.

The Company’s management assessed the effectiveness of the Company’s internal control over financial reporting as of September 30, 2020. In making the assessment, it used the criteria set forth in the Internal Controls Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on their assessment, management has concluded that, as of September 30, 2020, the Company’s internal control over financial reporting was effective based on those criteria.

Additional information relating to the Company is available on Sedar at www.sedar.com.

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 will continue to be operated by Tamarind 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. The Agreement will benefit TAG as well, that TAG’s Australian business will continue to be operated by Luco in a way that is beneficial to TAG and results in the 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 Transaction include the risk that TAG’s New Zealand business will not be operated in a way that is beneficial to TAG or results in the achievement of the event specific payments pursuant to the gross overriding royalty. Risks with respect to the Agreement include the risk that TAG’s Australian business will not be operated in a way that is beneficial to TAG or results in the achievement of the pursuant to the gross overriding royalty.

The forward-looking statements contained herein are as of September 30, 2020 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
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, COO
Alberta, Canada

Barry MacNeil, CFO
British Columbia, Canada

Giuseppe (Pino) Perone,
General Counsel and Corporate Secretary
British Columbia, Canada

CORPORATE OFFICE
885 W. Georgia Street
Suite 2040
Vancouver, British Columbia
Canada V6C 3E8
Telephone: 1-604-682-6496
Facsimile: 1-604-682-1174

BANKER
Bank of Montreal
Vancouver, British Columbia

LEGAL COUNSEL
Blake, Cassels & Graydon LLP
Vancouver, British Columbia
Bell Gully
Wellington, New Zealand

AUDITORS
De Visser Gray LLP
Chartered Professional Accountants
Vancouver, British Columbia

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 September 26, 2019 at 11:00 am in Vancouver, B.C, 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 13, 2020, there were 91,666,252 shares issued and outstanding.
Fully diluted: 107,066,252 shares.

WEBSITE
www.tagoil.com

SUBSIDIARIES (at September 30, 2020)

Cypress Petroleum Pty Ltd.
TAG Oil (NZ) Limited
TAG Oil (Offshore) Limited
Trans-Orient Petroleum Ltd.
Orient Petroleum (NZ) Limited
CX Oil Limited
Stone Oil Limited