



2040 – 885 West Georgia Street
Vancouver, B.C. V6C 3E8

NOTICE OF ANNUAL GENERAL MEETING

Take notice that the Annual General Meeting (the “**Meeting**”) of the shareholders of TAG Oil Ltd. (the “**Company**”) will be held at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, on December 12, 2013, at 10:00 a.m. (Pacific Time), for the following purposes:

1. To receive the consolidated financial statements of the Company for its fiscal year ended March 31, 2013, and the report of the auditors thereon.
2. To fix the number of directors to be elected at the Meeting at five (5) and to elect directors to hold office until the next Annual General Meeting of the Company.
3. To appoint DeVisser Gray LLP as auditor of the Company to hold office until the next Annual General Meeting of the Company and to authorize the directors to fix the remuneration to be paid to the auditor.
4. To consider and, if deemed fit, approve an ordinary resolution ratifying and approving all unallocated options under the Company's share option plan.
5. To consider any permitted amendment to or variation of any matter identified in this Notice of Meeting and to transact such other business as may properly come before the Meeting or any adjournment thereof.

A Management Information Circular (“**Information Circular**”) accompanies and is deemed to form part of this notice of meeting. The Information Circular contains details of matters to be considered at the Meeting. Additional information is also available free of charge on SEDAR at www.sedar.com.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy (the “**Proxy**”), or another suitable form of proxy, and deliver it in accordance with the instructions set out in the Proxy and in the Information Circular.

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required Proxy, you should contact the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by telephone (toll free) at 1-866-732-8683 or by e-mail at service@computershare.com.

Dated at Vancouver, British Columbia, October 22, 2013.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Garth Johnson", written over a white rectangular background.

Garth Johnson
Chief Executive Officer





2040 – 885 West Georgia Street
Vancouver, B.C. V6C 3E8

MANAGEMENT INFORMATION CIRCULAR

as at October 22, 2013

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of TAG Oil Ltd. (the “Company”) for use at the Annual General Meeting of its shareholders (the “Meeting”) to be held on December 12, 2013, at the time and place and for the purposes set forth in the accompanying notice of the meeting (the “Notice of Meeting”). Except where otherwise indicated, the information contained herein is stated as at October 22, 2013.

In this Information Circular, references to “TAG Oil Ltd.”, “TAG”, “the Company”, “we” and “our” refer to TAG Oil Ltd. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name, “Registered Shareholders” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares and “intermediaries” refers to brokers, investment firms, clearing houses, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans and similar entities that own securities on behalf of Beneficial Shareholders.

All dollar figures are in Canadian dollars unless stated otherwise.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The form of proxy accompanying this Information Circular (the “**Proxy**”) is solicited by and on behalf of the management of the Company. The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying Proxy are the officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.** The only methods by which you may appoint a person as proxy are submitting a Proxy by mail, hand delivery, fax, phone or by way of the Internet, as set out on the accompanying Proxy.

Voting by Proxyholder; Exercise of Discretion

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly.



The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

If you are a Registered Shareholder, you may wish to vote by Proxy whether or not you are able to attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy and then return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by phone at 1-866-732-8683, by way of the Internet at www.investorvote.com, or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to many shareholders of the Company who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the U.S., the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy or voting instruction form supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders of the Company. However, its purpose is limited to instructing the intermediaries on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in the U.S. and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the



voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the Internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on your voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy, which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners); and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners).

The Company has decided to continue to take advantage of those provisions of National Instrument 54-101, *Communication with Beneficial Owners of Securities of Reporting Issuers* ("NI 54-101") that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (the "VIF") from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as fully described on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare. Should a NOBO wish to vote at the Meeting in person, the NOBO must insert the names of the NOBO in the space provided, and attend the Meeting and vote in person.

NOBOs who wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.

These shareholder materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.



By choosing to send these shareholder materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

Beneficial Shareholders with questions respecting the voting of shares held through a stockbroker or other financial intermediary should contact that stockbroker or other intermediary for assistance.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the head office of the Company at 2040-885 West Georgia Street, Vancouver, British Columbia, V6C-3E8 or at the address of the Company's Attorney for Service in British Columbia at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

CURRENCY

All currency amounts in this Information Circular are expressed in Canadian dollars, unless otherwise indicated. References to "NZ\$" are to New Zealand dollars.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set out herein, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the "**Board**") has fixed October 30, 2013, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of, and vote at, the Meeting and any adjournment thereof. Only Registered Shareholders at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. As at October 22, 2013, there were 59,170,252 Common Shares without par value issued and outstanding, each carrying the right to one vote. The Company has no other classes of voting securities.



As at the date of this Information Circular, to the knowledge of the directors and executive officers of the Company, no one shareholder beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company.

QUORUM; VOTES NECESSARY TO PASS RESOLUTIONS

The Company's Articles provide that a quorum for the transaction of business at any shareholders' meeting is two (2) shareholders or proxyholders present, representing an aggregate of at least 5% of the issued Common Shares entitled to be voted at the shareholders' meeting. If a quorum is not present within one-half hour after the time set for the commencement of the Meeting, the Meeting will be adjourned and set over for one week to the same time and place, and thereupon whatever number of Common Shares is represented shall constitute a quorum.

A simple majority (i.e. 50% plus one) of affirmative votes cast at the Meeting is required to pass an ordinary resolution of the Company, whereas a special majority (being 66 2/3%) of affirmative votes cast at the Meeting is required to pass a special resolution of the Company. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed.

FINANCIAL STATEMENTS

The audited consolidated financial statements and the related management discussion and analysis of the Company for the year ended March 31, 2013, and the report of the auditor on those statements will be placed before the Meeting.

The audited consolidated financial statements and the report of the auditor, and the related management discussion and analysis are included in the Annual Report for the fiscal year ended March 31, 2013. If the shareholder has previously requested a copy of the annual financial statements and the related management discussion and analysis, such Annual Report will have been mailed to the shareholder, or the shareholder will have received email notification that the financial statements and the related management discussion and analysis for the fiscal year ended March 31, 2013, are available for download without charge from SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The Board presently consists of five (5) directors. At the Meeting, it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year. The term of office of each of the five (5) current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCBCA"), each director elected will hold office until the conclusion of the next Annual General Meeting of the Company, or until their successor is elected or appointed.

The following table sets out the names of management's five (5) nominees for election as directors, their jurisdiction of residence, the offices they hold within the Company, their principal occupations, the period of time during which each has been a director of the Company, the number of Common Shares of the Company and its subsidiaries beneficially owned by each, directly or indirectly, or over which each nominee exercises control or direction, and the nominees' membership on committees of the Board as at the date of this Information Circular. The Board does not have an executive committee. There are presently three (3) committees of the Board; namely, the Audit Committee, the Compensation Committee, and the Nominating Committee.



In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Information Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

Nominee Position with the Company and Residence⁽¹⁾	Principal Occupation for the Past Five Years⁽¹⁾	Director of the Company since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly⁽²⁾	Committee Membership
Garth Johnson <i>Chief Executive Officer and Director</i> British Columbia, Canada	Company Executive	April 20, 2001	5,000	Nil
Alex Guidi ⁽⁶⁾ <i>Director</i> British Columbia, Canada	Business Executive	December 16, 2009	3,629,539	Nil
Keith Hill <i>Director</i> British Columbia, Canada	Business Executive	July 6, 2011	Nil	Audit Committee Compensation Committee Nominating Committee
Ronald Bertuzzi ⁽³⁾⁽⁴⁾⁽⁶⁾ <i>Director</i> British Columbia, Canada	Retired Medical Sales Consultant	December 16, 2009	208,356	Audit Committee Compensation Committee Nominating Committee
Ken Vidalin ⁽⁵⁾ <i>Director</i> British Columbia, Canada	Business Executive and Investor	December 14, 2011	Nil	Audit Committee Nominating Committee

Notes:

- 1) Information as to residence and principal occupation has been furnished by the respective director individually. See also “*Information Regarding Management’s Nominees for Election to the Board*” below.
- 2) Information as to Common Shares beneficially owned or controlled has been furnished by the respective director individually. The directors do not hold shares in any subsidiary of the Company.
- 3) Chairman of the Audit Committee.
- 4) Chairman of the Compensation Committee.
- 5) Chairman of the Nominating Committee.
- 6) On October 23, 2012, Mr. Ronald Bertuzzi replaced Mr. Alex Guidi as a member and Chairman of the Compensation Committee.

Biographical summaries and other required information about each of the nominees for election as directors are set out below in the section entitled “*Information Regarding Management’s Nominees for Election to the Board.*”



Corporate Cease Trade Orders or Bankruptcies

To the best of management's knowledge, no proposed director of the Company is, as at the date of this Information Circular, or has been, within the last ten (10) years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days while the proposed director was acting in that capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days that was issued after the proposed director ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event which occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of management's knowledge, no proposed director is, as at the date of this Information Circular, or has been within the last ten (10) years, a director or executive officer of any company (including the Company) that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of management's knowledge, no proposed director of the Company has, within the last ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Information Regarding Management's Nominees for Election to the Board

The following biographical information about management's nominees for election to the Board has been supplied by the respective nominees:

Mr. Garth Johnson joined the Company in 1997. Mr. Johnson is a Certified General Accountant who has extensive experience in executive management, acquisitions, development and corporate finance for public companies in the international oil and gas industry. He has been instrumental in developing junior companies from start-up to listing on the TSX Venture Exchange ("**TSX-V**"), Toronto Stock Exchange ("**TSX**") and American Stock Exchange for over fifteen (15) years and has developed expertise and extensive working knowledge in New Zealand oil and gas activities, as well as diverse business experience in North America and Australasia. Currently, Mr. Johnson is the Chief Executive Officer and a director of the Company and has previously served as a director and officer of Trans-Orient Petroleum Ltd. ("**Trans-Orient**"), Austral Pacific Energy Ltd. ("**Austral**"), and AMG Oil Ltd. ("**AMG**").



Mr. Alex Guidi is the founder of the Company and a number of prominent international Austral-Asian focused oil and gas exploration companies including Indo-Pacific Energy Ltd. (“**Indo-Pacific**”), Trans-Orient, and AMG. Together with TAG Oil, these companies have made, and continue to make, a significant contribution to exploration and development activity in New Zealand and Papua New Guinea’s Foreland region. In North America, Mr. Guidi was a founder of Williston Basin focused Walking Stick Oil and Gas Ltd. which grew into a successful entity that merged with Bonavista Petroleum in the early 1990’s. Mr. Guidi has previously served as an officer of the Company as well as various executive roles and directorships with Walking Stick Oil and Gas Ltd., Trans-Orient, Indo-Pacific, and AMG. Mr. Guidi is currently a director and Chairman of the Company.

Mr. Keith Hill has been a director of the Company since July 6, 2011. Mr. Hill is the CEO and a director of Africa Oil Corp., and is the Chairman and a director of ShaMaran Petroleum Corp. Mr. Hill is also a director of Black Pearl Resources Inc., Tyner Resources Ltd., and Petro Vista Energy Corp. Prior to this, Mr. Hill was instrumental in developing Valkyries Petroleum Corp. and Tanganyika Oil Company Ltd., both highly successful international oil and gas producers which were acquired by major oil companies. Mr. Hill holds a Master of Science degree in Geology and Bachelor of Science degree in Geophysics from Michigan State University, as well as an MBA from the University of St. Thomas in Houston.

Mr. Ronald Bertuzzi has been a director of the Company since December 16, 2009. Mr. Bertuzzi holds a Bachelor of Economics from the University of British Columbia and he has more than twenty (20) years of executive, board and committee experience with U.S. and Canadian junior listed companies focused primarily in the oil and gas industry that are doing business in Australasia. Mr. Bertuzzi’s experience covers various stages of company development beginning with initial start-up and initial public offerings, acquiring and exploring significant exploration acreages and ending in discovery, facility development and commercial production of oil and gas. Mr. Bertuzzi has previously served as a director of Trans-Orient and Austral.

Mr. Ken Vidalin has been a director of the Company since December 14, 2011. Mr. Vidalin is the founder of two significant global corporations, Methanex and Acetex, and has more than twenty (20) years of experience as a board member of public and private companies. As the founder, former director, and former COO of Methanex Corporation, Mr. Vidalin has significant technical and business qualifications. Mr. Vidalin is currently the President of Carina Investments Ltd., which is a private investment company, and he holds a Bachelor of Science degree in Mechanical Engineering from the University of North Dakota.

The Board does not contemplate that any of its nominees will be unable to serve as a director, but if for any reason that should occur, the persons named in the Proxy shall have the right to use their discretion to vote for a properly qualified substitute.

It is expected that the nominees set forth in this Information Circular will, upon their re-election, continue to serve as directors of the Company until the conclusion of the next Annual General Meeting of the Company.

COMPENSATION OF EXECUTIVE OFFICERS

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEOs**”):

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and



CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and

- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

As at March 31, 2013, the end of the most recently completed financial year of the Company, the Company had five (5) Named Executive Officers, whose name and positions held within the Company are set out under “*Summary Compensation Table*” below.

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

The Company’s executive compensation program is designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align the executives’ interests with those of the Company’s shareholders.

Compensation Elements

The Company’s compensation structure is primarily composed of two components – base salary/bonuses and options to purchase Common Shares (“**Options**”), which are designed to effectively retain and motivate the executive officers and employees to achieve the Company’s corporate goals and objectives.

The base salary and bonuses payable to the Company’s Chief Executive Officer and other executive officers and employees is determined by the Board according to their understanding as to the amount of compensation that is reasonable in the circumstances. The Board relies on objective criteria when determining compensation to compensate each individual for providing the leadership and specific skills needed to fulfill their responsibilities. These criteria include the attainment of the Company’s pre-set objectives for the previous financial year as set out in its business plan and budget, salaries paid to other executive officers in the junior oil and gas industry (although the Board does not benchmark against any specific company or companies but does take into account the overall trend of executive compensation in the junior oil and gas industry), and any advice that may be given by independent advisors and consultants to the Company and the Company’s Compensation Committee. Salaries may be increased based upon the individual’s performance and contribution or increases in median competitive pay levels. The Company does not have a formal bonus plan, but each year the Board, upon recommendation of the Company’s Compensation Committee, will approve pre-set goals for the ensuing year for bonus payments based on the criteria stated above.

As a junior resource company, Option grants are considered a significant component of the Company’s overall compensation strategy in order to appropriately incentivize the NEOs and employees in a manner that is consistent with shareholders’ interests. Options are granted to the NEOs and employees under its share option plan (“**Share Option Plan**”).

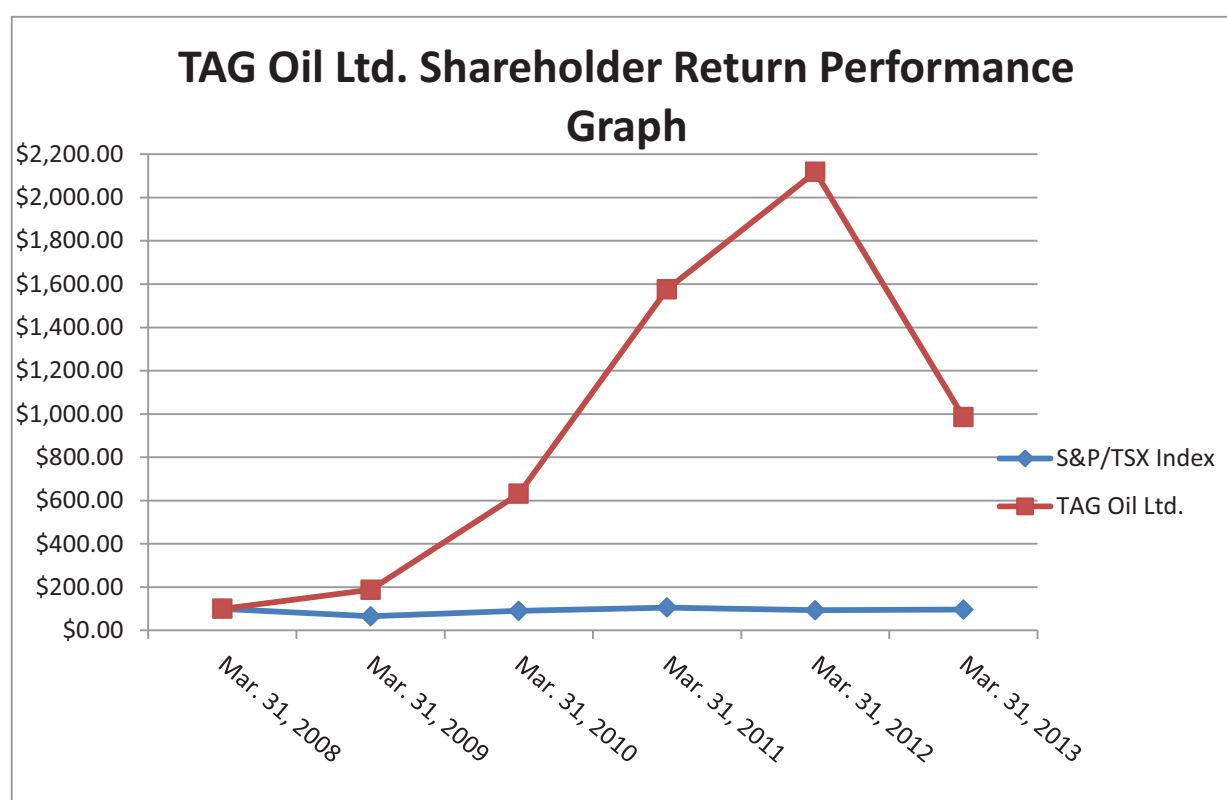
In the course of its deliberations, the Compensation Committee considered the implications of the risks associated with adopting the compensation program currently in place. The Compensation Committee does not believe that the compensation program adopted by the Company creates a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks and no such risks have been detected to date. The Compensation Committee will continue to include this consideration in its deliberations, and believes that it and the Board would detect actions of management or employees of the Company that constitute or would lead to inappropriate or excessive risks.



The Company does not have a policy restricting the ability of an executive officer or a director from purchasing financial instruments (including pre-paid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities (or Options in respect thereof) granted as compensation or held, directly or indirectly, by the executive officer or director. During the financial year ending March 31, 2013, none of the Named Executive Officers or directors purchased such financial instruments.

Performance Graph

The Common Shares trade on the TSX under the stock symbol “TAO”. Prior to July 6, 2011, the Common Shares traded on the TSX-V. The following graph compares the total cumulative shareholder return for \$100 invested in the Common Shares since March 31, 2008, with the total cumulative shareholder return for \$100 invested in the S&P/TSX Composite Index for the five (5) most recently completed fiscal years of the Company. Assume that \$100 was invested on the first day of the five (5) year period being March 31, 2008.



The following table shows the value of \$100 invested in Common Shares on March 31, 2008, compared to \$100 invested in the S&P/TSX Composite Index:

	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013
S&P/TSX Index	\$100	\$65	\$90	\$106	\$93	\$96
TAG Oil Ltd.	\$100	\$188	\$631	\$1,576	\$2,118	\$986

Our executive compensation programs are designed to align the financial, operating and market performance of the Company with the value that the NEOs ultimately receive from the programs. Executive compensation has generally corresponded to the trends shown by the graph over the period from 2008 to



2013, although industry-specific factors have influenced compensation over the same period. Base salaries are reviewed annually and increases are based on financial and operational performance objectives that are within management of the Company's control and may not align with total shareholder returns. The value of long-term incentives at a time of grant will also vary based on corporate performance.

Option-Based Awards

On December 10, 2010, the Company's shareholders approved the Share Option Plan and also a resolution authorizing amendments to the Share Option Plan to: (i) permit the Board to make future amendments to the Share Option Plan in limited, specified circumstances without shareholder approval; (ii) provide for an automatic limited extension of the term of any Options where such term would otherwise expire during or within two (2) business days after a Company-imposed blackout period; (iii) allow the Board discretion with regards to the vesting period for Options granted under the Share Option Plan; and (iv) remove references to the TSX-V and provisions previously inserted into the Share Option Plan in order to comply with the requirements of the TSX-V which no longer apply to the Company. These amendments became effective upon the Company's graduation from the TSX-V to the TSX on July 5, 2011.

The purpose of the Share Option Plan, pursuant to which Options may be granted, is to attract and retain directors, executive officers and employees, who will be motivated to work towards ensuring the success of the Company. Proposed grant of Options are submitted to the Board for approval by the Company's Compensation Committee. Prior grants of Options to executive officers are taken into consideration when considering new grants. The Board administers and has the authority to amend the Share Option Plan, subject to applicable shareholder and regulatory approvals. See "*Compensation of Executive Officers - Share Option Plan*" for additional information concerning the Share Option Plan below.

Summary Compensation Table

The following table is a summary of compensation paid to the NEOs for the three (3) most recently completed financial years ended March 31, 2013, March 31, 2012, and March 31, 2011, respectively:

Name and Principal Position	Year Ended March 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total compensation (\$) ⁽⁵⁾
					Annual incentive plans	Long-term incentive plans			
Garth Johnson ⁽²⁾ CEO	2013	240,000	Nil	727,861	Nil	Nil	Nil	225,000	1,192,861
	2012	203,077	Nil	870,324	Nil	Nil	Nil	300,000	1,373,401
	2011	200,000	Nil	773,343	Nil	Nil	Nil	210,000	1,183,343
Blair Johnson CFO	2013	223,689	Nil	619,383	Nil	Nil	Nil	71,321	914,393
	2012	181,872	Nil	435,953	Nil	Nil	Nil	133,603	751,428
	2011	148,876	Nil	508,130	Nil	Nil	Nil	26,040	683,046
Drew Cadenhead COO	2013	267,851	Nil	727,861	Nil	Nil	Nil	229,247	1,224,959
	2012	212,318	Nil	870,324	Nil	Nil	Nil	314,360	1,397,002
	2011	211,186	Nil	773,343	Nil	Nil	Nil	203,087	1,187,616
Chris Bailey ⁽³⁾ VP Business Development	2013	156,539	Nil	117,519	Nil	Nil	Nil	45,000	319,058
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alex Guidi Director	2013	241,667	Nil	727,861	Nil	Nil	Nil	125,000	1,094,528
	2012	200,000	Nil	491,679	Nil	Nil	Nil	150,000	841,679
	2011	105,833	Nil	536,463	Nil	Nil	Nil	100,000	742,296



Notes:

- 1) The Company uses the Black-Scholes option-pricing model to calculate the fair value of option based awards. The model requires five key inputs: risk free interest rate, exercise price, market price at date of issue, expected life and expected volatility, all of which, other than the exercise price and market price, are estimated by management. For the purposes of the calculations in the table above, we relied on the following estimates: (a) risk free interest rate of 2.5%; (b) expected volatility of 75%; (c) expected life of five (5) years; and (d) expected dividend of Nil%. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies and has been consistently applied by the Company for valuing option based awards granted by the Company since the fiscal year ended March 31, 2002.
- 2) Mr. Garth Johnson is also a member of the Board, but no additional compensation is paid to him in respect of his duties as a director.
- 3) Mr. Chris Bailey commenced employment with the Company as VP of Business Development on May 28, 2012.
- 4) All other compensation includes bonuses that are based on the Compensation Committee's specific recommendations to the Board that stem from the individual's performance and contribution to the Company.
- 5) Option-based award amounts during the year ended March 31, 2013, include both vested and unvested amounts of options granted during the 2013 fiscal year and has been consistently applied by the Company for valuing option based award by the Company since the fiscal year ended March 31, 2002.

Pension Plan Benefits

The Company has not established any pension plans for directors and executive officers that provide for payments or benefits at, following, or in connection with retirement.

Incentive Plan Awards

Outstanding Share-Based Awards and Options-Based Awards

The following table sets out the option-based awards made by the Company to the NEOs which were outstanding as at March 31, 2013. Further details about the granting of options and the determination of their terms are discussed under "Compensation of Executive Officers - Compensation Discussion and Analysis."

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Garth Johnson CEO	100,000	2.60	Sept. 9, 2015	159,000	Nil	Nil
	125,000	7.15	Feb. 8, 2016	Nil	Nil	Nil
	100,000	6.15	July 5, 2016	Nil	Nil	Nil
	200,000	6.70	August 8, 2017	Nil	Nil	Nil
Blair Johnson CFO	334	2.60	Sept. 9, 2015	531	Nil	Nil
	100,000	7.15	Feb. 8, 2016	Nil	Nil	Nil
	200,000	6.70	August 8, 2017	Nil	Nil	Nil



Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Drew Cadenhead COO	125,000	7.15	Feb. 8, 2016	Nil	Nil	Nil
	100,000	6.15	July 5, 2016	Nil	Nil	Nil
	200,000	6.70	August 8, 2017	Nil	Nil	Nil
Chris Bailey VP Business Development	40,000	6.70	August 8, 2017	Nil	Nil	Nil
Alex Guidi Director	125,000	7.15	Feb. 8, 2016	Nil	Nil	Nil
	100,000	6.15	July 5, 2016	Nil	Nil	Nil
	200,000	6.70	August 8, 2017	Nil	Nil	Nil

Notes:

- 1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Common Shares as at March 28, 2013, (\$4.19 closing price on the TSX) and the exercise price of the Options.

Incentive-Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Garth Johnson CEO	75,000	Nil	Nil
Blair Johnson CFO	Nil	Nil	Nil
Drew Cadenhead COO	75,000	Nil	Nil
Chris Bailey VP Business Development	Nil	Nil	Nil
Alex Guidi Director	75,000	Nil	Nil

Notes:

- 1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2013, by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.



Discussion of Plan-Based Awards

During the financial year ended March 31, 2013, the Company granted a total of 840,000 Options to its NEOs pursuant to the Share Option Plan, which may be exercised at a price of \$6.70 per share and expire on August 8, 2017.

The Board administers the Share Option Plan, and as such, all proposed Option grants are submitted to the Board for their approval. In considering new grants, the Board considers prior grants made to directors and executive officers.

Share Option Plan

The Company has a Share Option Plan which is intended to afford persons who provide services to the Company an opportunity to obtain a proprietary interest in the Company by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Company. The Share Option Plan permits the granting of Options to officers, employees of, consultants to and other eligible service providers ("**Optionees**") of and to the Company and its subsidiaries.

The maximum number of Common Shares issuable on exercise of Options outstanding at any time is limited, in the aggregate, to 10% of the issued and outstanding Common Shares. Any increase in the issued and outstanding Common Shares (whether as a result of exercise of Options, or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of Options outstanding at any time and any increase in the number of Options granted, upon exercise, makes new grants available under the Share Option Plan. Options that are cancelled, terminated or expire prior to exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Share Option Plan.

The number of Common Shares issuable pursuant to Options granted under the Share Option Plan: (i) to any one person at any time, and within a one (1) year period, may not exceed 5% of the outstanding Common Shares; and (ii) to all insiders at any time, and within a one (1) year period, may not exceed 10% of the outstanding Common Shares. Options granted under the Share Option Plan are not assignable.

Options can be exercisable for a maximum of ten (10) years from the date of grant thereof by the Board and, subject to the terms of the Share Option Plan, shall vest in such manner as determined by the Board appointed from time to time to administer the Share Option Plan. If an Option is set to expire within, or within ten (10) business days after the end of a "black out" or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), then the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the black out period has ended, the expiry date.

The exercise price of any Options granted will be determined by the Board at the time of grant, provided that the exercise price shall not be less than the market price, which means that: (a) if the Common Shares are listed on the TSX, the market price shall be the closing price of the Common Shares on the TSX for the last market trading day prior to the date of the grant of the Option, (b) if the Common Shares are listed on the TSX-V, the market price shall be the closing price of the Common Shares on the TSX-V for the last market trading day prior to the date of the grant of the Option less any discount permitted by the TSX-V, (c) if the Common Shares are listed on an exchange other than the TSX or the TSX-V, the market price shall be the closing price of the Common Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the



Option, and (d) if the Common Shares are not listed on an exchange, the market price shall be determined in good faith by the Board.

The Share Option Plan contains customary anti-dilution provisions which provide for adjustments to be made in the event of consolidations, subdivisions or any changes of the Common Shares, or in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, in order to prevent dilution or enlargement of the rights granted under the Share Option Plan.

If an Optionee ceases to be an officer, employee of, or service provider to, the Company or a subsidiary of the Company for any reason, the Optionee shall have a period not in excess of ninety (90) days as prescribed at the time of grant, succeeding his ceasing to be an officer, employee or consultant or other service provider to exercise Options held to the extent that the Optionee was entitled to exercise the options at the date of such cessation. In the case of being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same. Generally, in the event of a merger whether by way of amalgamation or arrangement, or the sale of substantially all of the assets of the Company, any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Optionees or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Optionees as was provided to shareholders (after taking into account the existing provisions of the Options). In the event of a proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action, subject to the Board's discretion.

All Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable, subject to the case of the death of an Optionee in which any vested Option held at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one (1) year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option.

Without the prior approval of the shareholders, the Board may not make any amendment that results in: (a) an increase in the number of Common Shares issuable under Options granted pursuant to the Share Option Plan, (b) a change in the persons eligible to receive Options under the Share Option Plan, (c) a reduction in the exercise price of an Option granted to insiders of the Company, (d) the cancellation and reissue of any Option, (e) an extension of the term of an Option granted under the Share Option Plan benefiting an insider of the Company, or (f) Options becoming transferable or assignable other than for the purposes in the case of the death of an Optionee. Subject to the restrictions set out above, the Board may, without notice, at any time and from time to time amend the Share Option Plan and Options granted thereunder provided, however, that no such amendment of the Share Option Plan may be made without the consent of such Optionee if such amendment would adversely affect the rights of such Optionee under the Share Option Plan. The Board may also terminate the Share Option Plan at any time without shareholder approval, provided that no such termination shall adversely affect the rights of any Optionee under any Option previously granted except with the consent of such Optionee.

On December 10, 2010, the Company's shareholders approved the Share Option Plan, and also approved a resolution authorizing amendments to the Share Option Plan that became effective upon the Company's graduation from the TSX-V to the TSX on July 5, 2011. The policies of the TSX require that all unallocated Options be approved every three (3) years by shareholders of the Company. Accordingly, the



Company is seeking approval of shareholders at the Meeting for the grant of unallocated Options for a further three (3) year term. See *"Particulars of Other Matters to be Acted Upon - Three (3) Year Re-Approval of Unallocated Options Pursuant to the Share Option Plan"* below.

Termination and Change of Control Benefits

Other than as disclosed below, there are no contracts, agreements, or arrangements with respect to any NEO resulting from the resignation, retirement or any other termination of the NEO's employment or from a change of control or from a change in the NEO's responsibilities following a change in control.

On September 1, 2007, the Company entered into an executive employment agreement with Mr. Garth Johnson that provides for a salary of \$150,000 on an on-going basis for his services as the Company's Chief Executive Officer. On February 28, 2008, the annual salary increased to \$175,000. On October 21, 2009, Mr. Johnson's annual salary was increased to \$200,000, and on March 13, 2012 was increased to \$240,000. The Company may terminate the agreement at any time without cause by providing thirty (30) months' written notice to Mr. Johnson, pay in lieu of such notice (\$1,350,000 plus Option compensation as negotiated), or any combination thereof. Within a twelve (12) month period immediately following a change of control, the agreement is deemed to be terminated and the Company is required to pay Mr. Johnson an amount equal to his base salary for thirty (30) months (\$600,000) if:

- (a) the agreement is terminated by the Company without cause after a change of control;
- (b) Mr. Johnson is placed in a position of lesser stature than that of President and Chief Executive Officer;
- (c) Mr. Johnson is assigned duties significantly inconsistent with the position of Chief Executive Officer immediately prior to the change of control;
- (d) Mr. Johnson is assigned performance requirements or working conditions that are at variance with the performance requirements and working conditions in effect immediately preceding the change of control;
- (e) Mr. Johnson is accorded treatment on a general basis that is in derogation of his status as Chief Executive Officer; or
- (f) any requirement that the location at which Mr. Johnson performs his principal duties is outside a radius of twenty-five miles from the location at which he performs such duties immediately before the change of control.

In addition, all Options held by Mr. Johnson will vest immediately and expire in three (3) months, and the Company will continue to provide all applicable benefits for a period of three (3) months from the date of Mr. Johnson's termination due to a change of control.

On October 1, 2009, the Company entered into an employment agreement with Mr. Drew Cadenhead that provides for compensation for his services to assist with the corporate development, technical and operational matters of the Company as follows:

- (a) NZ\$11,833 per month, payable monthly, from October 1, 2009, to December 31, 2009; and
- (b) NZ\$23,623 per month, payable monthly, for a period of one (1) year commencing January 1, 2010.

The employment agreement may be terminated by the Company or Mr. Cadenhead at any time for any cause or reason, or without any cause or reason, by giving to the other party three (3) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Cadenhead will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (NZ\$81,492). On



January 1, 2011, the employment agreement was extended on an on-going basis, and on March 9, 2012, Mr. Cadenhead's salary was increased to NZ\$325,968.

On November 1, 2009, the Company entered into a consulting agreement with Triomphe Limited ("**Triomphe**"), under which Mr. Blair Johnson and another individual are engaged as employees to provide corporate accounting services for the Company and receive an aggregate annual salary of NZ\$210,000 on an on-going basis. On May 10, 2010, the annual salary increased to NZ\$230,000, and on February 1, 2011, the annual salary increased to NZ\$270,000. On March 9, 2012, Mr. Johnson's salary was increased to NZ\$279,240. On October 1, 2013, the consulting agreement was amended pursuant to an addendum entered into between the Company and Triomphe upon which the term of the agreement will end on March 31, 2014, and it may be terminated by the Company or Triomphe at any time for any cause or reason, or without any cause or reason, by giving to the other party six (6) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Triomphe will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (NZ\$139,620). Also, in the event of termination of the agreement under the termination provisions, Mr. Johnson will be immediately deemed to have resigned as CFO on the earlier of the date that the appointment of another CFO becomes effective or the date of termination of the agreement. On October 1, 2013, Mr. Johnson submitted his six (6) months' prior written notice of termination to the Company, which will expire on March 31, 2014, and Mr. Johnson will be deemed to resign as CFO immediately effective upon the appointment of Mr. Chris Ferguson as CFO commencing on December 1, 2013.

On October 1, 2007, the Company entered into a consulting agreement with Mr. Alex Guidi under which Mr. Guidi is engaged to provide services on strategic matters for the Company and receive an annual consulting fee of \$60,000 on an on-going basis. On May 1, 2010, the annual consulting fee increased to \$90,000, on February 1, 2011, the annual consulting fee increased to \$200,000, and on October 18, 2012, the annual consulting fee increased to \$240,000 effective as of March 13, 2012. The consulting agreement may be terminated by the Company or Mr. Guidi at any time for any cause or reason, or without any cause or reason, by giving to the other party one (1) month's prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Guidi will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (\$20,000).

On April 16, 2012, the Company entered into an executive employment agreement with Mr. Chris Bailey that provides for a salary of \$185,000 on an on-going basis for his services as the Company's VP of Business Development. The employment agreement may be terminated by the Company at any time for any cause or reason, or without any cause or reason, by giving Mr. Bailey nine (9) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Bailey will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (\$138,750). The employment agreement may be terminated by Mr. Bailey at any time for any cause or reason, or without any cause or reason, by giving the Company one (1) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Bailey will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (\$15,417).



DIRECTOR COMPENSATION

Director Compensation Table

The following table is a summary of compensation paid to directors of the Company for the most recently completed financial year ended March 31, 2013:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Ronald Bertuzzi	10,750	Nil	89,334	Nil	Nil	Nil	100,094
Keith Hill	26,000	Nil	347,958	Nil	Nil	Nil	373,958
Ken Vidalin	26,000	Nil	630,620	Nil	Nil	Nil	656,620

Notes:

- 1) Compensation paid to Mr. Alex Guidi for his role as a director is reflected under the “*Summary Compensation Table*”, above.
- 2) The Company uses the Black-Scholes option-pricing model to calculate the fair value of option based awards. The model requires five key inputs: risk free interest rate, exercise price, market price at date of issue, expected life and expected volatility, all of which, other than the exercise price and market price, are estimated by management. For the purposes of the calculations in the table above, we relied on the following estimates: (a) risk free interest rate of 2.5%; (b) expected volatility of 75%; (c) expected life of five (5) years; and (d) expected dividend of Nil%. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies and has been consistently applied by the Company for valuing option based awards granted by the Company since the fiscal year ended March 31, 2002.

Discussion of Director Compensation

Effective December 16, 2009, the Company commenced paying Mr. Ronald Bertuzzi compensation of \$500 per month each for his services as non-executive director and Audit Committee member and up to \$500 for each Board and Audit Committee meeting that he attends, which is determined and approved by the Board. On July 5, 2011, the Company commenced paying Mr. Keith Hill compensation of \$26,000 per year for his services as a non-executive director, Audit Committee member and Compensation Committee member. On December 14, 2011, the Company commenced paying Mr. Ken Vidalin compensation of \$26,000 per year for his services as a non-executive director and Audit Committee member. The executive director of the Company does not receive compensation for services provided in his capacity as director, including any fees for serving on the Board or committees thereof or for attending Board meetings.



Outstanding Share-Based Awards and Options-Based Awards

The following table sets out the option-based awards made by the Company to the directors which were outstanding as at March 31, 2013.

	Option-Based Awards				Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ronald Bertuzzi	50,000	2.60	Sept. 9, 2015	79,500	Nil	Nil
	50,000	7.15	Feb. 8, 2016	Nil	Nil	Nil
	25,000	6.70	Aug. 8, 2017	Nil	Nil	Nil
Keith Hill	200,000	6.15	July 5, 2016	Nil	Nil	Nil
	50,000	6.70	Aug. 8, 2017	Nil	Nil	Nil
Ken Vidalin	200,000	7.00	Dec. 20, 2016	Nil	Nil	Nil
	50,000	6.70	Aug. 8, 2017	Nil	Nil	Nil

Notes:

- 1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Common Shares as at March 28, 2013 (\$4.19 closing price on the TSX) and the exercise price of the Options.

Incentive-Plan Awards – Value Vested or Earned During the Year

The following table sets out the aggregate dollar value that would have been realized by each director if he exercised, on the applicable vesting dates, those options held by him under option-based awards, which vested during the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Ronald Bertuzzi	Nil	Nil	Nil
Keith Hill	150,000	Nil	Nil
Ken Vidalin	64,667	Nil	Nil

Notes:

- 1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2013, by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.

Directors' and Officers' Liability Insurance

The Company maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance of them of the duties of their offices. The total amount of insurance coverage available is up to \$10,000,000, depending on the type of claim, with a deductible of up to \$50,000, depending on the type of claim, for each claim for which the Company grants indemnification. The Company bears the entire cost of the premiums payable pursuant to this coverage.



APPOINTMENT OF AUDITOR

The management of the Company intends to nominate DeVisser Gray LLP (“**DeVisser Gray**”) of Vancouver, British Columbia, for re-appointment as auditor of the Company. Proxies given pursuant to the solicitation by the management of the Company will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of DeVisser Gray as auditor of the Company to hold office until the close of the next Annual General Meeting of the Company, at a remuneration to be fixed by the directors. DeVisser Gray was first appointed as auditor of the Company on March 17, 2004.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee, comprised of Ronald Bertuzzi (Chairman), Keith Hill and Ken Vidalin, has the responsibility of, among other things, recommending to the Board the independent auditor; determining the extent of involvement of the independent auditor in reviewing unaudited quarterly financial results; evaluating the qualifications, performance and independence of the independent auditor; reviewing and recommending approval to the board of our annual and quarterly financial results and management discussion and analysis; overseeing the establishment of “whistle-blower” and related procedures. Each member of the Audit Committee is an independent director. National Instrument 52-110 *Audit Committees* requires the Company’s Audit Committee to meet certain requirements. It also requires the Company to disclose certain information regarding the Audit Committee.

That information regarding the Company’s Audit Committee, including its mandate, is disclosed in the Company’s Annual Information Form (“**AIF**”) dated as of July 2, 2013, which is available on SEDAR at www.sedar.com (see section 14.1 of the Company’s AIF for additional information on the Audit Committee).

CORPORATE GOVERNANCE DISCLOSURE

General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices with respect to corporate governance guidelines that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board understands that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

1. Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment and includes the holding of an executive officer position.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Company’s financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent members of the Board are Messrs. Keith Hill, Ronald Bertuzzi and Ken Vidalin. Mr. Garth Johnson is not an independent member of the Board, as Mr. Johnson is the current CEO. Mr. Alex Guidi is not an independent member of the Board, as Mr. Guidi receives a consulting fee from the Company to assist with the strategic advice and planning matters of the Company’s business. As a result,



the Board currently has a majority of independent directors. The Company considers its current Board composition to be sufficient given the current state of the Company's business, but it continues to review the composition of the Board on an annual basis.

Given the size of the Company, the current composition of the Board and the nature of activities to date, the independent members of the Board are not expected to hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. This practice will be reassessed as the Company grows. In order to facilitate open and candid discussion among independent directors, from time to time as circumstances dictate, the independent directors can request a meeting a portion thereof to be restricted to independent directors for the purpose of discussing matters independently of management. In addition, independent directors are encouraged to remain in communication with one another between meetings as and when they deem it appropriate.

The Board has appointed Mr. Guidi as Chairman of the Board and Mr. Hill as independent lead director. Mr. Hill's role as independent lead director is to provide leadership to the Company's independent directors by encouraging a culture of ethical business conduct. Each member of the Board is encouraged to conduct a self-review to determine if they are providing an effective service in regards to both the Company and its shareholders. Should it be deemed that a member of the Board is unable to effectively act on behalf of the Board or in the interests of the Company or its shareholders, the director would be encouraged to resign his/her position on the Board.

The following table provides details regarding director attendance at Board meetings held during the financial year ended March 31, 2013:

Meetings Attended out of Meetings Held⁽¹⁾

Garth Johnson	4/4
Alex Guidi	2/4 ⁽¹⁾
Keith Hill	3/4 ⁽¹⁾
Ronald Bertuzzi	4/4
Ken Vidalin	3/4 ⁽¹⁾

Notes:

- 1) Prior notice was provided for absence from attending the meeting(s).

2. Board Mandate

The Board delineates its role and responsibilities based on the statutory and common law applicable to the Company. The Board believes its mandate is to manage the business and affairs of the Company. While day-to-day management of the Company has been delegated by the Board to executive management, the Board fulfills its responsibility for the broader stewardship of the Company's business and affairs through its regular meetings at which members of management provide reports to the Board with respect to the Company's business and operations, make proposals to the Board and receive the Board's decisions for implementation. Any responsibility that has not been delegated to executive management or a Board committee remains with the full Board.

The Board believes that its approach to corporate governance is appropriate and works effectively for the Company and its shareholders, and is consistent with the overall business of the Company and its stage of development.



3. Directorships

Mr. Keith Hill is the only Board member that is currently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction. Specifically, Mr. Hill is a director of Africa Oil Corp., ShaMaran Petroleum Corp., Tyner Resources Ltd., BlackPearl Resources Inc., and Petro Vista Energy Corp.

4. Position Descriptions

The Board has not developed written position descriptions for the Chairman of each Board committee. The Board does not expressly delineate the roles and responsibilities of these positions and relies upon the provisions of the articles of the Company and the statutory and common law to define such roles and responsibilities.

The Board and the CEO have not developed a written position description for the CEO. The Board meets annually to set objectives for the CEO, along with delineating the roles and responsibilities of the CEO. The Board reviews and approves the objectives of the CEO and evaluates the CEO's performance in connection with these objectives. The Board will also determine whether the roles and responsibilities of the CEO correspond with achieving these objectives. The Board believes that the CEO has the responsibility for all of the functions and operations of the Company on a day-to-day basis.

5. Orientation and Continuing Education

The Board provides ad hoc orientation for new directors. Continuing education opportunities are available to Board members as requested. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board and its committees. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise. Management also updates the Board concerning the status of the Company and, in respect of material transactions, including review of financial statements, provides opportunities for Board review and approval by way of directors' consent resolutions.

6. Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Nevertheless, the Company has adopted a formal written code of ethics (the "**Code of Ethics**"), which sets out the ethical and behavioural standards expected of the Company's directors, officers, employees and contractors. These standards include integrity and objectivity, fair dealing and due care, proper use of the Company's assets, property and information and compliance with applicable laws, regulations and rules. The Board has the responsibility for monitoring compliance with the Code of Ethics by reasonably ensuring that all directors, officers and employees receive and become familiar with the Code of Ethics and acknowledge their support and understanding of the Code of Ethics. The Company will provide a copy of the Code of Ethics, free of charge, upon request to the Company (telephone no.: (604) 682-6496; fax no.: (604) 682-1174). A copy of the Code of Ethics is also available under the Company's profile on SEDAR and may be downloaded without charge at www.sedar.com.



7. Nomination of Directors

The Nominating Committee consists of three independent directors, Messrs. Ken Vidalin (Chairman), Keith Hill and Ron Bertuzzi. The Nominating Committee is responsible for identifying, assessing and making recommendations as to candidates qualified for election to the Board and Board committees, and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Nominating Committee also considers the size of the Board each year when it considers the number of directors to recommend to the shareholders for election at the Annual General Meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. In the event of a vacancy on the Board, the Nominating Committee would evaluate potential candidates on the basis of factors such as their past business experience; their industry knowledge; and their ability to contribute to the success of the Company.

8. Compensation

As at the date of this Information Circular, the Compensation Committee consists of Messrs. Ron Bertuzzi (Chairman) and Keith Hill, each of whom is independent and neither of whom is an officer or employee of the Company or any of its subsidiaries. Mr. Keith Hill has extensive experience setting compensation for executives in companies of a similar size to the Company. The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. The Compensation Committee's charter mandates the Compensation Committee to recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees and to recommend the structure of the Company's compensation programs, both for management and staff, including base salaries, perquisites and long and short-term incentive compensation, including share options. The Compensation Committee is also mandated to review the performance of the CEO and CFO. A copy of the Compensation Committee's charter is attached to the Company's Annual Report on Form 20-F dated March 31, 2006, and is incorporated by reference herein and may be downloaded without charge from SEDAR at www.sedar.com.

The Compensation Committee meets from time to time during the year for the purpose of, among other things, reviewing the overall employee and executive officer compensation program and recommending the approval of any proposed changes to these programs to the Board. The Compensation Committee makes specific recommendations to the Board on base salaries, performance bonuses and share option grants. The Compensation Committee ensures the total compensation package facilitates the attraction and retention of a strong executive management team and employees. The Board reviews all recommendations of the Compensation Committee relating to compensation matters before final approval.

9. Other Board Committees

The Board has no committees other than the Audit, Nominating, and Compensation Committees. In light of the Company's stage of development and small Board size it considers this to be reasonable.

10. Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board on a regular basis in order to satisfy itself that the Board, committees and individual directors are performing effectively.



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has no compensation plans under which equity securities are authorized for issuance, except for the shareholder approved Share Option Plan.

Equity Compensation Plan Information

The following table sets out the equity compensation plan information as at March 31, 2013:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	3,779,763	\$6.18	2,173,499
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,779,763	\$6.18	2,173,499

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as director, executive officer or their respective associates or affiliates, other management of the Company, employees, or former executive officers, directors or employees were indebted to the Company or its subsidiaries as at the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or a subsidiary of the Company or any associate or affiliate of any informed person or proposed director had any material interest, directly or indirectly, in any transaction or proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended March 31, 2013, or has any interest in any material transaction in the current year other than as set out below or elsewhere in this Information Circular.

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not, to any substantial degree, performed by anyone other than directors, executive officers or employees of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, or any of its subsidiaries.



PARTICULARS OF OTHER MATTER TO BE ACTED UPON

Three (3) Year Re-Approval of Unallocated Options Pursuant to the Share Option Plan

The Share Option Plan is described under the heading "*Compensation of Executive Officers – Share Option Plan*" above.

The Share Option Plan and Options thereunder were last approved by the Company's shareholders on December 10, 2010. The Company's shareholders also approved a resolution authorizing amendments to the Share Option Plan that became effective upon the Company's graduation from the TSX-V to the TSX on July 5, 2011. When Options have been granted pursuant to the Share Option Plan, Common Shares that are reserved for issuance under an outstanding Option are referred to as allocated Options. The Company has additional Common Shares that may be issued under the Share Option Plan, but as they are not subject to current Option grants, they are referred to as unallocated Options.

As at the date of this Information Circular, the Company has 59,170,252 Common Shares issued and outstanding. This means that 5,917,025 Common Shares are currently available for Options granted under the Share Option Plan at the date hereof. As a result, the number of Options currently outstanding is 3,708,334, and the number available for grant is 2,208,691.

Section 613(a) of the TSX Company Manual provides that every three (3) years after the institution of a security based compensation arrangement all unallocated rights, options or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the issuer's directors and by the issuer's security-holders. As the Share Option Plan is considered to be a security based compensation arrangement and as the maximum number of Common Shares issuable pursuant to the Share Option Plan is not a fixed number, but is instead equal to 10% of the outstanding Common Shares, approval is being sought at the Meeting to approve the grant of unallocated Options under the Share Option Plan. If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated Options under the Share Option Plan until December 11, 2016.

If approval is not obtained at the Meeting, Options which have not been allocated as of December 12, 2013, and Options which are outstanding as of December 12, 2013, and which are subsequently cancelled, terminated or exercised, will not be available for a new grant of Options under the Share Option Plan. Previously allocated Options will continue to be unaffected by the approval or disapproval of the resolution. If approval is not obtained at the Meeting, the Compensation Committee and the Board will have to consider alternate forms of performance based compensation, including additional cash bonuses, a share appreciation plan or other means in order to attract and retain qualified personnel.

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. all unallocated options issuable pursuant to the Share Option Plan are approved and authorized until December 11, 2016; and
2. any one officer or director of the Company be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution."



The Board has unanimously approved, subject to regulatory and shareholder approval, the grant of unallocated Options under the Share Option Plan. The Board believes the Share Option Plan is fair and reasonable to the shareholders and in the best interests of TAG, and recommends that shareholders vote in favour of the resolution ratifying and approving the three (3) year re-approval of unallocated Options pursuant to the Share Option Plan. **Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote in favour of the foregoing resolutions.**

OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular. If any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy, subject to instructions on the face of the Proxy to the contrary.

ADDITIONAL INFORMATION

Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year. Additional information is also available on SEDAR at www.sedar.com and may be downloaded free of charge.

The Company will provide to any shareholder, free of charge, upon request to the Company, telephone no. (604) 682-6496 or fax no. (604) 682-1174, a copy of any year end and interim financial statements of the Company and management's discussion and analysis filed with the applicable securities regulatory authorities during the past three (3) years.

BOARD APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia October 22, 2013.

/s/ Garth Johnson

Garth Johnson

Chief Executive Officer

