FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

TAG Oil Ltd.
Suite 2901 – 1050 Burrard Street
Vancouver, B.C. V6Z 2S3

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

(referred to as the "Company" or "TAG")

Item 2. Date of Material Change

October 27, 2010

Item 3. News Release

News releases announcing this material change were issued October 27, 2010, and copies are filed on SEDAR.

Item 4. Summary of Material Changes

On October 27, 2010, TAG announced a bought deal public offering of common shares (the "Offering") and a subsequent increase in the Offering.

Item 5. 5.1 – Full Description of Material Change

On October 27, 2010, TAG announced that it has entered into an agreement with GMP Securities L.P. and Wellington West Capital Markets Inc. as co-lead underwriters (collectively, the "Underwriters"), which have agreed to purchase, on a bought deal basis 10,300,000 common shares (the "Common Shares") of the Company at a price of $5.20 per Common Share, for aggregate gross proceeds of $53,560,000. The Company has also granted to the Underwriters an over-allotment option, exercisable in whole or in part at any time on or up to 30 days after the closing of the offering, to purchase up to an additional 1,250,000 common shares at the same price for additional gross proceeds of up to $6,500,000. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the Offering will be $60,060,000.

On October 27, 2010, TAG announced that the Company had increased the size of the Offering by 1,930,000 common shares, to provide for an increase in aggregate gross proceeds from $50,024,000 to $60,060,000 in the event that the Underwriters' over-allotment option is exercised in its entirety.

The Company plans to use the net proceeds from the offering to accelerate the exploration programme of conventional and unconventional resources in the

Taranaki and East Coast Basins, New Zealand, and for general corporate purposes.

The offering is scheduled to close on or about November 17, 2010 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the securities regulatory authorities.

The Common Shares will be offered by way of a short form prospectus to be filed in all of the provinces of Canada (other than the Province of Québec) pursuant to National Instrument 44-101 Short Form Prospectus Distributions, in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended, and in the United Kingdom pursuant to relevant prospectus or registration exemptions.

5.2 – Disclosure for Restructuring Transactions

None.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact Garth Johnson, Chief Executive Officer, (604) 682-6496.

Item 9 Date of Report

This Material Change Report is dated as of October 27, 2010.