

CODE OF BUSINESS CONDUCT AND ETHICS

TAG OIL LTD.

Adopted: November 24, 2009

Last Revised: August 25, 2011

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As of August 25, 2011

1. Introduction

This Code of Business Conduct and Ethics (“**Code**”) has been adopted by our Board of Directors to summarize the standards of business conduct that must guide our actions. This Code applies to all directors, officers, and employees of TAG Oil Ltd. and its subsidiaries (“**TAG Oil**” or the “**Company**”). The Company has issued this Code to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- avoidance of conflicts of interest with the interests of the Company, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- confidentiality of corporate information;
- protection and proper use of corporate assets and opportunities;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of any violations of this Code to an appropriate person or person identified in the Code; and
- accountability for adherence to the Code.

This Code provides guidance to you on your ethical and legal responsibilities. We expect all directors, officers and employees to comply with the Code, and the Company is committed to taking prompt and consistent action against violations of the Code. Violation of the standards outlined in the Code may be grounds for disciplinary action up to and including termination of employment or other business relationships. Employees, officers and directors who are aware of suspected misconduct, illegal activities, fraud, abuse of the Company’s assets or violations of the standards outlined in the Code are responsible for reporting such matters.

2. Basic Obligations

Under the Company’s ethical standards, directors, officers and employees share certain responsibilities. It is your responsibility to (i) become familiar with, and conduct Company business in compliance with, applicable laws, rules and regulations and this Code; (ii) treat all Company employees, customers and business partners in an honest and fair manner; (iii) avoid situations where your personal interests are, or appear to be, in conflict with the Company interests; and (iv) safeguard and properly use the Company’s proprietary and confidential information, assets and resources, as well as those of the Company’s customers and business partners.

3. Raising Concerns

If you should learn of a potential or suspected violation of the Code, you have an obligation to promptly report the violation. You may do so orally or in writing and, if preferred, anonymously. You may raise your concerns with the Company's Chief Executive Officer.

If the issue or concern is related to the internal accounting controls of the Company or any accounting or auditing matter, you may report it anonymously to the Audit Committee.

4. Policy Against Retaliation

The Company prohibits any director or employee from retaliating or taking adverse action against anyone for raising in good faith suspected conduct violations or helping to resolve a conduct concern. Any individual who has been found to have engaged in retaliation against a Company director, officer or employee for raising, in good faith, a conduct concern or for participating in the investigation of such a concern may be subject to discipline, up to and including termination of employment or other business relationships. If any individual believes that he or she has been subjected to such retaliation, that person is encouraged to report the situation as soon as possible to one of the people detailed in the "Raising Concerns" section above.

5. Conflicts of Interest

Directors, officers and employees should not engage in any activity, practice or act which conflicts with the interests of the Company. A conflict of interest occurs when a director, officer or employee places or finds himself/herself in a position where his/her private interests conflict with the interests of the Company or have an adverse affect on the employee's motivation or the proper performance of their job. Examples of such conflicts could include, but are not limited to:

- accepting outside employment with, or accepting personal payments from, any organization which does business with the Company or is a competitor of the Company;
- accepting or giving gifts of more than modest value to or from vendors or clients of the Company;
- competing with the Company for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Company has an interest;
- personally having immediate family members who have a financial interest in a firm which does business with the Company; and
- having an interest in a transaction involving the Company or a customer, business partner or supplier (not including routine investments in publicly traded companies).

Directors, officers and employees must not place themselves or remain in a position in which their private interests conflict with the interests of the Company.

If the Company determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Company, as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed by the Company. To protect the interests of both the employees and the Company, any such outside work or other activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to the Company by the employee and review and approval by management.

6. Confidentiality Concerning Company Affairs

It is the Company's policy that business affairs of the Company are confidential and should not be discussed with anyone outside the organization except for information that has, already been made available to the public.

7. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Information about other companies and organizations, including competitors, must be gathered using appropriate methods. Illegal practices such as trespassing, burglary, misrepresentation, wiretapping and stealing are prohibited. Possessing trade secrets that were obtained without the owner's consent, or inducing such disclosures by customers or past or present employees of other companies is prohibited. Each employee and officer should endeavour to respect the rights of, and deal fairly with, our customers, suppliers, competitors and employees. No employee, officer or director should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair business practice.

8. Telecommunications

Telecommunications facilities of the Company such as telephone, cellular phones, facsimile, internet and email are Company property. Use of these facilities imposes certain responsibilities and obligations on all employees, officers and directors. Usage must be ethical and honest with a view to preservation of and due respect for the Company's intellectual property, security systems, personal privacy and freedom of others from intimidation, harassment, or unwanted annoyance.

9. Disclosure

The Company is committed to providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities laws. The goal of our Disclosure Policy is to raise awareness of the Company's approach to disclosure among the board of directors, officers and employees and those authorized to speak on behalf of the Company.

The Disclosure Policy extends to all employees and officers of the Company, its Board of Directors and those authorized to speak on its behalf. It covers disclosures in documents filed with the securities regulators and written statements made in the Company's annual and

quarterly reports, news releases, letter to shareholders, presentations by senior management, information contained on the Company's web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), interviews with the media as well as speeches and conference calls.

10. Accuracy of Company Records

Canadian public companies are required to record and publicly report all internal and external financial records in compliance with International Financial Reporting Standards (IFRS). Therefore, you are responsible for ensuring the accuracy of all books and records within your control and complying with all Company policies and internal controls. All Company information must be reported accurately, whether in internal personnel, safety, or other records or in information we release to the public or file with government agencies.

11. Financial Reporting and Disclosure Controls

Canadian public companies are required to file periodic and other reports with certain securities commissions and to make certain public communications. For so long as we are a public company we will be required by these securities commissions to maintain effective "disclosure controls and procedures" so that financial and non-financial information is reported timely and accurately both to our senior management and in the filings we make. You are expected, within the scope of your employment duties, to support the effectiveness of our disclosure controls and procedures.

12. Compliance with All Laws, Rules and Regulations

The Company is committed to compliance with all laws, rules, and regulations, including laws and regulations applicable to the Company's securities and trading in such securities, as well as any rules promulgated by any exchange on which the Company's shares are listed.

13. Health and Safety

The Company is committed to making the work environment safe, secure and healthy for its employees and others. The Company complies with all applicable laws and regulations relating to safety and health in the workplace. We expect each of you to promote a positive working environment for all. You are expected to consult and comply with all Company rules regarding workplace conduct and safety. You should immediately report any unsafe or hazardous conditions or materials, injuries, and accidents connected with our business and any activity that compromises Company security to your supervisor. You must not work under the influence of any substances that would impair the safety of others. All threats or acts of physical violence or intimidation are prohibited.

14. Respect for Our Employees

The Company's employment decisions will be based on reasons related to our business, such as job performance, individual skills and talents, and other business-related factors. The Company

policy requires adherence to all national, provincial or other local employment laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Company policy prohibits discrimination in any aspect of employment based on race, color, religion, sex, national origin, disability or age, within the meaning of applicable laws.

15. Abusive or Harassing Conduct Prohibited

The Company prohibits abusive or harassing conduct by our employees and officers toward others, such as unwelcome sexual advances, comments based on ethnicity, religion or race, or other non-business, personal comments or conduct that make others uncomfortable in their employment with us. We encourage and expect you to report harassment or other inappropriate conduct as soon as it occurs.

16. Privacy

The Company, and companies and individuals authorized by the Company, collect and maintain personal information that relates to your employment, including compensation, medical and benefit information. The Company follows procedures to protect information wherever it is stored or processed, and access to your personal information is restricted. Your personal information will only be released to outside parties in accordance with the Company's policies and applicable legal requirements. Employees, officers and directors who have access to personal information must ensure that personal information is not disclosed in violation of the Company's policies or practices.

17. Waivers and Amendments

Only the Board of Directors may waive application of or amend any provision of this Code. A request for such a waiver should be submitted in writing to the Board of Directors for its consideration. The Company will promptly disclose to investors all substantive amendments to the Code, as well as all waivers of the Code granted to directors or officers in accordance with applicable laws and regulations.

18. No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of our business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, stockholder or any other person or entity.