

FORM 51-102F3

Securities Act

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

TAG Oil Ltd.
Suite 2040 – 885 West Georgia Street
Vancouver, B.C. V6C 2G2

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

(referred to as the “Company” or “TAG Oil”)

Item 2. Date of Material Change

March 6, 2012

Item 3. News Release

A news release announcing this material change was issued March 6, 2012, and a copy is filed on SEDAR.

Item 4. Summary of Material Change

On March 6, 2012, the Company announced that it is initiating a \$66 million capital expenditure program within the 100%-controlled Cheal and Sidewinder fields in the Taranaki Basin, New Zealand.

Item 5. 5.1 - Full Description of Material Change

On March 6, 2012, the Company announced that it is initiating a \$66 million capital expenditure program within the 100%-controlled Cheal and Sidewinder fields in the Taranaki Basin, New Zealand. This program consists of continued high-impact exploration and development drilling targeting the shallow (~2000m) oil prone zones, deeper drilling (~4000m) targeting large liquids-rich gas prospects and various workover operations to existing wells. In addition, TAG will also expand the Company’s 100%-owned production infrastructure in order to bring additional production on-stream arising from new discoveries and production that currently sits behind pipe. This capital expenditure program will be funded from existing working capital and revenues from current oil and gas production.

Ongoing Cheal and Sidewinder Field Drilling and Secondary Recovery Plans

TAG’s shallow drilling and workover program will focus on building proved and probable reserves, increasing net present value of reserves, increasing recovery factors and increasing daily production. The drilling plan continues to build upon TAG’s highly successful exploration, appraisal and development program at both

the Cheal and Sidewinder oil and gas fields. In addition, TAG's program also includes workovers to a number of existing wells to perforate previously bypassed oil pay intersected within the Urenui Formation and to initiate Cheal's first waterflood recovery program.

Anticipated Taranaki Shallow Drilling and Workover Program to March 31, 2013:

Site	Wells to be Drilled	Optimization
Cheal A	A9 (drilled-awaiting test) A10 (drilled-awaiting test) A11 A12	A1 (Place on production) A2 (Waterflood) A4 (Waterflood) A7 (Place on production)
Cheal B	B6 (drilled-awaiting test) B7 (drilled-producing) B8	B1 (Place on production) B2 (Place on production)
Cheal C	C3 C4	C1 (Place on production) C2 (Place on production)
Sidewinder	SW5 SW6	Sidewinder Facility - install compression

Deep Drilling Targets Significant Liquids-Rich Gas Prospects

Using TAG's proprietary 3D-seismic data, the Company has identified two deep liquids-rich gas plays with undiscovered resource potential of approximately 500 billion cubic feet of gas and approximately 20 million barrels of associated condensates:

1. TAG intends to drill one well targeting the Hellfire prospect in the latter part of 2012. The Hellfire prospect is approximately 10 square kilometers in size, and is located within TAG's Sidewinder field permit. Identified clearly on TAG's seismic, Hellfire is a considerable structural high in the Kapuni Formation, where numerous large fields have been discovered in the area. Hellfire lies on a broad regional trend that runs directly beneath TAG's new Sidewinder Production Facility.
2. TAG's Cardiff prospect is another large prospect of similar size to Hellfire, also in the Kapuni Formation, which is offsetting New Zealand's landmark Kapuni gas and condensate field discovery operated by Shell Todd Oil Services. TAG intends to re-enter the Cardiff-2A well, where gas and condensates were previously flow tested from a vertical well for an extended period. The new horizontal whipstock section will utilize the top hole section of the historical Cardiff wellbore, and will provide hundreds of meters of potential pay zone penetration versus the approximately 20 meters of vertical gas and condensate pay in the original well.

TAG's Infrastructure Plans

TAG's recent drilling of 14 successful wells in a row, combined with an ongoing Taranaki drilling program, has necessitated the immediate expansion of infrastructure at Cheal as follows:

- Tripling oil lifting capacity;
- Tripling gas compression capacity;
- Building a gas plant at Cheal capable of stripping LPG and liquid hydrocarbons from Cheal gas;
- Building the Cheal-C site oil battery to establish permanent production from recent Cheal-C discoveries, as well as allow for future development;
- Adding new pipelines to tie the Cheal-C site to the Cheal-A site and add a new 6,000 meter pipeline from Cheal to New Zealand's open access gas transmission line to maximize marketability of TAG's gas production;
- Establishing TAG as a third-party gas processor in Taranaki.

TAG Oil CEO, Garth Johnson commented, "TAG's substantial growth over the past year has prompted this new capital expenditure program, which is the largest in the history of our company. As one of New Zealand's most prominent oil companies, I'm very excited to enter this next phase of growth and increasing our contributions to the local economy. Our excellent drilling success has surpassed our infrastructure capabilities and the investment into expanding our infrastructure will allow us to bring all of our current production on stream, as well as provide commercialization of all future discoveries without delay."

Important Information:

It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate.

The term "undiscovered resources" is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. There is no certainty that any portion of the undiscovered resources will be discovered or that, if discovered, it will be economically viable or technically feasible to produce.

Exploration for hydrocarbons is a speculative venture necessarily involving substantial risk. TAG's future success in exploiting and increasing its current reserve base will depend on its ability to develop its current properties and on its ability to discover and acquire properties or prospects that are capable of commercial production. However, there is no assurance that TAG's future exploration and development efforts will result in the discovery or development of additional commercial accumulations of oil and natural gas. In addition, even if further hydrocarbons are discovered, the costs of extracting and delivering the hydrocarbons to market and variations in the market price may render uneconomic any discovered deposit. Geological conditions are variable and unpredictable. Even if production is commenced from a well, the quantity of

hydrocarbons produced inevitably will decline over time, and production may be adversely affected or may have to be terminated altogether if TAG encounters unforeseen geological conditions. TAG is subject to uncertainties related to the proximity of any reserves that it may discover to pipelines and processing facilities. It expects that its operational costs will increase proportionally to the remoteness of, and any restrictions on access to, the properties on which any such reserves may be found. Adverse climatic conditions at such properties may also hinder TAG's ability to carry on exploration or production activities continuously throughout any given year.

The significant positive factors that are relevant to the resource estimate are:

- proven production in close proximity;
- proven commercial quality reservoirs in close proximity; and
- oil and gas shows while drilling wells nearby.

The significant negative factors that are relevant to the resource estimate are:

- tectonically complex geology could compromise seal potential; and
- seismic attribute mapping in the two deep liquids-rich gas plays can be indicative but not certain in identifying proven resource.

Cautionary Note Regarding Forward-Looking Statements:

Statements contained in this news release that are not historical facts are forward-looking statements that involve various risks and uncertainty affecting the business of TAG. Such statements can generally, but not always, identified by words such as “expects”, “plans”, “anticipates”, “intends”, “estimates”, “forecasts”, “schedules”, “prepares”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur.

All estimates and statements that describe the Company's objectives, goals, or future plans relating to operations in the Taranaki and East Coast Basins are forward-looking statements under applicable securities laws and necessarily involve risks and uncertainties. Actual results may vary materially from the information provided in this release, and there is no representation by TAG that the actual results realized in the future will be the same in whole or in part as those presented herein.

Other factors that could cause actual results to differ from those contained in the forward-looking statements are also set forth in filings that TAG and its independent evaluator have made, including TAG's most recently filed reports in Canada under National Instrument 51-101, which can be found under TAG's SEDAR profile at www.sedar.com.

TAG undertakes no obligation, except as otherwise required by law, to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors change.

5.2 – Disclosure for Restructuring Transactions

None

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

N/A

Item 7. Omitted Information

None

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 March 6, 2012.