

SECURITIES ACT

MATERIAL CHANGE REPORT

Item 1 Name and address of Company

TEARLACH RESOURCES LIMITED
Suite 2110 – 1177 W. Hastings Street
Vancouver, BC
V6E 2K3

Item 2 Date of Material Change:

December 23, 2011

Item 3 News Release

News Release dated December 23, 2011 disseminated under section 7.1 of National Instrument 51-102

Item 4 Summary of Material Change

See attached News Release.

Item 5 Full Description of Material Change

See attached News Release.

Item 6 Reliance on Section 7.1(2) OR (3) OF National Instrument 51-102

The Company is not relying on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

There is no omitted information.

Item 8 Senior Officers

Charles Ross, CFO of the Company, is knowledgeable about the material change and this report. He can be contacted by telephone at (604) 688-5007 or by email at chuck@tearlach.ca.

Item 9 Dated at Vancouver, British Columbia, the December 23, 2011

“Charles Ross”
Director and CFO



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TEA – TSX.V

December 23, 2011

TEA: TSX Venture Exchange

NEWS RELEASE
TEARLACH RESOURCES LTD.

VANCOUVER, BC: Tearlach Resources Ltd. (the “Company”) announces that it has received a Notice of Motion and Motion to Vacate Amended Judgement and Dismiss Cross-Complaint Against Cross-Defendants Western States International, Inc. United Pacific Energy Corporation (formerly known as Gas and Oil Technologies, Inc.) and Ingrid Aliet-Gass filed in the Superior Court of the State of California for the County of Kern – Metropolitan Division. The matter has been set down for hearing on January 18, 2012. The Notice of Motion seeks to vacate the judgement previously granted by the court in favour of the Company announced in the news release dated March 1, 2011. The Notice of Motion asserts among other things that the court lacked jurisdiction to grant the order and that it should be vacated. The Company believes the Motion is frivolous and vexatious, and is lacking any reasonable foundation or merit. The Company intends to defend against the Motion vigorously.

ON BEHALF OF THE BOARD OF DIRECTORS

Charles Ross

Director

TEARLACH RESOURCES LTD.

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