

## COMMUNICATIONS POLICY

OF

### NIKO RESOURCES LTD. (the "Corporation")

*(Adopted by the Board of Directors of the Corporation on November 9, 2005 and amended and updated on April 3, 2007, August 12, 2008 and November 10, 2010)*

#### ***Purpose of this Policy***

The purpose of this Policy is to establish procedures to ensure the disclosure of information about the Corporation to the public is timely, factual and accurate and broadly disseminated in accordance with all applicable regulatory and legal requirements. It will also ensure that when information has not been publicly disclosed it remains confidential. Strict adherence to these policies will help the Corporation maintain credibility in the marketplace by ensuring that all investors in securities of the Corporation have equal access to information that may affect their investment decisions

#### ***Definitions Used in this Policy***

**"Applicable Securities Laws"** means the Securities Acts and the rules, instruments and regulations made thereunder of each of the provinces of Canada to which the Corporation is subject, together with published policy statements, orders, instruments and rulings of the securities commissions of each of such provinces or the Canadian Securities Administrators as applicable to such provinces;

**"Board of Directors"** means the board of directors of the Corporation from time to time;

**"Communication Officers"** means the individuals who are responsible for communicating with analysts, the news media and investors and ensuring that other Employees do not communicate confidential information about the Corporation;

**"Employees"** means all individuals currently employed by the Corporation, including directors, officers and consultants, who may become aware of, or are in possession of, Undisclosed Material Information;

**"Exchange"** means the Toronto Stock Exchange and any other stock exchange on which the securities of the Corporation are listed from time to time;

**"Material Change"** means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement the change by the Board of Directors or by senior management of the Corporation who believe that confirmation of the decision by the Board of Directors is probable;

**"Material Fact"** means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the Corporation's securities;

**"Material Information"** means any information (whether a Material Fact or Material Change) relating to the business and affairs of the Corporation that results in or would reasonably be expected

to result in a significant change in the market price or value of any of the Corporation's securities; and

**"Undisclosed Material Information"** means Material Information pertaining to the Corporation that has not been publicly disclosed or information that has been publicly disclosed, but a reasonable period of time for its dissemination has not passed.

*Terms of this Policy*

**This communication policy confirms in writing our existing communication policy to be followed by all Employees.**

**If there is any question or concern with respect to the application of this Policy to any Employee or to any particular circumstance, the Communication Officer should be contacted for guidance.**

**PART I**  
**DISCLOSURE**

**1. Timely Disclosure**

In compliance with the requirements to immediately disclose all Material Information in accordance with Applicable Securities Laws and Exchange rules and except as provided for by this Policy, the Corporation will adhere to the general principle to publicly disclose Material Information concerning its business and affairs immediately upon it becoming apparent that the information is material.

**2. Communication Officers**

For purposes of this Policy, Ed Sampson, Murray Hesje and William Hornaday have been designated as the Communication Officers and can be contacted at (403) 262-1020. The names of these individuals shall be given to the market surveillance divisions of the Exchange as Corporation contacts.

The Communication Officers will be up to date on any pending material developments. Generally, the Communication Officers are the **only** individuals authorized to communicate with analysts, the news media and investors about information concerning the Corporation. Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by a Communication Officer. All such inquiries shall be referred to a Communication Officer. If it is appropriate for another Employee to discuss information about the Corporation, the Employee shall first advise a Communication Officer of the nature of the information to be discussed and, afterwards, advise such Communication Officer of what actually was discussed. Employees are prohibited from communicating Undisclosed Material Information about the Corporation unless they have prior permission from a Communication Officer, which permission shall not be given unless:

- the Communication Officer has determined, based on legal advice, that the information may be disclosed under appropriate circumstances; or
- if it has been determined that the information is to be kept confidential pursuant to Part II of this Policy, all rules and procedures under Part II hereof to maintain confidentiality have been complied with.

Any Employee who becomes aware of any information which may constitute Material Information must advise a Communication Officer as soon as possible.

The Communication Officers shall be responsible for:

- a) managing and updating this Policy as warranted, and for apprising the Board of Directors of exposure to the risks of non-compliance with this Policy;
- b) educating Employees about disclosure issues and this Policy;
- c) reviewing and authorizing disclosure (including electronic, written and oral) in advance of its public release;
- d) maintaining a corporate disclosure file of all information that has been presented in accordance with this Policy; and
- e) monitoring the Corporation's web-site for compliance with this Policy.

### **3. What Constitutes Material Information?**

Information is material if it would reasonably be expected to result in a significant effect on the market price or value of any of the Corporation's securities. If an Employee is unsure whether or not information is material, s/he should immediately contact one of the Communication Officers before disclosing it to anyone. Employees should err on the side of caution in these matters. If the Communication Officers are unable to determine whether or not the information is material, they may convene a meeting of senior management and, if necessary, the Board of Directors, to determine if the information is material, whether or not it should be disclosed or remain confidential and, if the information needs to be disclosed, the method for disseminating the information.

### **4. Basic Disclosure Rules**

All public disclosure of Material Information must be made by way of press release approved by the President and Chief Executive Officer of the Corporation or the VP Finance and Chief Financial Officer of the Corporation.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted, subject to compliance with applicable laws, to all relevant regulatory bodies, major business wires, national financial media and the local media in areas where the Corporation has a substantial business presence.

All news releases will be filed on SEDAR and will be posted on the Corporation's web-site immediately after their release.

In the event the Corporation proposes holding an investor conference call to discuss the disclosure in a news release, the Corporation will provide advance public notice by news release of the date and time of the call, the subject matter of the call and the means of accessing it. The conference call will be held in an open manner, permitting participants in the call to listen either by telephone or through an internet webcasting. For a reasonable period of time thereafter, the Corporation will provide a dial-in and/or web replay or make transcripts of the call available.

In order to maintain consistent and accurate disclosure about the Corporation, the following rules must be followed:

- Half truths are misleading; disclosure must include any information without which the rest of the disclosure would be misleading.
- Unless required by the Exchange, the Corporation will not comment, affirmatively or negatively, on rumours.
- No Employee shall host or otherwise participate in chat rooms or bulletin boards where information of any sort concerning the Corporation is discussed.
- Unfavourable information must be disclosed as promptly, and completely, as favourable information.
- No earnings guidance or comments with respect to the current fiscal quarter's operations or expected results will be provided to anyone from the period commencing from the end of the fiscal quarter to the release of the quarter's earnings announcement by the Corporation. During this period, communications will be limited to responding to inquiries concerning publicly available or non-material information.
- No selective disclosure will be allowed. Previously undisclosed information should not just be disclosed to selected individuals. If there is disclosure to be made, it must be done widely.
- Disclosure must be updated if earlier disclosure has become misleading as a result of intervening events.
- If Material Information is to be announced at an analyst or shareholder meeting or a press conference, its announcement must be coordinated with a general public announcement by press release.

## **5. Correction of Selective Disclosure**

If previously Undisclosed Material Information has been inadvertently disclosed to an analyst or any other person, the information must be publicly disclosed immediately.

## 6. Contact with Analysts

Unless otherwise permitted under Applicable Securities Laws, the Corporation will not disclose any Undisclosed Material Information in its meetings with analysts or investors.

The Communication Officers should have no involvement in the contents of an analyst's report, except to correct factual errors. Confirmation of or attempting to influence an analyst's opinions or conclusions may be considered to be disclosure by the Corporation. "No comment" is an acceptable answer to questions that cannot be answered without violating the rule against selective disclosure.

## 7. Forward-Looking Information

Information relating to the Corporation's near term earnings prospects is very sensitive by its nature, both for the Corporation and for other companies involved in the oil and gas industry. **This type of information must be treated by everyone, including those who generate the projections, as being highly confidential.** Disclosure of such information should only be made with the authorization of a Communication Officer in accordance with the procedures outlined in this Policy. In particular, great care must be exercised to avoid disclosing any previously undisclosed projections, predictions, estimates or other forward-looking information at industry conferences, meetings or in any other manner in which the general public does not receive access to the same information at the same time.

## 8. Notification of Market Surveillance

When the Exchange is open for trading, advance notice of a press release announcing Material Information must be provided to the market surveillance branch (or similar departments) of the Exchange to determine if a halt in trading is necessary to provide time for the market to digest the news. When a press release announcing Material Information is issued outside of trading hours, the market surveillance branch of the Exchange should be notified before the market opens. Copies of all press releases should be supplied to the market surveillance branch of the Exchange and to the relevant securities regulators immediately.

## 9. Disclosure Records

The Communication Officers will maintain a file containing public information press released by the Corporation and presentations made by the Corporation.

## **PART II** **CONFIDENTIALITY**

### 1. When Information May Be Kept Confidential

Where the immediate disclosure of Material Information would be unduly detrimental to the interests of the Corporation, its disclosure may be delayed and kept confidential temporarily. In order to do so, strict compliance with Applicable Securities Laws is required to maintain the confidentiality of the Material Information. Keeping information confidential can only be

justified where the potential harm to the Corporation or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure. In such circumstances, the Corporation will cause a confidential material change report to be filed with applicable regulatory authorities and review its decision to keep the information confidential in accordance with Applicable Securities Laws and Exchange rules.

All decisions to keep Material Information confidential must be made by either the Communication Officers or the Board of Directors. In the event that the decision is made by the Communication Officers, the Board of Directors will be informed of that decision.

## **2. Access to Confidential Information**

Employees shall be given access to confidential information on an "as needed" basis only and must not disclose that information to anyone except in the ordinary course of business (*e.g.*, discussions with the Corporation's bankers or advisers where the disclosure of the confidential information is necessary) and only where everyone involved understands that it is to be kept confidential. Employees must not discuss confidential information in situations where they may be overheard or participate in discussions regarding decisions by others about investments in the Corporation.

In certain circumstances, the Communication Officer may assign a "code name" to confidential information. Employees should utilize the "code name" at all times when discussing the confidential information. Printed documents containing confidential information shall be stored in a secured cabinet and access to such documents on the Corporation's computer network shall be restricted.

## **3. Maintaining Confidentiality**

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed. Except in the necessary course of business where the recipient is bound by an express confidentiality obligation, it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Corporation or counter-parties in negotiations of material transactions are prohibited from trading the Corporation's securities or those of any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

In order to prevent inadvertent selective disclosure of material information, it is important to maintain confidential information confidential. Any Employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is authorized by a Communication Officer. Efforts must be made to limit access to confidential information to only those who need to know the information and such persons must be advised that the information is to be kept confidential. Confidential information includes not only information about the Corporation, but also information concerning the Corporation and other stakeholders in the Corporation that is not publicly known.

4. **Disclosure of Information to Outsiders**

Before a meeting with other parties at which Undisclosed Material Information may be discussed, the other parties must agree that they must not divulge that information to anyone else and appropriate documentation reflecting that agreement must be entered into.

**PART III**  
**GENERAL**

1. **Penalties**

Where the Corporation determines that this Policy has been violated and it is able to identify the individual Employee or Employees that breached this Policy, the Corporation will take its own disciplinary actions, which could result in termination of employment or implementation of a probationary period. The Corporation is also entitled to pursue its legal remedies through the courts. If appropriate, the Corporation will report the matter to the regulatory authorities.

2. **Policy Review**

The Corporation will review this Policy annually to ensure that it is achieving its purpose. Based on the results of such review, this Policy may be revised accordingly.

Updated and amended as of November 10, 2010.

Communication Officer Signatures:

Edward Sampson  
Murray Hesje  
William T. Hornaday