NIKO RESOURCES LTD

NOTICE

and

MANAGEMENT INFORMATION CIRCULAR

AND PROXY STATEMENT

for the Annual and Special Meeting of Shareholders

to be held in the McMurray Room
at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta

on

Thursday, September 12, 2013
at 3:00 p.m.

DATED: August 13, 2013

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE HOLDERS OF COMMON SHARES OF NIKO RESOURCES LTD.:

Notice is hereby given that an annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Niko Resources Ltd. (the "**Corporation**" or "**Niko**") will be held in the McMurray Room at the Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, on September 12, 2013 at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the fiscal year ended March 31, 2013 and the report of the auditors thereon;

2. to consider, and if thought appropriate, pass a special resolution in the form set forth in the management information circular and proxy statement (the "**Information Circular**") to amend the Articles of the Corporation to increase the maximum number of directors from seven to twelve;

3. to fix the number of directors to be elected at the Meeting at eight;

4. to elect directors of the Corporation for the ensuing year;

5. to appoint auditors for the ensuing year at a remuneration to be determined by the board of directors of the Corporation;

6. to consider, and if thought appropriate, pass a resolution in the form set forth in the Information Circular approving all unallocated stock options under the Corporation's Stock Option Plan; and

7. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Particulars of the matters referred to above are set forth in the accompanying management information circular and proxy statement.

Only Shareholders of record at the close of business on August 8, 2013 will be entitled to receive notice of, and to vote at, the Meeting, except that a transferee of Common Shares after such record date may, not later than 10 days before the Meeting, establish a right to vote by providing evidence of ownership of Common Shares and make a request to Computershare Trust Company of Canada that his or her name be placed on the Shareholder list for the Meeting.

A Shareholder may attend the Meeting and vote in person or may appoint another person (who need not be a Shareholder) as his or her proxy to attend and vote in his or her place. A form of proxy for use at the Meeting or any adjournment thereof is enclosed with this Notice. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed instrument of proxy to the Corporation's transfer agent, Computershare Trust Company of Canada, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. A proxy will not be valid unless it is received by Computershare Trust Company of Canada no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

Dated at Calgary, Alberta, this 13th day of August, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

Per: (signed) "*Edward S. Sampson*"
Edward S. Sampson
Chairman of the Board, President and Chief Executive Officer

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MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

GENERAL PROXY INFORMATION

Solicitation of Proxies by Management

This management information circular and proxy statement (the "**Information Circular**") is being furnished by the management of Niko Resources Ltd. ("**Niko**" or the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of the Corporation to be held in the McMurray Room at the Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, at 3:00 p.m. (Calgary time) on September 12, 2013, and any adjournments thereof, for the purposes set forth in the Notice of Meeting accompanying this Information Circular (the "**Notice**"). The information contained in this Information Circular is given as of August 13, 2013 except where otherwise indicated.

The head and executive office of the Corporation is located at 4600, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2 and its telephone number is (403) 262-1020.

It is expected that the solicitation of proxies will be primarily by mail or personal solicitations by the officers or employees of the Corporation, at no additional compensation. The costs of solicitation by management will be borne by the Corporation.

Appointment of Proxies

Shareholders who wish to be represented at the Meeting by proxy must complete and deliver their proxies to the Corporation's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. In order to be valid, proxies must be received by Computershare no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

The persons named as proxy holders in the accompanying instrument of proxy are directors and/or officers of the Corporation. **A Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the accompanying instrument of proxy may do so either by striking out the names provided and inserting such person's name in the blank space provided in the instrument of proxy or by completing another instrument of proxy and, in either case, delivering the completed proxy to the office of Computershare at the address referred to above within the time specified above for the deposit of proxies.**

Revocation of Proxies

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has submitted a proxy attends personally at the Meeting at which such proxy is voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by: (a) the Shareholder signing another proxy bearing a later date than the first proxy and delivering such subsequent proxy to Computershare at the address referred to above and within the time specified above for the deposit of proxies; or (b) an instrument in writing by such Shareholder deposited either with Computershare at the address referred to above or with the Chairman of the Meeting at any time prior to the Meeting or any adjournment thereof.

Signature of Proxy

The accompanying instrument of proxy as well as any instrument revoking the same shall be executed by the Shareholder or his attorney authorized in writing, or if a Shareholder is a corporation, the proxy or other instrument should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. Such proxy or other instrument signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate documentation evidencing qualification and authority to act (unless such documentation has been previously filed with the Corporation).

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. In the absence of such specification, such Common Shares will be voted "FOR" amending the Articles of the Corporation to increase the maximum number of directors from seven to twelve, "FOR" fixing the number of directors to be elected at eight, "FOR" the election as directors of those nominees of management listed in the Information Circular, "FOR" the appointment of KPMG LLP, Chartered Accountants and "FOR" approving all unallocated stock options under the Corporation's Stock Option Plan.

Registered Shareholders and non-objecting beneficial owners of Common Shares may vote using the internet at the website www.investorvote.com. Such Shareholders should have the form of proxy in hand when they access the website, as they will be prompted to enter their control number, which is located on the form of proxy. If such Shareholders vote using the website, their votes must be received not later than 3:00 p.m. (Calgary time) on September 10, 2013 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxyholder to attend and vote on such a Shareholder's behalf at the Meeting and to convey such a Shareholder's voting instructions. Please note that if such a Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, the Shareholder may resubmit its proxy and/or voting direction prior to the deadline noted above. The most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

Exercise of Discretion by Proxies

The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the proxy and Notice and with respect to other matters which may properly come before the Meeting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment to or variation of other matters to come before the Meeting other than the matters referred to in the Notice.

Voting Shares

As at August 13, 2013, there were 70,215,911 Common Shares outstanding, each carrying the right to one vote per share at the Meeting. Only Shareholders of record on August 8, 2013 are entitled to notice of, and to vote at, the Meeting except that a transferee of Common Shares after August 8, 2013 may, not later than 10 days before the Meeting, establish a right to vote by providing evidence of ownership of Common Shares and making a request to Computershare that the transferee's name be placed on the Shareholder list for the Meeting.

Principal Holders of Voting Shares

Based on the Early Warning Report under the Alternative Monthly Reporting System of National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* filed for the period ended March 31, 2013, Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated and FIL Limited, as a group, owned 8,209,600, or approximately 11.69%, of the issued and outstanding Common Shares. To the knowledge of the directors and executive officers of the Corporation, as at August 13, 2013, no other persons or companies beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the Common Shares.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. or of other brokers/agents are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails voting instruction forms ("**VIFs**") to the Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting – the VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial interest or otherwise, of any director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors.

MATTERS TO BE ACTED UPON AT THE MEETING

Consolidated Financial Statements

The audited financial statements of the Corporation for the year ended March 31, 2013 will be presented at the Meeting. No vote is required in respect of this matter. The board of directors of the Corporation (the "**Board**"), upon the recommendation of the Audit Committee of the Corporation (the "**Audit Committee**"), approved the financial statements prior to their delivery to the Shareholders.

Amendment of Articles

The Articles of the Corporation currently state that the minimum number of directors is three and the maximum number of directors is seven. It is proposed that, at the Meeting, the Shareholders amend the Articles of the Corporation to increase the maximum number of directors from seven to twelve.

The Articles of the Corporation currently provide for a minimum of three directors and a maximum of seven directors. It is customary for a public company to have the high end of the range of up to 12 or 15 directors. The range will allow the Board to grow with the needs of the Corporation and will allow the Board to identify additional qualified and independent directors in accordance with recommended practices in Canada. The skills and experience sought by the Board in considering new members include extensive international oil and gas industry experience, an exploration background, financial literacy and a strong reputation. In addition, the Board also examines the need for additional skills and expertise in: enterprise management, business development, mergers and acquisitions, strategic planning, corporate governance, change management, oil and gas operations, health, safety and environment management, financial expertise, global experience, human resources, reserves evaluation and risk evaluation. By expanding the maximum number of directors, the Corporation believes it will increase its ability to nominate individuals with a diverse range of backgrounds, skills and expertise. At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following special resolution:

"**BE IT RESOLVED THAT** the Articles of the Corporation be and are hereby amended to increase the maximum number of directors from seven to twelve."

In order for the foregoing special resolution to be passed, it must be approved by a majority of not less than 2/3 of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The Board recommends that Shareholders vote FOR the special resolution amending the Articles of the Corporation to increase the maximum number of directors from seven to twelve**. In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the special resolution as set out above. Draft Articles of Amendment are attached as Appendix F.

Fixing the Number of Directors

The Board presently consists of six directors and it is proposed that, at the Meeting, the Shareholders fix the number of directors to be elected at the Meeting at eight. At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following resolution:

"**BE IT RESOLVED THAT** the number of directors of Niko Resources Ltd. to be elected be and is hereby fixed at eight."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The Board recommends that Shareholders vote FOR the resolution fixing the number of directors to be elected at eight**. In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolutions as set out above.

Election of Directors

Nominees

The following table states the names and cities of residence of the persons proposed to be nominated for election as directors at the Meeting, all other positions and offices with the Corporation now held by them, their principal occupations at present, the years in which they were first elected directors and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at March 31, 2013 and 2012. The information contained herein has been furnished by the respective nominees to the Corporation. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the Corporation's by-laws, unless the director's office is earlier vacated.

The persons named in the enclosed instrument of proxy, if named as proxy, intend to vote in favour of the proposed nominees to the Board unless a Shareholder has specified in its instrument of proxy that the Shareholder's Common Shares are to be withheld from voting for any of the nominees.

Edward S. Sampson

Age: 61	Calgary, Alberta, Canada	Director since: 1996	Not Independent – President and Chief Executive Officer of the Corporation

Biography[1]

Mr. Sampson has been the President and Chief Executive Officer of the Corporation since November 2004. He has also been Chairman of the Board for over 17 years.

Mr. Sampson has been involved in the field of business management during the past 39 years. He has initiated and managed a series of successful business operations focused primarily on oil and gas exploration and development. Mr. Sampson was instrumental in the growth and development of a number of mid-sized Canadian public companies.

Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):	Public Board Interlocks:
Enterprise Management Business Development Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Global Experience Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None

Board/Committee Membership at the date hereof:[2]	Attendance during Fiscal 2013: #	Attendance during Fiscal 2013: %	Annual Base Salary (CAD$):	Meeting Attendance Retainer (CAD$):	Equity Ownership/ Annual Base Salary:
Member of the Board, Chairman of the Board	9	100	782,250	-	-

Securities Held as at March 31:[3]

Year	Common Shares	Market Value per Common Share (CAD$)[4]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement	Stock Options
2013	4,158,378	5.91	24,576,014	3 x base salary	397,081	Yes	1,379,167
2012	4,413,379	35.09	154,865,469	3 x base salary	64,490	Yes	1,000,000

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	38,350,132	764,723	39,114,855
% of votes	98.04	1.96	100

William T. Hornaday			
Age: 57	Calgary, Alberta, Canada	Director since: 2007	Not Independent – Chief Operating Officer of the Corporation

Biography(1)

Mr. Hornaday has been the Chief Operating Officer of Niko since 2005. Prior thereto, he was the Vice President, Operations of Niko since 2001.

Mr. Hornaday is a professional engineer with over 37 years of industry experience and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. He holds a B.Sc. in Mechanical Engineering from the University of Calgary. He has worked in the energy business in North America, India, Indonesia and Australia. Mr. Hornaday has extensive experience in all aspects of operations including project management, production, facilities, drilling and business development. He was previously executive Director & Chief Operating Officer for a successful intermediate size international gas and power generating company.

Areas of Expertise:	**Current Public Board Memberships:**	**Public Board Memberships in the past 5 years (excluding Niko):**	**Public Board Interlocks:**
Enterprise Management Business Development Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Global Experience Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None

Board/Committee Membership at the date hereof:(2)	**Attendance during fiscal 2013:**		**Attendance (Total):**		**Annual Base Salary (CAD$):**	**Meeting Attendance Retainer:**	**Equity Ownership/ Annual Base Salary:**
	#	**%**	**#**	**%**			
Member of the Board	9	100	10	100	564,900	-	
Member of the Environment and Reserves Committee	1	100					

Securities Held as at March 31:(3)

Year	Common Shares	Market Value per Common Share (CAD$)(4)	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement (5)	Stock Options
2013	112,017	5.91	662,020	3 x base salary	286,751	Yes	668,749
2012	102,017	35.09	3,579,777	3 x base salary	47,037	Yes	500,000

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	36,730,771	2,384,083	39,114,854
% of votes	93.90	6.10	100

C. J. (Jim) Cummings			
Age: 63	Calgary, Alberta, Canada	Director since: 2005	Independent

Biography[1]

Mr. Cummings has been a Partner of International Energy Counsel LLP (a law firm) since December 2002. Prior thereto, he was a Partner of Donahue LLP (a law firm) until November 2002.

Mr. Cummings has been involved in the petroleum industry for in excess of the past 31 years. He graduated from the University of Alberta with a degree in Law and has practiced in government, corporate and private roles, specializing in international oil and gas law. Mr. Cummings has served as Senior Counsel with the Attorney General of Alberta in the Constitutional and Energy Law Department, Senior Counsel with Home Oil Company Limited and Vice-President and General Counsel with both Asamera Inc. and Bow Valley Energy Ltd. He is currently a partner in International Energy Counsel LLP and a director of a number of private corporations. He is a past Chair of the Association of General Counsel of Alberta and is a member of the Steering Committee of the Canadian Chapter of the Association of International Petroleum Negotiators.

Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):	Public Board Interlocks:
Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Global Experience Risk Evaluation Legal	Niko Resources Ltd.	Kroes Energy Inc.	None

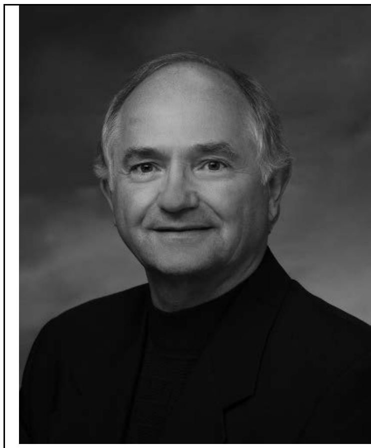
Board/Committee Membership at the date hereof:[2]	Attendance during fiscal 2013:		Attendance (Total):		Annual Retainer (CAD$):	Meeting Attendance Retainer:	Equity Ownership/ Annual Retainer:
	#	%	#	%			
Member of the Board	9	100	28	100	50,000	-	
Member of the Audit Committee	8	100					
Member of the Compensation Committee	7	100					
Chair of the Corporate Governance Committee	4	100					

Securities Held as at March 31:[3]

Year	Common Shares	Market Value per Common Share (CAD$)[4]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement [5]	Stock Options
2013	31,901	5.91	188,535	5 x annual retainer	42,301	Yes	83,333
2012	26,901	35.09	943,956	5 x annual retainer	4,453	Yes	62,500

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	33,445,813	5,669,041	39,114,854
% of votes	85.51	14.49	100



Conrad P. Kathol

Age: 63	Calgary, Alberta, Canada	Director since: 1996	Independent

Biography[(1)]

Mr. Kathol has been President of Silver Thorn Exploration Ltd. (a natural resource company) since April 2004. Prior thereto, he was President of Invader Exploration Inc. (a public oil and gas company).

Mr. Kathol is a professional engineer and holds a B.Sc. in Civil Engineering from the University of Alberta and has worked in the oil and gas industry for the past 38 years. He has worked as an exploration geologist in western Canada and the United States and has a strong background in all aspects of the industry, including modern exploration technology, reservoir engineering and economic evaluation.

Mr. Kathol has been involved in the management and has been a director of several publicly traded resource companies during the past 27 years.

Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):	Public Board Interlocks:
Enterprise Management Business Development Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None

Board/Committee Membership at the date hereof:[(2)]	Attendance during fiscal 2013: #	Attendance during fiscal 2013: %	Attendance (Total): #	Attendance (Total): %	Annual Retainer (CAD$):	Meeting Attendance Retainer:	Equity Ownership/ Annual Retainer:
Member of the Board, Board Secretary	9	100	21	100	50,000	-	-
Member of the Compensation Committee	7	100					
Chair of the Environment and Reserves Committee	1	100					
Member of the Corporate Governance Committee	4	100					

Securities Held as at March 31:[(3)]

Year	Common Shares	Market Value per Common Share (CAD$)[(4)]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement	Stock Options
2013	246,279	5.91	1,455,509	5 x annual retainer	42,301	Yes	87,500
2012	277,479	35.09	9,736,738	5 x annual retainer	4,453	Yes	62,500

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	36,034,305	3,080,549	39,114,854
% of votes	92.12	7.88	100

Wendell W. Robinson

Age: 72	Charleston, South Carolina, USA	Director since: 1999	Independent

Biography(1)

Mr. Robinson has been Senior Investment Partner & retired Managing Director, Global Environment Fund (**GEF**) (an institutional investment management firm) since February 2002 and from 1994 to 2002, he was Managing Director, GEF. Mr. Robinson is currently a member of the investment committee of four GEF private equity investment funds. For 10 years prior to 1994, Mr. Robinson managed international private equity programs for Rockefeller & Co. During his 50 years of domestic and international financial, investment and company management, Mr. Robinson has been the director of numerous corporations, and a member of investment advisory boards and committees of investment entities throughout Southeast Asia, Europe, Latin America and the United States.

Mr. Robinson has BA and MA degrees in Economics, with a minor in Finance, from Case Western Reserve University, and is a Chartered Financial Analyst.

Areas of Expertise:	**Current Public Board Memberships:**	**Public Board Memberships in the past 5 years (excluding Niko):**	**Public Board Interlocks:**
Enterprise Management Business Development Financial Literacy and Expertise Corporate Governance Change Management Oil and Gas Operations Health, Safety & Environment Management Global Experience Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None

Board/Committee Membership at the date hereof:(2)	**Attendance during fiscal 2013:**		**Attendance (Total):**		**Annual Retainer (CAD$):**	**Meeting Attendance Retainer:**	**Equity Ownership/ Annual Retainer:**
	#	**%**	**#**	**%**			
Member of the Board	9	100	28	100	50,000	-	
Chair of the Audit Committee and designated financial expert	8	100					
Member of the Corporate Governance Committee	4	100					
Chair of the Compensation Committee	7	100					

Securities Held as at March 31:(3)

Year	Common Shares	Market Value per Common Share (CAD$)(4)	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement (5)	Stock Options
2013	35,752	5.91	211.294	5 x annual retainer	42,301	Yes	83,333
2012	35,752	35.09	1,254,538	5 x annual retainer	4,453	Yes	62,500

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	33,241,412	5,873,442	39,114,854
% of votes	84.98	15.02	100

Norman M.K. Louie

Age: 47	New York City, New York, USA	Director since: July 23, 2013	Independent

Biography[1]

Mr. Louie is a Managing Director at Mount Kellett Capital Management LP since August 2008 and leads the North American investment team. Mount Kellett is a leading private equity firm based in New York with over $7B of capital under management of which approximately $1B is invested or committed to investments in the energy sector. Prior to joining Mount Kellett, Mr. Louie was a Portfolio Manager at SAB Capital Management from January 2004 to December 2006 where he focused on special situations investing. Prior to SAB, Mr. Louie was the Director of Research at Whippoorwill Associates, a hedge fund dedicated to special situations investing, from January 2000 to December 2003. Mr. Louie began his career as a credit analyst at Donaldson, Lufkin and Jenrette and holds a B.A. from Cornell University and an M.B.A. from Columbia University.

Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):	Public Board Interlocks:
Financial Literacy and Expertise Corporate Governance Global Experience Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None

Board/Committee Membership at the date hereof:[2]	Attendance during fiscal 2013:		Attendance (Total):		Annual Retainer (CAD$):	Meeting Attendance Retainer:	Equity Ownership/ Annual Retainer:
	#	%	#	%			
Member of the Board	-	-	-	-	50,000	-	-

Securities Held as at March 31:[3]

Year	Common Shares	Market Value per Common Share (CAD$)[4]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement[6]	Minimum Shareholding Requirement (#)	Meets Requirement	Stock Options
2013	-	-	-	5 x annual retainer	42,301	No[6]	-
2012	-	-	-	5 x annual retainer	-	-	-

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	-	-	-
% of votes	-	-	-

Murray E. Hesje			
Age: 63	Victoria, British Columbia, Canada	Director since: N/A	Not Independent – Former Chief Financial Officer of the Corporation within the last three years

Biography[1]

Mr. Hesje was the Vice President Finance and Chief Financial Officer of Niko from 2006 until January 1, 2013. Prior thereto, he served in senior positions with a number of oil and gas companies. Mr. Hesje was most recently Chief Operating Officer for Pearl Energy Limited, a company trading on the Singapore Stock Exchange and operating exclusively in S.E. Asia. Prior to Pearl Energy, Mr. Hesje was with Gulf Canada Resources Limited where he was Vice-President and Controller at the time of ConocoPhillips's acquisition of Gulf Canada Resources Limited. He then worked for ConocoPhillips Canada as Vice-President Finance. Mr. Hesje holds a bachelor of Commerce from the University of Saskatchewan and has 39 years of finance experience.

Following Mr. Hesje's retirement as Vice President Finance and Chief Financial Officer of Niko, he has served as special advisor to the Corporation and to the Board.

Areas of Expertise:	**Current Public Board Memberships:**	**Public Board Memberships in the past 5 years (excluding Niko):**	**Public Board Interlocks:**
Financial Literacy and Expertise Business Development/Strategic Planning Corporate Governance Oil and Gas Operations Global Experience Risk Evaluation	None	None	None

Board/Committee Membership at the date hereof:[2]	**Attendance during Fiscal 2013:**		**Annual Base Salary (CAD$):**	**Meeting Attendance Retainer (CAD$):**	**Equity Ownership/ Annual Base Salary:**
	#	**%**			
Member of the Board	-	-	-	-	-

Securities Held as at March 31:[3]

Year	Common Shares	Market Value per Common Share (CAD$)[4]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement	Stock Options
2013	13,486	5.91	79,702	5 x annual retainer	-	-	287,501
2012	7,486	35.09	262,683	5 x annual retainer	-	-	270,834

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	-	-	-
% of votes	-	-	-

Charles S. Leykum			
Age: 36	Greenwich, Connecticut, United States	Director since: N/A	Independent

Biography[1]

Mr. Leykum founded CSL Capital Management in May 2008 and chairs the Investment Committee. Prior to founding the firm, Mr. Leykum was a Portfolio Manager at Soros Fund Management, LLC (**Soros**), from 2004 until 2007 where he managed an energy portfolio and sat on the board of several energy companies. Mr. Leykum co-founded and managed several oilfield services businesses and has sourced, evaluated and invested in upstream, midstream and downstream companies, creating significant value for investors. Prior to Soros, Mr. Leykum worked at Goldman, Sachs & Co. from 1999 until 2002 in the Principal Investment Area and the Investment Banking Division. Mr. Leykum holds a B.A. from Columbia University and an M.B.A. from Harvard Business School.

Areas of Expertise:	**Current Public Board Memberships:**	**Public Board Memberships in the past 5 years (excluding Niko):**	**Public Board Interlocks:**
Business Development/Strategic Planning Corporate Governance Global Experience Risk Evaluation	None	None	None

Board/Committee Membership at the date hereof:[2]	**Attendance during fiscal 2013:**		**Attendance (Total):**		**Annual Retainer (CAD$):**	**Meeting Attendance Retainer:**	**Equity Ownership/ Annual Retainer:**
	#	**%**	**#**	**%**			
Member of the Board	-	-	-	-	-	-	-

Securities Held as at March 31:[3]

Year	Common Shares	Market Value per Common Share (CAD$)[4]	Total Market Value of Common Shares (Value at Risk) (CAD$)	Minimum Shareholding Requirement	Minimum Shareholding Requirement (#)	Meets Requirement	Stock Options
2013	-	-	-	5 x annual retainer	-	-	-
2012	-	-	-	5 x annual retainer	-	-	-

Voting Results of 2012 Annual Meeting of Shareholders

	Votes for	Votes Withheld	Total Votes Cast
# of votes	-	-	-
% of votes	-	-	-

Notes:

(1) Each of the above persons has held the principal position shown opposite his name for at least the last five years, unless otherwise noted.

(2) The Corporation does not have an executive committee. The Corporation has disclosure officers, but does not have a disclosure committee.

(3) The shareholdings set forth in this table represent the number of Common Shares beneficially owned, directly or indirectly, or controlled or directed by each proposed director.

(4) The market value per common share for Fiscal 2013 is based on the weighted average trading price for the five day period prior to year-end.

(5) Mr. Hornaday, Cummings, Robinson meets the minimum shareholding requirement by virtue of the fact that their cash cost in the shares exceeds the minimum dollar value threshold.

(6) Mr. Louie has until July 23, 2014 to meet his minimum shareholder requirement.

For information on the Audit Committee, see "Audit Committee Information".

Orders

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director is, as at the date hereof, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of management of the Corporation, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a policy (the "**Majority Voting Policy**") that will permit a Shareholder to vote for, or withhold from voting for, each director nominee separately. If a director nominee has more votes withheld than are voted in favour of him, such nominee will be expected to forthwith submit his resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Corporate Governance Committee of the Board (the "**Corporate Governance Committee**") for consideration. The Corporate Governance Committee will consider all factors deemed relevant by the members of the Corporate Governance Committee, including, without limitation, the stated reason or reasons why Shareholders who cast "withhold" votes for the director did so, the qualifications of the director, including, without limitation, the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. The Majority Voting Policy does not apply in circumstances involving contested director elections. The full text of the Majority Voting Policy is attached hereto as Appendix E.

Evergreen List of Director Candidates

The articles of the Corporation currently provide for a minimum of three directors and a maximum of seven directors (to be increased to 12 at the Meeting if thought appropriate). The Corporation currently has six directors. The Corporation is proposing eight directors for election. The Corporate Governance Committee is expanding its evergreen list of director candidates as part of the process of recruiting a new director. Such director may assume the position of lead director.

The range of skills and experience sought by the Board include extensive international oil and gas industry experience, an exploration background, financial literacy and a strong reputation. The Board also considers the skills and experiences of existing directors and the need for additional skills and experience on the Board in the areas of: enterprise management, business development, mergers and acquisitions, strategic planning, corporate governance, change management, oil and gas operations, health, safety and environment management, financial expertise, global experience, human resources, reserves evaluation and risk evaluation.

Director Independence

The Corporation uses the meaning of independence set forth in section 1.4 of Canadian Securities Administrators' National Instrument 52-110 *Audit Committees* ("**NI 52-110**") to assess whether or not Board members are independent.

The following table outlines the independence of director nominees as at the date hereof:

Director nominees	Independent	Non-independent	Reason for non-independence
Edward S. Sampson (Chairman of the Board)		√	President and Chief Executive Officer of the Corporation
William T. Hornaday		√	Chief Operating Officer of the Corporation
C. J. (Jim) Cummings	√		
Conrad P. Kathol	√		
Wendell W. Robinson	√		
Norman M. K. Louie	√		
Murray E. Hesje		√	Former Chief Financial Officer of the Corporation within the last three years
Charles S. Leykum	√		
% of director nominees	62.5	37.5	

Committees of the Board

The following chart sets out current committee members (√):

Director	**Audit Committee**	**Compensation Committee**	**Corporate Governance Committee**	**Environment and Reserves Committee**
Edward S. Sampson (Chairman of the Board)(1)				
William T. Hornaday(1)				√
C. J. (Jim) Cummings	√	√	√	
Conrad P. Kathol		√	√	√
Wendell W. Robinson(2)	√	√		
Norman M. K. Louie(2)				

Notes:

(1) Non-independent director.

(2) Designated financial expert.

Interlocking Directorships

The term "interlocking directorship" refers to when a member of the Board serves on the board of directors of more than one publicly-listed company. As at the date hereof, none of the nominees for election to the Board sits on the board of directors of any other publicly-listed company. The Corporation has not adopted a formal policy limiting interlocking directorships, as there are currently no interlocking directorships among the members of the Board. The Corporation has adopted a formal policy that it will evaluate any interlocking directorships that occur in the future to determine if they impact on the ability of the directors to act in the best interests of the Corporation.

Currently, none of the directors of the Corporation sits on the board of any public company than that of the Corporation. The Corporation has not adopted a formal policy limiting the number of boards on which a director may sit. The Corporation evaluates the effectiveness of each board member through the annual board self-assessment process. When recruiting new directors, the Corporation considers the number of public company boards on which a proposed director sits when evaluating whether such proposed director will have sufficient time to effectively act in the best interests of the Corporation.

Mandatory Share Ownership

One way the directors of the Corporation demonstrate their commitment to the Corporation's success and align their interests with those of the Shareholders is through share ownership. The directors of the Corporation are required to beneficially own, directly or indirectly, or control or direct that number of Common Shares having a value of, in the case of independent directors, no less than five times their respective annual retainers and, in the case of directors who are employees of the Corporation, no less than three times their respective base salaries, and to maintain such ownership while they are directors. Under these guidelines, an individual has one year from the effective date of his election as a director to acquire and hold the required number of Common Shares. For purposes of the foregoing, the value of the Common Shares held by a director shall be the greater of: (i) the cost to the director of such Common Shares; and (ii) the number determined by multiplying the number of Common Shares so held by the weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") for the most recently completed financial year. All of the directors of the Corporation are in compliance with the Corporation's share ownership guidelines with the exception of Mr. Louie who has until July 23, 2014 to acquire and hold the required number of Common Shares.

The Corporation has a policy that directors and officers of the Corporation may not purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars and units of exchange funds, that are designed to hedge or offset a decrease in market value. In this manner, the at-risk shareholdings are preserved.

Director Skills Matrix

The following table summarizes the relevant skills of each nominee to the Board:

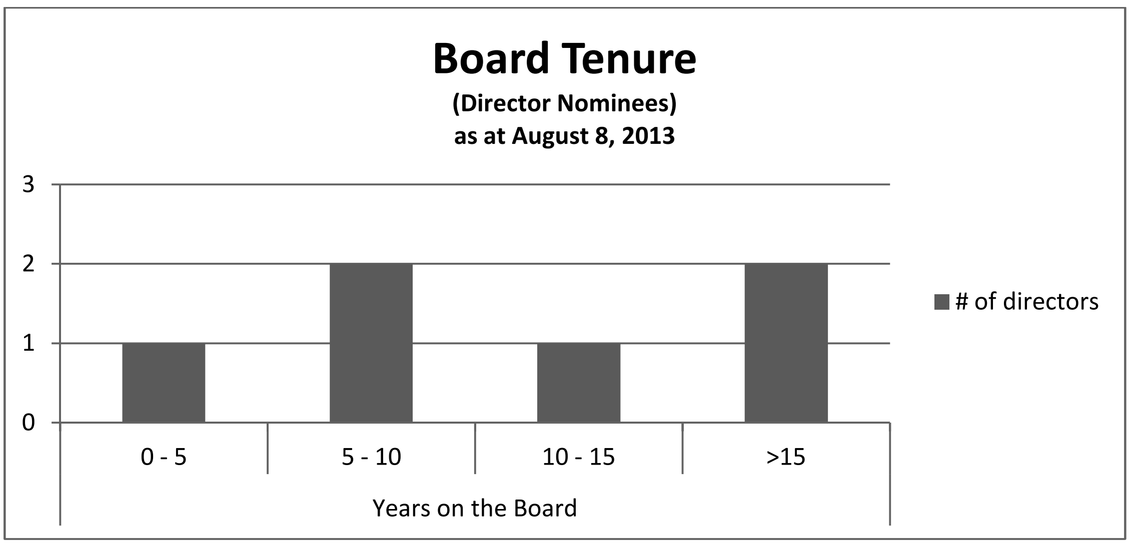
Skill	**Description**	**Edward S. Sampson**	**C. J. (Jim) Cummings**	**William T. Hornaday**	**Conrad P. Kathol**	**Wendell W. Robinson**	**Norman M.K. Louie**	**Murray E. Hesje**	**Charles S. Leykum**
Enterprise management	Experience as a President or CEO leading an organization	√		√	√	√			
Business Development / Strategic Planning	Management or executive experience with responsibility for identifying value creation opportunities	√		√	√	√		√	√
Financial Literacy	Ability to critically read and analyze financial statements	√	√	√	√	√	√	√	
Corporate Governance	Understanding of the requirements of good corporate governance usually gained through experience as a senior executive office or a board member of a public organization	√	√	√	√	√	√	√	√

Skill	Description	Edward S. Sampson	C. J. (Jim) Cummings	William T. Hornaday	Conrad P. Kathol	Wendell W. Robinson	Norman M.K. Louie	Murray E. Hesje	Charles S. Leykum
Change Management	Experience leading a major organizational change or managing a significant merger					√			
Oil and Gas Operations	Management or executive experience with oil and gas operations	√	√	√	√	√		√	
Health, Safety and Environment management	Understanding of the regulatory environment surrounding workplace health, safety, environment and social responsibility	√	√	√	√	√			
Financial Expertise	Senior executive experience in financial accounting and reporting corporation finance					√	√	√	
Global Experience	Management or executive experience in a multi-national organization providing understanding of the challenges faced in a different cultural, political or regulatory environment	√	√	√		√	√	√	√
Human Resources	Management or executive experience with responsibility for human resources								
Legal Expertise	A legal scholar versed in civil law or the law of nations		√						

Skill	Description	Edward S. Sampson	C. J. (Jim) Cummings	William T. Hornaday	Conrad P. Kathol	Wendell W. Robinson	Norman M.K. Louie	Murray E. Hesje	Charles S. Leykum
Reserves Evaluation	Specific experience with or executive responsibility for oil and gas reserves evaluation	√		√	√	√			
Risk Evaluation	management or executive experience in evaluation and managing the variety of risks faced by an organization	√	√	√	√	√	√	√	√

Director Tenure

The director nominees have been serving on the Board for the periods indicated in the chart below:



Appointment of Auditors

The management of the Corporation proposes that KPMG LLP, Chartered Accountants, be appointed as the auditors of the Corporation for the ensuing year at remuneration to be fixed by the Board. KPMG LLP has acted as the auditors of the Corporation since September 30, 1997.

The following is the text of the resolution to be considered at the Meeting:

"**BE IT RESOLVED THAT** KPMG LLP, Chartered Accountants, be appointed auditors of the Corporation at such remuneration as may be determined by the Board of Directors and the Board of Directors is hereby authorized to fix such remuneration."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy thereon at the Meeting. **The Board recommends that Shareholders vote FOR the resolution appointing KPMG LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year.** In the absence of contrary directors, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

Approval of Unallocated Options Under Option Plan

In accordance with the requirements of the TSX, every three years after institution, all unallocated options, rights and other entitlements under a security based compensation arrangement which does not have a fixed maximum number of securities issuable (commonly referred to as a "rolling plan") must be approved by a majority of the issuer's directors and the issuer's securityholders. As the Corporation's stock option plan (the "**Option Plan**") does not have a fixed maximum number of securities issuable thereunder, the Shareholders are required to consider and, if thought fit, approve all unallocated options ("**Options**") issuable under the Option Plan.

Pursuant to the terms of the Option Plan, the maximum number of Common Shares reserved for issuance under all security based compensation arrangements (as defined by the rules of the TSX) is ten percent of the issued Common Shares of the Corporation from time to time.

As at August 13, 2013, the Corporation had 5,056,348 allocated Options, representing approximately 7.20% of the issued and outstanding Common Shares, and 1,965,243 unallocated Options, representing approximately 2.8% of the issued and outstanding Common Shares.

If the resolution approving all unallocated Options under the Option Plan is not approved by the Shareholders at the Meeting, then currently outstanding Options will continue unaffected, however, no additional Options may be granted under the Option Plan. Furthermore, currently outstanding Options that are subsequently cancelled or terminated will not be available for issuance under the Option Plan.

The Option Plan is an important compensation tool for the Corporation. If the resolution approving all unallocated Options is not approved, the Compensation Committee and the Board will have to consider alternate forms of performance based compensation, including additional cash bonuses, a share appreciation plan or other means in order to attract and retain qualified personnel.

At the Meeting, Shareholders will be asked to pass a resolution approving all unallocated Options under the Option Plan. The following is the text of the ordinary resolution to be considered at the Meeting:

"**BE IT RESOLVED THAT:**

1. The unallocated stock options under the Corporation's stock option plan are hereby approved, which approval shall be effective until September 12, 2016; and

2. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The Board recommends that Shareholders vote FOR the resolution approving all unallocated Options under the Option Plan.** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Committee

The Compensation Committee of the Board (the "**Compensation Committee**"), which is comprised of Wendell W. Robinson (Chairman), Conrad P. Kathol and C. J. (Jim) Cummings, is responsible for reviewing executive compensation matters and making recommendations to the Board for its approval. Each Compensation Committee member is independent. Each member has been serving on the Compensation Committee for a number of years. During Mr. Robinson's 50 years of domestic and international financial, investment and company management, Mr. Robinson has been the director of numerous corporations, and a member of investment advisory boards and committees of investment entities throughout Southeast Asia, Europe, Latin America and the United States. In certain investment entities managed by Mr. Robinson that held a controlling interest in public and private companies, he served as non-executive chief executive officer, with compensation responsibility and authority for executive officers. In addition, for many other companies in which the investment entities held controlling interests, Mr. Robinson was involved in recruitment of executive managers and in director oversight of compensation arrangements, practices and issues for such companies. Mr. Cummings, having served as General Counsel for three sub-major public energy companies, and currently a director of some private entities, has been actively engaged in executive compensation agreements, practices and issues. Mr. Kathol, as a long-standing Board member since 1996, has been directly involved in the evolutionary development of the Corporation's management and the growing professionalization of the Corporation's compensation practices throughout that period. Mr. Kathol has participated in compensation issues as a director of several publicly traded resource companies over the 25 years of his career in the industry. The Compensation Committee makes decisions on the suitability of the Corporation's compensation policies and practices based on its review of a small list of other oil and natural gas exploration and production companies which have international operational characteristics similar to those of the Corporation. The Compensation Committee Mandate (which is attached hereto as Appendix B) describes the responsibilities, powers and operation of the Compensation Committee.

Overview of Executive Compensation

The named executive officers (the "**Named Executive Officers**") of the Corporation include the Chief Executive Officer (who is the senior officer), the Chief Financial Officer and the Chief Operating Officer of the Corporation. The compensation of the Named Executive Officers is determined solely by the Compensation Committee. The compensation awarded to, earned by, paid to or payable to the Named Executive Officers for the financial year ended March 31, 2013 included base salary, performance-based cash bonuses and stock options.

The Corporation's compensation program is designed to be aligned with the short-term and long-term objectives of the Corporation. The Corporation's long-term strategic business philosophy is to commit significant resources to finding, developing and producing exploration opportunities with high impact potential. If successful, such prospects may materially add to the growth of the Corporation's assets, reserve base and longer term cash flow, which are considered to be the basis for creating Shareholder value and investment return. Wishing to maximize the Corporation's internally generated cash flow and asset borrowing power to the commitment requirements and base development for the execution of the strategy, the Corporation's compensation program is comparatively simple. The program has two short-term elements and one long-term element.

The short-term elements are annual cash payments of a fixed salary and payments allocated from an annual Corporation-wide performance based bonus pool (the "**Bonus Plan**").

The long-term element is participation in the Corporation's long-term stock Option Plan.

Consequently, the Corporation does not provide longer-term fixed cash cost compensation forms such as retirement plans, medical plans, savings benefit plans, insurance policies or plans, deferred compensation arrangements or stock appreciation or phantom stock option rights, but instead favours the two performance based types of compensation noted above, in addition to the fixed annual salary.

The two short-term compensation elements and one long-term compensation element are described below.

<u>Short-Term Elements</u>

Base Salary	
Type	Fixed.
Timing	Approved by the Board at the beginning of each calendar year.
Objective	To provide a competitive level of fixed compensation to attract and retain professional executives and managers. Base salary is designed to ensure the exercise of the required technical expertise necessary for the successful daily operation of the Corporation's activities.
How amount is determined	The Corporation determines the amount based on the salary ranges obtained from the Towers Watson Energy Industry Total Rewards Database Report for Canadian companies, comparisons to the small universe of comparable companies (see "Comparative Compensation Discussion" below) chosen by the Compensation Committee, as well as various published sources of compensation information.

Base Salary	
How element fits Corporation's objectives and decisions concerning other elements	The desire is for the base salary to be high enough to secure technically talented personnel which, when coupled with performance based compensation, provides for a direct correlation between individual accomplishment and the success of the Corporation as a whole.

Bonus Plan	
Type	At-risk.
Timing	Compensation is paid annually based upon definable and determinable actions and activities within 10 defined management parameters and operating practices and stock performance relative to asset class.
Objective	The objective of the Bonus Plan is to emphasize continuous dedicated attention to a list of fundamental management parameters and operating practices deemed to be essential in keeping the Corporation on track toward the achievement of its strategic objective to successfully execute and operate significant impact projects.
How amount is determined	The aggregate amount of the bonus pool is equal to the aggregate annual base salary of all Corporation participants in the pool. There are two types of performance metrics: a 20% weighting based on the performance of the Common Shares for the year and an 80% weighting based upon a qualitative analysis and evaluation of management and employee performance in regard to 10 operating practices. At the fiscal year-end, the Named Executive Officers provide their evaluation of performance and the Compensation Committee conducts its independent evaluation. The two groups then compare and discuss the assessments to agree on a total pool percentage award of between 0% and 100%, which is recommended to the Board for approval. Potential individual benefits are related to base salary and length of service, with a potential bonus of 50% of salary for non-executive personnel and 75% to 100% of salary for senior executives. In special circumstances, for the recognition of superior exemplary performance, an individual may receive a bonus of up to 150% of salary.
How element fits Corporation's objectives and decisions concerning other elements	The categories for consideration of performance are Corporation-wide and benefits are shared by all levels of the Corporation's salaried personnel to encourage cooperation and mutual support and to recognize that strong performance by all employees is necessary for the Corporation to succeed in the attainment of its strategic goals.

Long-Term Element

The Corporation's strategy is to invest in exploration projects any one, or a combination of more than one, of which could, if successful, have a significant impact on the value of the Corporation. The Corporation believes that the determination of long-term value of the Common Shares is the cumulative consequence of a series of strategic steps taken over an extended period of time in the pursuit of these projects. It has been the Corporation's experience that it takes a minimum of approximately four to five years to find, explore for and, if successful, evaluate major impact investments of the type in which the Corporation is engaged. Throughout that exploration/evaluation timeframe, there are a number of sequential steps, each of which is dependent upon the successful execution of the previous step(s), which must be taken to bring about a definable result.

It is the view of the Corporation that stock options are the best, most proficient and appropriate manner in which to reward employee participants in the effective execution of its impact investment strategy. The means whereby the Corporation retains the loyalty and continued commitment to this process is through its annual grant of Options under the Option Plan.

The individual number of Options granted to each employee is based upon the work function the employee performs within the Corporation and the employee's relative ability to impact the desired result. A base number of Options is determined for each new employee that participates in the Option Plan, and nearly all employees participate in the Option Plan. Upon each expiry date of Options, an equal number of new Options are granted. This renewal grant process continues as long as the person remains an employee, or the program is changed. As employees gain more stature and responsibility within the Corporation or are given increased responsibility or status, the number of Options granted may be altered and the base number increased.

Option Plan	
Type	At-risk.
Timing	Typically, a base number of Options are granted following the initial probationary period of employment.
Objective	The primary objective of the Option Plan is to directly relate the creation of net worth for employees to the investment results of the Shareholders over the long term.
How amount is determined	The number of Options issuable under the Option Plan is limited to no more than 10% of the outstanding Common Shares and, typically, nearly that number of Options are outstanding at all times. The number of Options issued to each employee is determined based upon the employee's position within the Corporation's organizational structure, the responsibility of the employee and his/her potential to impact Corporation results over time.
How element fits Corporation's objectives and decisions concerning other elements	The Options vest over a period of years in order to build long-term employee loyalty and retention. The employee will only benefit from this compensation in the event that his/her shareholdings increase in value over time and that value is reflected in the price of the Common Shares.

See "Option Plan" below.

The Corporation believes that the compensation provided through base salary is sufficient to obtain and retain employees for performance of their respective roles and reward them for their capabilities. The other two compensation elements are at-risk and are dependent upon the performance of the Corporation. If the Corporation does not perform within expected parameters in the short- or long-term, the executive and professional staff may receive nil with respect to their at-risk compensation.

The Compensation Committee certifies that it considers the implications of the risks associated with the Corporation's compensation policies and practices outlined above. The Compensation Committee and the Board recognize that the Corporation's long-term strategic business philosophy to commit significant resources to finding, developing and producing exploration opportunities with high impact potential is one which in its nature carries the typical exploration risks inherent in the industry in which the Corporation operates. Within the manner in which the Corporation conducts its activities and executes its exploration programs, there are three fundamental characteristics that the Corporation believes mitigate its risk profile. The first is through a portfolio of properties carefully selected based on a diverse array of regional, country, geographical, geological and individual factors. The second is the application of technology to its prospect selectivity and focus, such as the use of high resolution multibeam data collection and analysis, followed by subsea coring, and then focused 3D seismic over identified structures, all of which factors significantly reduce the cost of detecting prospects to drill while increasing the possibility for success. The third element is grouping service contracts over a number of prospect sites and including industry partner participants in the execution of exploration activities, the combination of which significantly reduces the Corporation's costs in finding potential reserves. The Bonus Plan and the Option Plan are compensation methods which are dependent on Corporation-wide, not any singular individual's, results. The Board and the Compensation Committee believe that the "shared common result" characteristic of its compensation method properly places the incentives for cost and risk reduction throughout its entire management and employee structure. The change of control agreements specify the calculation of the amount of compensation in the event of a change of control. See "Termination and Change of Control Benefits" below. Otherwise, in the normal course of business, the Compensation Committee, in conjunction with the Board, has the ability to amend the base salary, bonus and grants of Options in the future. The Compensation Committee reviews the continued appropriateness of the compensation program on an annual basis. The Chair of the Compensation Committee will be available to answer questions relating to the Corporation's executive compensation matters at the Meeting.

The Corporation has a policy that directors and officers of the Corporation may not purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars and units of exchange funds that are designed to hedge or offset a decrease in market value. In this manner, the at-risk shareholdings are preserved.

Comparative Compensation Discussion

The Corporation's business and operating philosophy is to build Shareholder value from large, high potential impact, focused exploration investment. The Corporation's compensation arrangements attempt to provide an appropriate relationship between compensation type and the business and operating philosophy.

In determining the appropriate compensation for Named Executive Officers, the Compensation Committee utilizes the Towers Watson Energy Industry Total Rewards Database Report for Canadian companies (the "**Report**") to indicate a comparative general range for annual compensation. This report was provided to the Compensation Committee at no charge, as the Corporation participates in the survey that forms the basis of the report. The report was used to assist the Compensation Committee in determining the compensation for the Named Executive Officers. No other advisors were used during the year or the prior year.

To provide a more specific comparison to the industry and business activity in which Niko operates, a small list of companies that have components in their respective profiles that are more similar to those of Niko is also utilized. The criteria used in the selection of companies for use in the compensation analysis are: (i) an international scope in relatively under-developed geological areas and political environments, which typically may offer better participation terms; and (ii) focused exploration activity in geological areas similar to, and in some instances the same as, those in which Niko operates. Selected for inclusion in this more narrowly focused internal comparison were two companies from each of Canada, Europe and the United States, and one company from Austalia. The companies were: (i) from Canada, Nexen Inc. and Talisman Energy Inc.; (ii) from Europe, Cairn Energy PLC and Tullow Oil plc; (iii) from the United States, Noble Energy and Anadarko Petroleum Corporation; and (iv) from Australia, Woodside Petroleum. The sources of the data were company shareholder reports and proxy statements and similar publicly published company documents.

Below is a comparison of compensation types for Niko to the mean of the other seven companies for the most recently reported year. With respect to salary plus bonus, the Chief Executive Officer (CEO) earned 42% of the peer group mean. The Chief Operating Officer (COO) and Chief Financial Officer (CFO) (average of Messrs. Hesje and Valk) earned 61% and 32% of the peer group mean, respectively. With respect to all other forms of compensation, the CEO's compensation was 41% of the peer group mean and the COO and CFO (average of Messrs. Hesje and Valk) were 52% and 18% of the peer group mean, respectively.

It is also important to note that a significant portion of the peer group's "All Other Forms of Compensation" was assured and not at-risk, whereas Niko's is at-risk. See "Look Back Tables" below for a comparison of the actual value of compensation received to the total reported compensation.

2013 Summary Compensation Comparison with Peer Group Companies ($US)

	Short-term Compensation			All Other Forms of Compensation						Yearly Total Compensation
Chief Executive Officer	Salary	Bonus	Total	Stock Options	Other Equity Awards	Non-Equity Incentive Plans	Deferred Compensation	Other Compensation Arrangements	Total	
Niko	781,245	-	781,245	2,412,420	-	-	-	-	2,412,420	3,193,665
Mean	1,200,000	647,000	1,847,000	1,860,000	1,630,000	1,081,363	1,290,000	54,000	5,915,000	7,762,000
Niko as % of Mean	65%	0%	42%	130%	0%	0%	0%	0%	41%	41%
	Short-term Compensation			All Other Forms of Compensation						Yearly Total Compensation
Chief Operating Officer	Salary	Bonus	Total	Stock Options	Other Equity Awards	Non-Equity Incentive Plans	Deferred Compensation	Other Compensation Arrangements	Total	
Niko	564,174	-	564,174	1,267,594	-	-	-	-	1,267,594	1,831,768
Mean	562,000	362,000	924,000	850,000	735,000	763,000	140,000	104,417	2,590,000	3,514,000
Niko as % of Mean	100%	0%	61%	150%	0%	0%	0%	0%	49%	52%
	Short-term Compensation			All Other Forms of Compensation						Yearly Total Compensation
Chief Financial Officer – Murray E. Hesje	Salary	Bonus	Total	Stock Options	Other Equity Awards	Non-Equity Incentive Plans	Deferred Compensation	Other Compensation Arrangements	Total	
Niko	401,633	-	401,633[(1)]	387,672[(1)]	-	-	-	-	387,672	789,305
Mean	586,000	483,000	1,069,000	847,500	942,000	763,440	238,000	147,000	2,938,000	4,007,000
Niko as % of Mean	69%	0%	38%	46%	0%	0%	0%	0%	13%	20%

2013 Summary Compensation Comparison with Peer Group Companies ($US)										
	Short-term Compensation			All Other Forms of Compensation						Yearly Total Compensation
Chief Financial Officer – Glen R. Valk	Salary	Bonus	Total	Stock Options	Other Equity Awards	Non-Equity Incentive Plans	Deferred Compensation	Other Compensation Arrangements	Total	
Niko	274,647	-	274,647[(1)]	315,924[(3)]	-	-	-	-	315,924	590,571
Mean	586,000	483,000	1,069,000	847,500	942,000	763,440	238,000	147,000	2,938,000	4,007,000
Niko as % of Mean	47%	0%	26%	37%	0%	0%	0%	0%	11%	15%

Notes:

(1) Murray Hesje held the position of Chief Financial Officer until January 1, 2013. Glen Valk was subsequently appointed as Chief Financial Officer effective January 1, 2013. Compensation amounts are representative of the fiscal year and have not been prorated.

(2) The average exchange rate for Fiscal 2013 of US$0.99 per approximately CAD$1.00 has been used to calculate the U.S. dollar values in the above table.

(3) The stock options were granted to Mr. Valk while he held the position of Treasurer.

Bonus Plan

The Bonus Plan for the year ended March 31, 2013 ("**Fiscal 2013**") was based upon a methodical qualitative assessment of significant company-wide and individual contributions and achievements during the year. The objective of the Bonus Plan is to emphasize continuous dedicated attention to a list of fundamental management parameters and operating practices deemed to be essential in keeping the Corporation on track toward the achievement of its strategic objective to successfully execute and operate significant impact projects. The Corporation believes that this qualitative bonus determination approach leads to the creation of a highly effective, nimble management team that is evaluated on its ability to be flexible in addressing changing market and industry conditions while also providing positive acceptance, motivation and incentives to all personnel and a means for supervisory management to utilize the Bonus Plan as a tool to enhance employee performance.

The total amount of the potential Bonus Plan pool (the "**Aggregate Pool Amount**") is the aggregate amount of the fiscal year end annual salary rates of all employees eligible for a bonus allocation multiplied by the percentage of base salary amount indicated for each category of employee, as set forth below.

Named Executive Officer	Maximum potential bonus[(1)]	Target bonus (US$)[(1)(2)]	Bonus achieved (US$)[(1)(2)]
Chief Executive Officer	100% of base salary	781,245	0
Chief Operating Officer	100% of base salary	564,174	0
Chief Financial Officer	75% of base salary	277,415[(4)]	0
All other employees	50% of base salary[(3)]	2,296,679	0

Notes:

(1) Bonuses are not guaranteed until paid.

(2) The bonus is earned and paid in Canadian dollars. The average exchange rate for Fiscal 2013 of US$0.99 per approximately CAD$1.00 has been used to calculate the U.S. dollar values in the above table.

(3) The potential bonus of all eligible employees excluding the Named Executive Officers is at the discretion of the Named Executive Officers, but is limited to 50% of base salary.

(4) Target bonus has been determined based on prorated total salary between Murray E. Hesje and Glen R. Valk for when Chief Financial Officer position was held.

In addition to the calculated amount of the aggregate bonus pool, there is an additional Special Exemplary Performance Bonus Pool ("**SEPBP**") available from which recognition could be given for outstanding individual performance. The potential size of the SEPBP was an amount equal to 20% of Aggregate Pool Amount. At the determination of the Chairman of the Board, President and Chief Executive Officer, any portion of the SEPBP may be granted to any employee for exemplary performance up to a maximum amount of 100% of the calculated amount applicable to such employee. The determination of possible grants from the SEPB to the Chief Executive Officer is made by the Compensation Committee and to the Chief Operating Officer and the Chief Financial Officer by the Compensation Committee in consultation with the Chief Executive Officer.

Any grant from the SEPB to an employee could be paid in consideration of demonstrated exemplary performance during the year over and above the amount of a normal bonus grant. Examples of exemplary performance include: (1) extraordinary effort in the fulfillment of targeted corporate goals; (2) successful handling of extreme difficulties or unforeseen major problems that impacted targeted corporate goals; (3) unique insight and action toward major risks that resulted in their avoidance or resolution; and (4) new developments not foreseen in the year's plan that had a material impact on the Corporation's success or future prospects.

There were no SEPB awards made in Fiscal 2013.

The specific targeted goals identified at the beginning of the year against which achievement is measured for purposes of determining the bonus amount are: (i) stock performance relative to asset class; (ii) asset base building; (iii) cost control; (iv) reserve and resource additions; (v) achievement of development activity; (vi) efficient production operations; (vii) achievement of HSE, code of conduct and community and government relations objectives; (viii) communication of the Niko story to investors; (ix) creating and maintaining the Corporation's work force; (x) maintenance of financial and accounting discipline; and (xi) achievement of growth factors. At year-end, the Named Executive Officers provide a written evaluation of the performance of the management and operating personnel. Independently, the Compensation Committee completes its evaluation. Performance measurement is graded into four broad categories, these being "Exemplary", "Above Expectations", "As Expected" and "Below Expectations". Then the two groups compare and discuss the assessments to agree a total pool percentage award of between 0% and 100%, which is recommended to the Board for approval. The pool percentage award for Fiscal 2013 was determined to be 38%, however, the Board of Directors has determined that no bonus will be payable in respect of Fiscal 2013 as it would not be in the best interest of the Corporation to make such payments at this time.

Look Back Tables

The purpose of the tables below is to, for the officers and directors, compare the actual value of compensation received to the total reported compensation. Over the past five years, the actual value of the Chief Executive Officer's compensation was 20% of the total reported compensation. Over the same five year period, the Chief Financial Officer and Chief Operating Officer's actual value of compensation was 33% and 31% of the total reported compensation, respectively. For the directors, the same percentages were from 36% to 42%.

Chief Executive Officer - Edward S. Sampson						
Fiscal Year	Salary (US$)(1)	Option-based awards (US$)(1)	Bonus (US$)(1)	Total Reported Compensation (US$)(1)	Actual Value of Compensation (US$)(1)(2)	Actual Value as a % of Total Reported Compensation
2013	781,245	2,412,420	-	3,193,665	781,245	24%
2012	761,856	3,576,711	481,944	4,820,511	1,243,800	26%
2011	711,725	9,796,078	408,856	10,916,659	1,120,581	10%
2010	648,600	13,845,041	662,400	15,156,041	1,311,000	9%
2009	513,500	9,530,892	212,589	10,256,981	3,094,602	30%
Average over five-year period						20%

Chief Financial Officer - Murray E. Hesje						
Fiscal Year	Salary (US$)(1) (3)	Option-based awards (US$)(1) (3)	Bonus (US$)(1) (3)	Total Reported Compensation (US$)(1) (3)	Actual Value of Compensation (US$)(1)(2) (3)	Actual Value as a % of Total Reported Compensation
2013	313,709	387,673	-	701,382	313,709	45%
2012	391,665	1,408,813	185,823	1,986,301	577,488	29%
2011	365,785	1,845,395	157,643	2,368,823	523,428	22%
2010	326,600	1,931,185	255,300	2,513,085	581,900	23%
2009	267,500	3,299,773	67,456	3,634,729	967,316	27%
Average over five-year period						29%

Chief Financial Officer – Glen R. Valk						
Fiscal Year	Salary (US$)(1) (3)	Option-based awards (US$)(1)(3)	Bonus (US$)(1)	Total Reported Compensation (US$)(1) (3)	Actual Value of Compensation (US$)(1)(2) (3)	Actual Value as a % of Total Reported Compensation
2013	175,137	315,924	-	491,061	175,137	36%
One year actual value						36%

Chief Operating Officer - William T. Hornaday						
Fiscal Year	Salary (US$)(1)	Option-based awards (US$)(1)	Bonus (US$)(1)	Total Reported Compensation (US$)(1)	Actual Value of Compensation (US$)(1)(2)	Actual Value as a % of Total Reported Compensation
2013	564,174	1,267,594	-	1,831,768	564,174	31%
2012	550,172	2,414,943	348,035	3,313,150	898,207	27%
2011	514,010	2,434,253	295,254	3,243,517	809,264	25%
2010	464,600	7,578,867	478,400	8,521,867	1,412,061	17%
2009	400,500	4,434,950	147,177	4,982,627	2,739,839	55%
Average over five-year period						31%

Director – C.J. (Jim) Cummings						
Fiscal Year	Fee (US$)(1)	Option-based awards (US$)(1)	Bonus (US$)(1)	Total Reported Compensation (US$)(1)	Actual Value of Compensation (US$)(1)(2)	Actual Value as a % of Total Reported Compensation
2013	49,936	107,040	-	156,976	49,936	32%
2012	31,563	236,517	-	268,080	31,563	12%
2011	24,500	1,152,540	-	1,177,040	24,500	2%
2010	23,000	-	-	23,000	23,000	100%
2009	22,250	441,499	-	463,749	302,699	65%
Average over five-year period						42%

Director - Conrad P. Kathol						
Fiscal Year	Fee (US$)(1)	Option-based awards (US$)(1)	Bonus (US$)(1)	Total Reported Compensation (US$)(1)	Actual Value of Compensation (US$)(1)(2)	Actual Value as a % of Total Reported Compensation
2013	49,936	169,345	-	219,281	49,936	23%
2012	31,563	104,530	-	136,093	31,563	23%
2011	24,500	-	-	24,500	24,500	100%
2010	23,000	249,259	-	272,259	23,000	8%
2009	22,250	896,344	-	918,594	256,265	28%
Average over five-year period						36%

Director - Wendell W. Robinson						
Fiscal Year	Fee (US$)(1)	Option-based awards (US$)(1)	Bonus (US$)(1)	Total Reported Compensation (US$)(1)	Actual Value of Compensation (US$)(1)(2)	Actual Value as a % of Total Reported Compensation
2013	49,936	110,865	-	160,801	49,936	31%
2012	31,563	359,041	-	390,604	31,563	8%
2011	24,500	-	-	24,500	24,500	100%
2010	23,000	249,259	-	272,259	23,000	8%
2009	22,250	1,075,258	-	1,097,508	431,150	39%
Average over five-year period						37%

Notes:

(1) Salary, fee and bonus are earned and paid in Canadian dollars and the fair values of option-based awards are calculated in Canadian dollars. The average exchange rate for Fiscal 2013 of US$0.99 per approximately CAD$1.00 has been used to calculate the U.S. dollar values in the above tables for 2013. The average exchange rate for the year ended March 31, 2012 of US$1.01 per CAD$1.00 has been used to calculate the U.S. dollar values in the above tables for 2012. The average exchange rate for the year ended March 31, 2011 of US$0.98 per CAD$1.00 has been used to calculate the U.S. dollar values in the above tables for 2011. The average exchange rate for the year ended March 31, 2010 of US$0.92 per CAD$1.00 has been used to calculate the U.S. dollar values in the above tables for 2010. The average exchange rate for the year ended March 31, 2009 of US$0.89 per CAD$1.00 has been used to calculate the U.S. dollar values in the above tables for 2009.

(2) The actual value of compensation includes the salary or fee paid, the bonus paid, the value from the exercise of Options and the estimated value of unexercised Options based on the weighted average trading price for the five day period prior to March 31, 2013 of CAD$5.91. The value from the exercise of Options is calculated based on the closing price of the Common Shares on the TSX on the date of exercise less the exercise price. The value from the exercise of Options includes the value received from Options granted during the reported years.

(3) Murray Hesje held the position of Chief Financial Officer until January 1, 2013. Glen Valk was subsequently appointed as Chief Financial Officer effective January 1, 2013. Compensation amounts are representative of the fiscal year and have not been prorated. Actual value of compensation paid out to Mr. Valk for his position as Chief Financial Officer during the fiscal year was US$68,838.

Option Plan

The allocation of Options and the terms designed in those Options are an integral component of the compensation package of the directors, officers and employees of, and other service providers to, the Corporation (collectively, "**Participants**"). The Corporation has the Option Plan in place for the purpose of providing Options to Participants. The objective of the grant of Options to Participants is to allow them to share ownership of the Corporation and to motivate achievement of the Corporation's long-term strategic objectives and ultimately benefit all Shareholders. The Option Plan also rewards long-term service to the Corporation.

As at August 13, 2013, an aggregate of 5,056,348 Common Shares are issuable upon the exercise of Options previously granted under the Option Plan (representing approximately 7.20% of the currently outstanding Common Shares).

All Options are awarded to employees, including the Named Executive Officers, of the Corporation by the Board based upon the descriptions provided under the "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation". For Option awards to employees other than the Named Executive Officers, the Compensation Committee primarily relies upon the recommendation of the Named Executive Officers, who base their decisions upon the relative level of responsibility and contribution of the individuals toward the Corporation's objectives and goals. Also, the Compensation Committee considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The granting of these specific Options is reviewed by the Compensation Committee for final recommendation to the Board for approval. The Board, subject to Compensation Committee review, has allocated the responsibility for the award of Options to employees, up to a specified number of Options per employee, to the Corporation's Chief Executive Officer.

Currently, under the Option Plan:

(a) Options may be issued to directors, officers and employees of, and other service providers to, the Corporation and/or its subsidiaries, in such numbers and with such vesting provisions as the Board may determine;

(b) the number of authorized but unissued Common Shares that may be subject to options granted under the Plan at any time is 10% of the number of outstanding Shares from time to time;

(c) any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Plan;

(d) the exercise, expiry or cancellation of any Options granted under the Plan will make new grants available under the Plan;

(e) the exercise price of Options shall be the volume weighted average trading price per Common Share on the TSX for the five trading days prior to the date of determination (the "**Market Price**"), provided that, in the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or where the Market Price does not, in the opinion of the Board, accurately reflect the market price of the Common Shares, the exercise price of the Options shall be determined by the Board in its sole discretion;

(f) the term of an Option shall be a period of time fixed by the Board, not to exceed the maximum period of time permitted by the TSX and, unless the Board determines otherwise, the Option shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods and blackout periods) as are contained in the Option Plan or as the Board may from time to time impose or as may be required by the TSX or under applicable securities laws;

(g) subject to any specific requirements of the TSX, the Board shall determine the vesting period(s) during which a holder of Options may exercise such options or a portion thereof; in certain circumstances, the Board has been granted the discretion to provide for accelerated vesting of Options and in other circumstances there will be automatic acceleration of vesting (as further described below);

(h) should an Option expire during a blackout period or within nine business days following the expiration of a blackout period, the expiry time of the Option shall be automatically extended without any further act or formality to 4:00 p.m. (Calgary time) on that date which is the 10th business day after the end of the blackout period (or such other date as may be permitted by the TSX and approved by the Board);

(i) any grant of Options is subject to the following limitations: (i) the aggregate number of Common Shares reserved for issuance pursuant to Options outstanding at any time may not exceed 10% of the total number of issued and outstanding Common Shares; (ii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant and pursuant to other share compensation arrangements may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis); (iii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to insiders and pursuant to other share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis); (iv) the issuance of Common Shares to insiders pursuant to the Option Plan and other share compensation arrangements within a one-year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis); the aggregate number of Common Shares reserved for issuance pursuant to options granted to directors of the Corporation who are not also employees of the Corporation and under other share compensation arrangements of the Corporation may not exceed 1% of the issued and outstanding Common Shares (on a non-diluted basis); and (v) the issuance of Common Shares to any one insider and such insider's associates within a one-year period pursuant to the Option Plan and other share compensation arrangements may not exceed 5% of the outstanding Common Shares (on a non-diluted basis);

(j) subject to the terms of the applicable Option agreement, in the event the holder of an Option ceases to be a director, officer or employee of, or a service provider to, the Corporation for any reason other than death or termination for cause, the Option may be exercised up to and including the earlier of the expiry time of the Option and the date that is 30 days following the effective date of the notice of resignation, retirement or termination, as the case may be; in the event of termination for cause of the holder of the Option, the Option will expire and terminate immediately at the time of delivery of the notice of termination; in the event of the death of the holder of the Option, the Option may be exercised up to and including the earlier of the expiry time of the Option and the date that is one year from the date of death;

(k) Options are non-assignable and non-transferable;

(l) the Board may, at any time and from time to time, amend, suspend or terminate the Option Plan or an Option without Shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such amendment, suspension or termination materially prejudices the rights of such Participant; notwithstanding the foregoing: (a) the Board may not, without the approval of the Shareholders, make amendments to the Option Plan or any Option for any of the following purposes: (i) to increase the maximum number of Common Shares allocated and made available to be granted to Participants; (ii) to increase the maximum number of Common Shares that may be reserved for issuance pursuant to Options outstanding at any time; (iii) to reduce the Option price for the benefit of any Participant; (iv) to extend the expiry time of an Option for the benefit of any Participant; (v) to permit Options to be transferable or assignable other than for normal estate settlement purposes; and (vi) to amend the provisions of the Option Plan pertaining to its amendment or discontinuance; and (b) the Board may, at any time and from time to time, without the approval of the Shareholders, amend any term of any outstanding Option, provided that: (i) any required approval of any regulatory authority or stock exchange is obtained; (ii) if the amendment would reduce the Option price or expiry time of an Option granted to any Participant, Shareholder approval must be obtained; (iii) the Board would have the authority to initially grant the Option under the terms so amended; and (iv) the consent or deemed consent of the Participant is obtained if the amendment would materially prejudice the rights of the Participant.

(m) no financial assistance is provided by the Corporation to Participants to facilitate the purchase of Common Shares upon the exercise of Options.

(n) the Board may not, without the approval of the Shareholders, make amendments to the Option Plan or an Option for any of the following purposes: (a) to increase the maximum number of Common Shares allocated and made available to be granted to Participants under the Option Plan; (b) to increase the maximum number of Common Shares that may be reserved for issuance pursuant to Options outstanding at any time; (c) to reduce the Option Price of Options for the benefit of any Participant; (d) to extend the Expiry Time for the benefit of any Participant; (e) to permit Options to be transferable or assignable other than for normal estate settlement purposes; and (f) to amend the provisions outlined in this section.

In addition, under the Option Plan, in the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of the Option Plan or Option agreements issued thereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time, and (b) in the event of acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal expiry time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the expiry time of such Options.

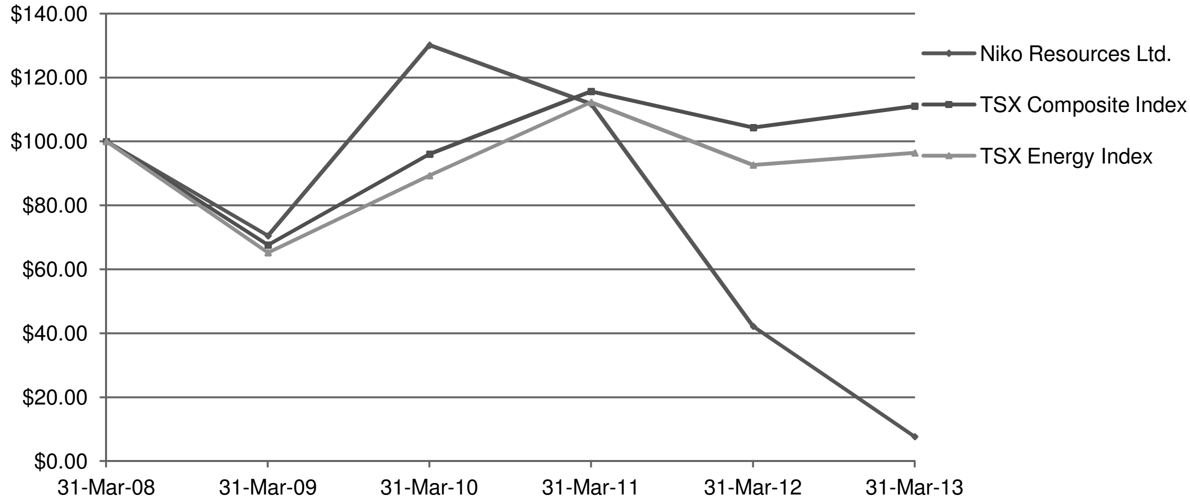
If the Shareholders receive a take-over bid (as defined in the *Securities Act* (Alberta)) pursuant to which the offeror would, as a result of the bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, and the Corporation supports such bid, a Participant may exercise its right (the "**Acceleration Right**") to exercise all or any of its outstanding Options. The Acceleration Right commences on the date of mailing of the directors' circular recommending acceptance of the take-over bid and ends on the earlier of (a) the expiry time of the Options, and (b) in the event the take-over bid is unsuccessful, on the expiry date of the take-over bid, and in the event the take-over bid is successful, on the 10^{th} day following the expiry date of the take-over bid.

In circumstances in which accelerated vesting applies under the Option Plan, the Corporation may satisfy any obligations to a Participant thereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted thereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

Effective July 21, 2011, the Board approved amendments to the Option Plan to require Shareholder approval in order to amend the Option Plan to: (a) reduce the exercise price of Options for the benefit of any Participant; (b) extend the expiry time of Options for the benefit of any Participant; and (c) permit Options to be transferable or assignable other than for normal estate settlement purposes. Such amendments were subsequently approved by the TSX but were not submitted to the Shareholders for approval because none of such amendments are prejudicial to the Shareholders.

Performance Graph

The following graph compares the yearly change in the cumulative total shareholder return over the last five years of a CAD$100 investment in the Common Shares with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Canadian Energy Index, assuming the reinvestment of dividends, where applicable, for the comparable period.



	March 31, 2009 (CAD$)	March 31, 2010 (CAD$)	March 31, 2011 (CAD$)	March 31, 2012 (CAD$)	March 31, 2013 (CAD$)
Niko Resources Ltd.	71	131	112	43	8
S&P/TSX Composite Index	65	90	106	93	96
S&P/TSX Canadian Energy Index	61	81	100	74	71

Compensation levels for the Named Executive Officers from March 31, 2009 to March 31, 2013 are not consistent with the trend of total return on investment charted for the Corporation in the above performance graph. The Corporation does not base its executive compensation on total return on investment. For a discussion of the criteria upon which the Corporation bases executive compensation, see "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation".

Option-based Awards

Options are awarded to employees of the Corporation by the Board based upon the recommendation of the Chief Executive Officer, and as reviewed and approved by the Compensation Committee. The individual number of Options awarded are based upon the comparative level of responsibility and authority an individual has within the management structure and hierarchy, the length of tenure and the contribution of the individual toward the Corporation's objectives and goals. The grant of Options to the Named Executive Officers is based on the recommendation of the Compensation Committee to the Board using the criteria noted in the previous sentence and in addition is based on how such officers performed in relation to the criteria referred to above under "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation". In general, a base number of Options have been set for each individual and new Options are granted when existing Options expire, however, the granting of new Options is always at the discretion of the Board. The base number of Options allocated to an individual is evaluated annually and may be altered depending on changes in the level of responsibility, authority and contribution of the individual towards the Corporation's objectives and goals. Previous grants are taken into account when considering new grants. Also, the Compensation Committee considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation" and "Statement of Executive Compensation – Compensation Discussion and Analysis – Comparative Compensation Discussion – Option Plan".

Summary Compensation Table

General

The following table provides a summary of all direct and indirect compensation paid to Named Executive Officers for, or in connection with, services provided to the Corporation for the financial years ended March 31, 2013, 2012 and 2011.

Name and principal position	Year ended March 31,	Salary (US$)(1)	Share-based awards (US$)	Option-based awards (US$)(1)(4)(6)	Non-equity incentive plan compensation (US$)(1)(5)		Pension value (US$)	All other compensation(2) (US$)	Total compensation (US$)
					Annual incentive plans	Long-term incentive plans			
Edward S. Sampson, President, Chief Executive Officer, Chairman of the Board and Director	2013 2012 2011	781,245 761,856 711,725	None None None	2,412,420 3,576,711 9,796,078	- 481,944 408,856	None None None	None None None	None None None	3,193,665 4,820,511 10,916,659
Murray E. Hesje(3) Vice President, Finance and Chief Financial Officer	2013 2012 2011	313,709 391,665 365,785	None None None	387,672 1,408,813 1,845,395	- 185,823 157,643	None None None	None None None	None None None	701,381 1,986,301 2,368,823
Glen R. Valk(3) Vice President, Finance and Chief Financial Officer	2013 2012 2011	175,137 - -	None None None	315,924 - -	- - -	None None None	None None None	None None None	491,061 - -
William T. Hornaday, Chief Operating Officer(1)	2013 2012 2011	564,174 550,172 514,010	None None None	1,267,594 2,414,943 2,434,253	- 348,034 295,254	None None None	None None None	None None None	1,831,768 3,313,149 3,243,517

Notes:

(1) Salary and non-equity incentive plan compensation is earned and paid in Canadian dollars and the fair values of option-based awards are calculated in Canadian dollars. The average exchange rate for Fiscal 2013 of US$0.99 per approximately CAD$1.00 has been used to calculate the U.S. dollar values in the above table for 2013. The average exchange rate for the year ended March 31, 2012 of US$1.01 per CAD$1.00 has been used to calculate the U.S. dollar values in the above table for 2012. The average exchange rate for the year ended March 31, 2011 of US$0.98 per CAD$1.00 has been used to calculate the U.S. dollar values in the above table for 2011.

(2) This column relates to fees paid for services performed as a director. Messrs. Sampson and Hornaday do not receive compensation with respect to their roles as directors.

(3) Murray Hesje held the position of Chief Financial Officer until January 1, 2013. From January 1, 2013, Murray Hesje acted as a board advisor and Glen Valk was appointed as Chief Financial Officer effective January 1, 2013. Compensation amounts are representative of the fiscal year and have not been prorated. Actual value of compensation paid out to Mr. Valk for his position as Chief Financial Officer during the fiscal year was US$68,838.

(4) Amounts in this column relate to Options granted under the Option Plan as described earlier in this Information Circular. The Corporation uses a modified Black-Scholes-Merton option-pricing model to calculate the grant date fair value of option-based awards. It is based on the Black-Scholes-Merton option-pricing model and modified to consider expected annual dividends per share. The Corporation chose this methodology because it was the most commonly used methodology for valuing options at the time it was implemented. The assumptions and estimates used in the Black-Scholes-Merton model include grant fair value, market price per share, exercise price per option, expected volatility, expected life, expected dividend rate, risk-free interest rate and the expected forfeiture rate.

During Fiscal 2013, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 71%, a forfeiture rate of 6%, an interest rate of 1.1%, expected life of 2.1 years and an expected dividend rate of 0.1%.

During fiscal 2012, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 44%, a forfeiture rate of 6%, an interest rate of 1.4%, expected life of 3.8 years and an expected dividend rate of 0.5%.

During fiscal 2011, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 41%, a forfeiture rate of 6%, an interest rate of 2.3%, expected life of 4.4 years and an expected dividend rate of 0.2% per share.

(5) All amounts in the "Non-equity incentive plan compensation" column relate to bonuses. All amounts were paid during the financial year.

(6) The total incremental fair value of cancelled Options included in the table is CAD$12,427,269. These Options were cancelled in fiscal 2012.

Option-based Awards

Amounts in this column relate to Options granted under the Option Plan, as described earlier in this Information Circular. The Corporation uses a modified Black-Scholes-Merton option-pricing model to calculate the grant date fair value of option-based awards. It is based on the Black-Scholes-Merton option-pricing model and modified to consider expected annual dividends per share. The Corporation chose this methodology because it was the most commonly used methodology for valuing options at the time it was implemented.

Annual Incentive Plans

Amounts in this column relate to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The payments disclosed in the table for the years ended March 31, 2013 and 2012 were earned in respect of performance for each such year but were paid in the following year.

Incentive Plan Awards

Outstanding Option-based Awards

The following tables display option-based awards that were outstanding for each Named Executive Officer as at March 31, 2013.

Edward S. Sampson(1)			
Option expiration date	**Option exercise price (CAD$)**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options(2) as at March 31, 2013 (US$)(3)**
June 28, 2013	98.64	37,500	-
December 8, 2013	49.62	62,500	-
January 9, 2014	49.90	178,125	-
June 28, 2014	80.62	37,500	-
November 22, 2014	89.15	59,375	-
December 2, 2013	93.15	37,500	-
December 2, 2014	93.15	37,500	-
November 22, 2015	96.48	15,625	-
June 28, 2016	63.89	37,500	-
November 22, 2015	52.81	59,375	-
December 2, 2015	49.88	37,500	-
December 8, 2015	50.35	62,500	-
November 30, 2015	8.24	79,167	-
December 2, 2015	8.26	50,000	-
September 1, 2014	8.50	266,667	-
December 8, 2015	8.78	83,333	-
December 14, 2015	9.36	237,500	-

William T. Hornaday[1]			
Option expiration date	**Option exercise price**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options[2] as at March 31, 2013 (US$)[3]**
May 22, 2013	93.85	6,250	-
June 28, 2013	98.64	12,500	-
December 8, 2013	49.62	31,250	-
January 9, 2014	49.90	50,000	-
April 30, 2013	60.39	25,000	-
April 30, 2014	60.39	25,000	-
May 22, 2014	71.13	6,250	-
June 28, 2014	80.62	12,500	-
December 2, 2013	93.15	25,000	-
December 2, 2014	93.15	25,000	-
May 22, 2015	98.80	6,250	-
June 28, 2015	102.72	12,500	-
January 9, 2016	101.79	6,250	-
April 30, 2016	81.70	25,000	-
May 22, 2016	72.90	6,250	-
June 28, 2016	63.89	12,500	-
December 2, 2015	49.88	25,000	-
December 8, 2015	50.35	31,250	-
December 18, 2015	43.15	18,750	-
April 30, 2015	39.95	6,250	-
April 30, 2016	39.95	18,750	-
May 22, 2016	34.97	6,250	-
December 2, 2015	8.26	33,333	-
September 1, 2014	8.50	133,333	-
December 8, 2015	8.78	41,666	-
December 14, 2015	9.36	66,667	-

Murray E. Hesje			
Option expiration date	**Option exercise price**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options[2] as at March 31, 2013 (US$)[3]**
May 22, 2013	93.85	12,500	-
June 28, 2013	98.64	37,500	-
December 8, 2013	49.62	12,500	-
May 22, 2014	71.13	12,500	-
June 28, 2014	80.62	37,500	-
May 22, 2015	98.80	12,500	-
May 22, 2016	72.90	12,500	-
June 28, 2016	63.89	37,500	-
December 8, 2015	50.35	12,500	-
May 22, 2013	34.94	12,500	-
July 14, 2015	13.48	12,500	-
July 14, 2017	13.48	25,000	-
September 1, 2014	8.50	16,667	-
December 8, 2015	8.78	16,667	

Glen R. Valk[4]

Option expiration date	Option exercise price	Number of securities underlying unexercised options (#) as at March 31, 2013	Value of unexercised in-the-money options[2] as at March 31, 2013 (US$)[3]
September 5, 2014	8.50	50,000	-
November 29, 2015	8.24	50,000	-

Notes:

(1) No officers exercised any Options during the year ended March 31, 2013.

(2) The value of the option-based awards outstanding at March 31, 2013 was calculated based on the weighted average trading price for the five day period prior to March 31, 2013 of CAD$5.91.

(3) The value of unexercised in-the-money options in the above table was converted to U.S. dollars using the March 31, 2013 exchange rate of US$0.99 per approximately CAD$1.00. As at March 31, 2013, all Options were out-of-the-money.
(4) Mr. Valk did not have any options granted between appointment date as Chief Financial Officer on January 1, 2013 and March 31, 2013.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the year ended March 31, 2013 for the incentive plan awards to the Named Executive Officers.

Name	Option-based awards – Number of Options vested during the year	Option-based awards(1) – Value vested during the year (US$)(3)(4)	Non-equity incentive plan compensation(2) – Value earned during the year (US$)(3)
Edward S. Sampson	315,625	-	-
Murray E. Hesje	62,500	-	-
Glen R. Valk	-	-	-
William T. Hornaday	150,000	-	-

Notes:
(1) The value of option-based awards vested during the year is the aggregate dollar value that would have been realized if the Options constituting the option-based awards had been exercised on their vesting dates and was calculated based on the difference between the closing market price of the underlying securities on the applicable vesting date and the exercise price of the in-the-money Options on such vesting date.
(2) All non-equity incentive plan compensation referred to in this section relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular.
(3) The values of option-based awards vested during the year and non-equity incentive plan compensation earned during the year in the above table were converted to U.S. dollars using the average rate for the year ended March 31, 2013 of approximately US$0.99 per CAD$1.00.
(4) As at March 31, 2013, all Options were out-of-the-money.

Termination and Change of Control Benefits

The Corporation does not provide termination benefits to any of its employees, except as required by law. In the event a Named Executive Officer, is terminated or ceases to be employed by the Corporation, the Corporation shall pay to the individual, within five business days following the date of termination, the amount of unpaid annual salary owing up to and including the date of termination, any bonus declared but not yet paid, and all outstanding vacation pay and expense reimbursements (in each case less applicable withholdings and deductions). In addition, any unvested Options are forfeited and the employee has 30 days from the date of ceasing employment to exercise any vested Options.

The Corporation has a change of control agreement with each Named Executive Officer, which agreement provides for payments in the event of a "change of control" of the Corporation. The definition of "change of control" in these agreements includes (1) a change in ownership of Common Shares which results in a person or group of persons acting jointly or in concert (or their affiliates or associates) being in a position to exercise effective control of the Corporation (which shall be deemed to include ownership or control of in excess of 50% of the Common Shares) and (2) the sale, lease or transfer of all or substantially all of the assets of the Corporation.

In certain circumstances, when a change of control of the Corporation occurs, payments will be made to the Named Executive Officers. These circumstances include: (1) when a Named Executive Officer's employment with the Corporation is subsequently or contemporaneously terminated by the Corporation without cause within 12 months of the date of a change of control event; (2) when a Named Executive Officer does not continue to be employed by the Corporation at a level of responsibility or a level of compensation at least commensurate with the Named Executive Officer's existing level of responsibility and compensation immediately prior to the change of control event and the Named Executive Officer elects in a written notice to the Corporation within 12 months of the date of a change of control event to treat the Named Executive Officer's employment as being terminated as a result of either such reduction; and (3) when the Named Executive Officer elects within 30 days of the change of control event not to continue to be employed by the Corporation. In addition, upon the occurrence of a change of control, all outstanding Options will immediately vest and become exercisable upon approval by the Board. Each change of control agreement is for a term of five years and is renewed upon expiry.

In addition, each Named Executive Officer has agreed that, concurrent with the receipt of payments under his change of control agreement, he will resign from his position with the Corporation and release the Corporation, its directors, officers, employees, agents, insurers, successors and assigns from the obligation to pay any further amounts or benefits to him with respect to his employment or its termination. The payment of any amounts are subject to compliance with certain restrictions in the Named

Executive Officer's employment agreement, including no breach of proprietary rights of third parties, non-solicitation and other prohibited actions, non-competition, and confidentiality provisions.

The following table outlines payments that would be made by the Corporation to the Named Executive Officers and the value of option-based awards that would vest in the event of a change of control:

Name	Description of change of control compensation	Change of control compensation (US$)(1)	Value of outstanding options(2) (US$)(1)	Total (US$)(1)
Edward S. Sampson	24 months salary plus the amount of bonus received in the previous year	2,039,049	-	2,039,049
William T. Hornaday		1,472,494	-	1,472,494
Glen R. Valk	18 months salary plus the amount of the bonus received in the previous year	411,970	-	411,970

Notes:

(1) The values of change of control compensation and values of outstanding options as at March 31, 2013 in the above table were converted to U.S. dollars using the March 31, 2013 exchange rate of US$0.99 per CAD$1.00

(2) The value of the option-based awards outstanding at March 31, 2013 that would vest in the event of a change of control was calculated based on the weighted average trading price for the five day period prior to March 31, 2013 of CAD$5.91.

(3) The Corporation also has change of control agreements with the independent directors. In the event of a change of control, each independent director of the Corporation will receive an amount equal to CAD$100,000.

Each Named Executive Officer has agreed that, concurrent with the receipt of payments under his change of control agreement, he will (1) tender his immediate resignation in a form satisfactory to the Corporation, acting reasonably, (2) acknowledge that the full amount of monetary compensation to be paid to him upon a change of control event occurring has been received, and (3) forever release and discharge the Corporation and its directors, officers, employees, agents, insurers, successors and assigns from the obligation to pay any further amounts or benefits to him with respect to his employment or the termination thereof.

Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors of the Corporation, other than directors who are also Named Executive Officers, for the year ended March 31, 2013. The compensation of the directors who are also Named Executive Officers, namely, the Chief Executive Officer and the Chief Operating Officer, are included under "Statement of Executive Compensation – Summary Compensation Table".

Name	Fees earned (US$)(1)	Option-based awards (US$)(1)	All other compensation (US$)	Total (US$)(1)
C. J. (Jim) Cummings	49,936	107,040	-	156,976
Conrad P. Kathol	49,936	169,345	-	219,281
Wendell W. Robinson	49,936	110,865	-	160,801

Note:

(1) Fees are earned and paid in Canadian dollars and the fair values of option-based awards are calculated in Canadian dollars. The average exchange rate for Fiscal 2013 of approximately US$0.99 per CAD$1.00 has been used to calculate the U.S. dollar value in the above table.

Fees Earned

The Board, through the Compensation Committee, periodically reviews the adequacy and form of compensation of directors. From January 1, 2005 to December 31, 2011, the directors (other than Messrs. Sampson and Hornaday) have been paid CAD$25,000 per annum as compensation for acting as directors of the Corporation. The amount was increased to CAD$50,000 per annum on January 1, 2012. The directors are reimbursed for any third-party costs that they have paid personally, but only for those costs incurred while acting on behalf of the Corporation. Directors do not receive fees for committee service, service as chair of a committee or meeting attendance.

Option-based Awards

All option-based awards referred to in this section relate to Options granted under the Option Plan, as described earlier in this Information Circular. The Corporation uses a Modified Black-Scholes option-pricing model to calculate the grant date fair value of option-based awards. It is based on the Black-Scholes option-pricing model and modified to consider expected annual dividends per share. The Corporation chose this methodology because it was the most commonly used methodology for valuing options at the time it was implemented. The weighted average assumptions used by the Corporation in fiscal 2013 for the Black-Scholes-Merton option-pricing model with respect to the Options granted to the directors named above were a volatility rate of 74%, a forfeiture rate of 6%, an interest rate of 1.1% and an annual dividend rate of 0% per share.

Incentive Plan Awards – Outstanding Option-based Awards

The following option-based awards were outstanding for each director, other than directors who are also Named Executive Officers, as at March 31, 2013. The option-based awards of the directors who are also Named Executive Officers, namely, the President, Chief Executive Officer and Chairman of the Board and the Chief Operating Officer, are included under "Statement of Executive Compensation – Incentive Plan Awards".

C.J. (Jim) Cummings(1)			
Option expiration date	**Option exercise price (CAD$)**	**Number of securities underlying unexercised options (#)**	**Value of unexercised in-the-money options(2) as at March 31, 2013(US$)(3)**
December 8, 2013	49.62	6,250	-
November 14, 2013	97.76	6,250	-
November 14, 2014	97.76	12,500	-
November 14, 2015	97.76	6,250	-
December 8, 2015	96.93	6,250	-
November 14, 2016	55.36	6,250	-
December 8, 2016	50.35	6,250	-
November 30, 2015	8.24	8,333	-
September 1, 2014	8.50	16,667	-
December 8, 2015	8.78	8,333	-

Conrad P. Kathol(1)			
Option expiration date	**Option exercise price (CAD$)**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options(2) as at March 31, 2013 (US$)(3)**
June 28, 2013	98.64	6,250	-
December 8, 2013	49.62	6,250	-
January 9, 2014	49.90	12,500	-
June 28, 2014	80.62	6,250	-
December 8, 2016	50.35	6,250	-
November 30, 2015	8.24	8,333	-
September 1, 2014	8.50	16,667	-
December 8, 2015	8.78	8,333	-
December 14, 2015	9.36	16,667	-

Wendell W. Robinson(1)			
Option expiration date	**Option exercise price (CAD$)**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options(2) as at March 31, 2013(US$)(3)**
December 8, 2013	49.62	6,250	-
January 9, 2014	49.90	12,500	-
June 28, 2014	80.62	6,250	-
December 18, 2016	43.15	6,250	-
December 18, 2013	43.15	6,250	-
December 18, 2015	43.15	12,500	-
September 1, 2014	8.50	16,667	-

Wendell W. Robinson[1]			
Option expiration date	**Option exercise price (CAD$)**	**Number of securities underlying unexercised options (#) as at March 31, 2013**	**Value of unexercised in-the-money options[2] as at March 31, 2013(US$)[3]**
December 8, 2015	8.78	8,333	-
December 14, 2015	9.36	8,333	-

Notes:

(1) Mr. Cummings, Mr. Kathol and Mr. Robinson did not exercise any Options during year ended March 31, 2013.

(2) The value of the option-based awards outstanding at March 31, 2013 was calculated based on the weighted average trading price for the five day period prior to March 31, 2013 of CAD$5.91. All option-based awards were out-of-the-money as at March 31, 2013.

(3) The values of unexercised in-the-money options in the above table were converted to U.S. dollars using the March 31, 2013 exchange rate of US$0.99 per CAD$1.00. As at March 31, 2013, all Options were out-of-the-money.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the year ended March 31, 2013 for each incentive plan award to directors of the Corporation who are not also Named Executive Officers. The vested value of option-based awards of the directors who are also Named Executive Officers, namely, the President, Chief Executive Officer and Chairman of the Board and the Chief Operating Officer, are included under "Statement of Executive Compensation – Incentive Plan Awards – Incentive Plan Awards – Value Vested or Earned During the Year".

Name	Option-based awards – Value vested during the year (US$)[1]
C. J. (Jim) Cummings	-
Conrad P. Kathol	-
Wendell W. Robinson	-

Note:

(1) The value of option-based awards vested during the year is the aggregate dollar value that would have been realized if the Options constituting the option-based awards had been exercised on their respective vesting dates and was calculated based on the difference between the closing market price of the underlying securities on the applicable vesting date and the exercise price of the in-the-money Options on such vesting date. The values of option-based awards vesting during the year in the above table were converted to U.S. dollars using the average exchange rate for the year ended March 31, 2013 of US$0.99 per CAD$1.00. As at March 31, 2013, all Options were out-of-the-money.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out information with respect to compensation plans under which equity securities of the Corporation were authorized for issuance as at August 13, 2013:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders[1]	5,056,348	45.04	1,965,243 [1]
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	5,056,348	45.04	1,965,243

Note:

(1) This number represents 10% of the total outstanding Common Shares less the number of Options outstanding as at August 13, 2013. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Comparative Compensation Discussion – Option Plan".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed nominee for election as a director of the Corporation and each associate of the foregoing, has been, at any time, indebted to the Corporation or has indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation (meaning any director or executive officer of the Corporation, any insider of the Corporation, and any director or executive officer of a person or company that is itself an informed person of the Corporation), nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has had any material interest in any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year of the Corporation.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions, their independence from management and other means of addressing corporate governance practices. National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

Set out below is a description of the Corporation's current corporate governance practices, relative to Form 58-101F1 requirements (which are set out below in italics).

1. **Corporate Governance**

Disclose the identity of directors who are independent.

C. J. (Jim) Cummings, Conrad P. Kathol and Wendell W. Robinson are independent, unrelated directors of the Corporation.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

Edward S. Sampson and William T. Hornaday are not independent directors as they are both executive officers of the Corporation.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.

A majority of the Corporation's directors are independent.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

No directors of the Corporation are directors of other reporting issuers listed on the TSX.

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

The independent directors of the Corporation meet regularly without non-independent directors and management at the conclusion of each scheduled Board meeting and whenever they see fit. There were seven scheduled and three unscheduled Board meetings held between April 1, 2012 and March 31, 2013.

In addition, the Audit Committee, the Compensation Committee, the Reserve Committee and the Corporate Governance Committee of the Corporation are comprised entirely of independent directors. Meetings of these committees provide a forum for open and candid discussion among the Corporation's independent directors. There were 34 committee meetings of the independent directors held between April 1, 2012 and March 31, 2013.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

The Chairman of the Board is Mr. Sampson who, as an executive officer, is not an independent director. The Corporation's independent directors each play an important leadership role on the Board and have sufficient influence on Board decisions.

The Corporation has begun the process of selecting a lead director that is independent from management. The lead director will focus on Board mechanics, including scheduling meetings and committee membership, deal with any issues with Board members, be the voice for the independent directors and communicate to the President, Chief Executive Officer and Chairman of the Board. Finally, the lead director will delineate the division of responsibilities with the President, Chief Executive Officer and Chairman of the Board and communicate this division to the Board and to management.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

The director attendance at both Board and committee meetings for the year ended March 31, 2013 is outlined below:

Director	**Board**		**Audit Committee**		**Compensation Committee**		**Environment and Reserves Committee**		**Corporate Governance Committee**		**Total**	
	#	%	#	%	#	%	#	%	#	%	#	%
Edward S. Sampson	9	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9	100
C. J. (Jim) Cummings(1)	9	100	8	100	7	100	n/a	n/a	4	100	28	100
William T. Hornaday	9	100	n/a	n/a	n/a	n/a	1	100	n/a	n/a	10	100
Conrad P. Kathol(2)	9	100	n/a	n/a	7	100	1	100	4	100	21	100
Wendell W. Robinson(3)	9	100	8	100	7	100	n/a	n/a	4	100	28	100
Total	9	100	8	100	7	100	1	100	4	100	29	100

Notes:
(1) C. J. (Jim) Cummings is the Chair of the Corporate Governance Committee.
(2) Conrad P. Kathol is the Chair of the Environment and Reserves Committee.
(3) Wendell W. Robinson is the Chair of the Audit Committee and of the Compensation Committee.

2. **Board Mandate**

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board's written mandate is attached as Appendix A to this Information Circular.

3. **Position Descriptions**

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board, in conjunction with the Chairman of the Board, has developed written position descriptions for the Chairman of the Board and for the chair of each Board committee.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board, in conjunction with the Chief Executive Officer, has developed a written position description for the Chief Executive Officer.

4. **Orientation and Continuing Education**

Briefly describe what measure the board takes to orient new directors regarding the role of the board, its committees and its directors and the nature and operation of the issuer's business.

The Corporation has an orientation program for its new directors. The orientation program is designed to build each director's understanding of and identification with the Corporation by:

- providing an introduction to the Corporation, notably through an interview with the Chairman of the Board and other Board members;
- providing presentations on the Corporation's operations in all countries;
- providing an introduction to selected members of the Corporation's team, notably through an interview with the Chairman and management;
- providing an overview of the Corporation's corporate governance practices;
- providing an introduction to governance practices;
- acquainting the directors with the Corporation's Ethics and Anti-Corruption Compliance Program;
- clarifying the expectations of directors, noting that this process will have begun from the initial contact of the director by the Corporate Governance Committee;
- exposing the directors to the Corporation's organizational structure; and
- acquainting directors with the Corporation's annual objectives and ongoing operations.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporation provides educational information on relevant topics in the form of documents and formal presentations to the Board. The Corporation encourages the directors to enrol in courses and programs that will enhance their knowledge and skills in areas that are relevant to their roles as directors and members of Board committees.

The directors of the Corporation are encouraged to make site visits and participate in a strategic planning session. The Corporation places an obligation on its directors to maintain a high level of knowledge of the industry and a high level of professional skills.

5. **Ethical Business Conduct**

Disclose whether or not the board has adopted a written code for the directors, officers and employees. Disclose how a person or company may obtain a copy of the code. Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code.

A written Code of Ethics and Business Conduct has been implemented by the Corporation for all directors, officers and employees. A person may obtain a copy of the code by visiting the Corporation's page at www.sedar.com. The Board monitors compliance with the code through communications with management, reports from the Chief Compliance Officer, reports through the whistleblower policy (as described below) and employee signoff of compliance with the code.

Describe any steps the board takes to ensure directors exercise independent judgment considering transactions and agreements in respect of which a director or executive officer has a material interest.

The directors and officers of the Corporation are required to complete an annual statement of compliance under the Corporation's Code of Ethics and Business Conduct. This ensures directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board ensures that a director who has a material interest in a transaction or agreement does not participate in discussions if competitive information is being presented or vote on that matter at Board meetings.

Should such a circumstance arise, the matter would be referred to the Audit Committee and the Chairman of the Board for appropriate action.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Corporation is committed to the highest standards of openness, honesty and accountability. To this end, the Corporation has implemented an Ethics and Anti-Corruption Compliance Program based upon three policies governing ethical business practices as follows:

- a Code of Ethics and Business Conduct to provide guidance on the conduct of the Corporation's business in accordance with all applicable laws, rules and regulations and with the highest ethical standards.

- an Anti-Corruption Policy which requires adherence to established standards of business conduct to ensure that the Corporation's business and operations shall be conducted in compliance with the *Corruption of Foreign Public Officials Act* (Canada).

- a Whistleblower Policy to encourage reporting of misconduct and to ensure that concerns regarding questionable business practices can be raised without fear of discrimination, retaliation or harassment. This policy provides an avenue for individuals to confidentially and anonymously report directly to the Board complaints and concerns regarding accounting, internal auditing controls or auditing matters without fear of victimization discrimination or disadvantage.

The Board of Directors reviews compliance with the Code of Ethics and Business Conduct, the Anti-Corruption Policy and the Whistleblower Policy on an annual basis.

The Corporate Governance Committee monitors compliance with the Code of Ethics and Business Conduct, the Anti-Corruption Policy and the Whistleblower Policy.

As required by the Anti-Corruption Policy, the Board has appointed a Chief Compliance Officer. The Chief Compliance Officer oversees the Ethics and Anti-Corruption Compliance Program and reports directly to the Corporate Governance Committee.

The Corporation also has a share trading policy (the "**Share Trading Policy**"). The Share Trading Policy prescribes rules for Restricted Persons and Employees (as such terms are defined in the Share Trading Policy) with respect to trading in securities in the capital of the Corporation by these individuals when there is undisclosed material information or undisclosed pending material developments with respect to the Corporation.

6. Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

The Corporate Governance Committee, consisting of a majority of independent directors, considers and recommends candidates to fill new positions on the Board created either by expansion or vacancies created by the resignation, retirement or removal of any of the Corporation's directors.

The Corporate Governance Committee is expanding its evergreen list of director candidates as part of the process of recruiting new directors. A skills matrix of director talents and board requirements is maintained and considered in evaluating potential new candidates.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board does not have a separate nominating committee; however, the Corporate Governance Committee is charged with the responsibility for handling the nomination process. The Corporate Governance Committee is comprised of a majority of independent directors. The fact that a majority of the members of the Corporate Governance Committee are independent ensures that the nomination process is objective.

7. **Compensation**

Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Board has created the Compensation Committee to review and approve the compensation for the officers of the Corporation and to ensure that compensation is fair, equitable and consistent with that of its industry peers. The members of the Compensation Committee have diverse professional backgrounds and rely on industry experts to augment their knowledge. The Corporation compensates its executive officers through a base salary, an annual performance based bonus pool and the award of Options. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation".

The Compensation Committee generally reviews compensation arrangements paid by a number of Canadian public oil and gas companies that either have growth profiles similar to that of Niko, are of similar size and complexity to Niko or have significant international operations. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Comparative Compensation Discussion".

The Board, through the Compensation Committee, periodically reviews the adequacy and form of compensation of the directors. See "Statement of Executive Compensation – Director Compensation".

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is composed entirely of independent directors.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The responsibilities, powers and operations of the Compensation Committee are set forth in the mandate of the Compensation Committee, which is attached as Appendix B to this Information Circular.

8. **Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In addition to the Audit Committee and the Compensation Committee, the Board has a Corporate Governance Committee and an Environment and Reserves Committee.

The function of the Corporate Governance Committee is set forth in the mandate of the Corporate Governance Committee, which is attached as Appendix C to this Information Circular.

The function of the Environment and Reserves Committee is set forth in the mandate of the Environment and Reserves Committee, which is attached as Appendix D to this Information Circular.

9. **Assessments**

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board uses one assessment tool to evaluate the effectiveness and contribution of the Board, its committees and individual directors. Directors complete an annual Board Effectiveness Questionnaire commenting on Board responsibility, organization, composition, independence from management, operations, effectiveness and performance. The results of the questionnaires are analyzed by the Chairman of the Board together with the Corporate Governance Committee, who then recommend and implement changes to enhance the overall performance of the Board and monitor ongoing progress in any areas identified for improvement.

In addition to the guidelines under NP 58-201, the Corporation has implemented the following policies and procedures:

- Each of the committees of the Board can have no more than one-third of its members be acting chief executive officers of any publicly-traded corporation, partnership, trust or other entity.

- Instead of a Compensation Committee work plan, the Corporation has adopted a mandate for the Compensation Committee and regular meetings are held in order to fulfill the responsibilities outlined in the mandate.

AUDIT COMMITTEE INFORMATION

For information on the charter of the Audit Committee and for the disclosure regarding the Audit Committee required under NI 52-110, please see the information provided under the heading "Audit Committee" in the Corporation's Annual Information Form for the year ended March 31, 2013, which document can be found at the Corporation's page on SEDAR at www.sedar.com.

OTHER MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any matter to come before the Meeting other than as set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

The Corporation shall provide to any person, without charge, following a written or oral request to Mr. Edward Sampson, Chairman of the Board of the Corporation, by mail at Suite 4600, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2 or by telephone at (403) 262-1020, copies of this Information Circular, the Corporation's annual financial statements and management's discussion and analysis and any interim financial statements since March 31, 2013. Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Furthermore, financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

APPENDIX A
BOARD MANDATE

The Board of Directors (the "**Board**") of NIKO RESOURCES LTD. ("**NIKO**") has the oversight responsibility and duties as described herein. In addition, each Director has the responsibility and duties provided in any other mandate or Position Description that applies to them.

General

The Board has responsibility for the stewardship of NIKO and its subsidiaries to ensure the long-term financial operational viability and efficiency of the Corporation, and to generally further NIKO's objectives by establishing policies and implementing, directing and monitoring the same exercising the care, diligence and skill of a reasonably prudent person in comparable circumstances, in good faith with a view to the best interests of NIKO. Without limiting the generality of the foregoing, the Board will perform the following duties.

Strategic, Operating, Capital Plans and Financing Plans

- in consultation with the management of NIKO, define the principal objectives of NIKO;
- require the Chief Executive Officer to present periodically to the Board for approval a long range strategic plan of NIKO designed to achieve the principal objectives as adopted by the Board;
- establish a strategic planning process and monitor performance versus plans;
- review and approve annual budgets, operating plans, and corporate objectives and monitor performance and compliance;
- identify the principal risks to NIKO and ensure the implementation of systems to manage such risks;
- review the integrity of internal control and management information systems;
- approve acquisitions and dispositions and the establishment of credit facilities;
- confirming on an annual basis the appointment of Officers;

Monitoring/Implementing

- monitor NIKO's progress toward its goals, and revise and amend strategic planning in response to change in business and corporate circumstances;
- monitor employment policies including compensation, performance and succession planning;
- in consultation with the Chief Executive Officer, establish and monitor and foster ethical and responsible decision making by management, and ethical standards to be observed by NIKO and its employees;
- approve all matters relating to any takeover bid of NIKO;
- with the advice of the Compensation Committee, monitor and approve compensation of senior management personnel and appropriate compensation programs for NIKO's employees;
- on the recommendation of the Corporate Governance Committee and Audit Committee, approve NIKO's Ethics Policy;
- with the Audit Committee and the Board Chair, respond to potential conflict of interest situations;
- monitor compliance with NIKO's Ethics Policy, and provide for appropriate disclosure of any waivers of the policy for directors and officers;

- review and approve succession, including approving development of and monitoring of the performance of senior management personnel;
- with the Corporate Governance Committee, develop NIKO's approach to corporate governance;
- receive for consideration the Corporate Governance Committees evaluation and recommendations of amendments to Corporate Governance Policies, the Board Mandate and Position Descriptions;
- on an annual basis review:
    - The Capital Management Policy
    - The Code of Conduct and Compliance Sign-offs
    - The Communications Policy
    - The Whistleblower Policy
    - The Document Preservation Guidelines
    - The Share Trading Policy

  and amend the same if considered necessary to ensure that such policies are achieving their intended purpose.

Communications, Disclosure and Compliance

- ensure timely compliance with the reporting obligations of NIKO, and that the financial performance of NIKO is properly reported to shareholders, other security and regulators on a timely and regular basis;
- recommend to shareholders of NIKO a firm of chartered accountants to be appointed as NIKO's auditors;
- ensure the timely reporting of any change in the business, operations or capital of NIKO that would reasonably be expected to have a significant effect on the market price or value of the shares of NIKO;
- ensure the corporate oil and gas reserve report fairly represents the quantity and value of corporate reserves in accordance with generally accepted engineering principles;
- report annually to shareholders on the Boards' stewardship for the preceding year;
- establish a process for direct communications with shareholders and other stakeholders through appropriate directors, including through the Whistleblower Policy; and
- ensure that NIKO has a policy in place to enable effective communication with its shareholders and the public generally.

Governance

- in consultation with the Chairman of the Board develop a position description for the Chairman of the Board and in consultation with the Chief Executive Officer a position description for the Chief Executive Officer and review such position descriptions as necessary to ensure the same are practical and appropriate;
- facilitate the continuity, effectiveness and principles of independence of the Board by, among other things:
- appointing a Chair of the Board with experience and expertise in foreign investment and operations;
- appointing an Audit Committee comprised solely of financially competent independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of annual and

quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that Management has established; (v) performance of the internal and external audit process and of the independent auditor; and (vi) implementation and effectiveness of the Ethics Policy and the compliance programs under the Ethics Policy;

- appointing a Compensation Committee comprised solely of independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) key compensation and employment policies; (ii) Chief Executive Officer and executive Management compensation; and, (iii) executive Management succession and development;

- appointing an Environmental and Reserves Committee comprised of a majority of independent directors with the responsibility to assist the Audit Committee and the Board in fulfilling their oversight responsibilities with respect to the annual review of NIKO's petroleum and natural gas reserves, and disclosure of reserves data and related oil and gas and mining activities, and environmental practices;

- appointing a Corporate Governance Committee comprised of a majority of independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for Director and Board Committee appointments; and, (iii) evaluations of the Board, Board Committees, all individual Directors, the Board Chair and Committee Chairs, all with a view to ensuring NIKO has corporate governance practices appropriate for NIKO;

- in the Board's discretion, appointing any other Board Committees that the Board decides are needed and delegate to those Board Committees any appropriate powers of the Board;

- defining the terms of reference for the Chairs of such Committees;

- ensuring that processes are in place and are utilized to assess the effectiveness of the Board and the Committees established by the Board;

- establishing a system to enable any director or Committee to engage an outside advisor at the expense of NIKO;

- overseeing the development and implementation of the Director orientation program;

- overseeing the process of the Corporate Governance Committee's annual evaluation of the performance and effectiveness of the Board and Board Committees and participate in the annual evaluation of Board performance by the Corporate Governance Committee;

- receiving and considering a report and recommendations of the Corporate Governance Committee or the results of the annual evaluation of Board Performance;

- review annually the compensation of directors.

Delegation

The Board may delegate its duties to and receive reports from the Audit, Environment and Reserves, Compensation and Corporate Governance and any other committee created by the Board to assist the Board in the performance of its duties.

Composition

- the Board shall be comprised of at least six individuals appointed by the shareholders at the Annual Meeting;

- a majority of the Board Members will be independent (within the meaning of National Instrument 58.101) and free from any direct or indirect material relationship which could in the opinion of the Board, reasonably interfere with the members independent judgment;

- all Board members will have the skills and abilities appropriate to their appointment as directors, it being recognized that an appropriate combination of education, experience and competencies will ensure that the Board will discharge its duties effectively. Board members should have sufficient knowledge of NIKO and petroleum industry to assist in providing advice and counsel on relevant issues;

- Board members shall review available materials in advance of meetings and endeavour to attend all meetings of the Board and its subcommittees;

- once or more annually, as the Corporate Governance Committee decides, this Mandate shall be evaluated and updates recommended to the Board for consideration.

APPENDIX B
COMPENSATION COMMITTEE MANDATE

The Compensation Mandate Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to compensation policies of the Corporation ("**NIKO**"), and such other matters as may be delegated by the Board.

1. **General**

The purpose of the Committee is:

(a) to review and report to the Board on matters of compensation provided to all employees of NIKO; and

(b) to review and report to the Board on matters respecting the policies of NIKO concerning employee benefits; and

(c) to monitor and make recommendations to the Board with respect to recruitment, retaining and motivating employees and ensuring conformity between compensation and other objectives of the Corporation.

The Committee will continuously review and modify its terms of reference with regards to changes in the business environment, industry standards, matters of compensation in corporate governance and additional standards which the Committee believes may be applicable to NIKO's business in consultation with the Committee and submit such modifications to the Board for approval.

2. **Composition, Procedures and Organization**

(a) The Compensation Committee will be comprised of three or more Directors as determined from time to time by resolution of the Board.

(b) Each member of the Compensation Committee must be independent as that term is defined in NI58-101 and as such must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Compensation Committee.

(c) Consistent with the appointment of other Board committees, the members of this committee will be appointed by the Board at the first meeting of the Board following each AGM or at such of the time as may be determined by the Board.

(d) The Board will designate the Chairman of the Compensation Committee. The presence in person or by telephone of a majority of the committees' members constitutes a quorum for any meeting.

(e) All actions of the Compensation Committee will require a vote of the majority of its members present at a meeting of such Committee at which a quorum is present.

(f) The Compensation Committee will meet at least twice annually or otherwise as may be directed by the Board or as circumstances warrant.

(g) Meetings of the Committee may be called by any member.

(h) The Chairman of the Compensation Committee will appoint a member to act as secretary for the purposes of recording the minutes of each meeting.

(i) All members of the Committee must be familiar with any corporate governance guidelines established by the Canadian Securities Administrators and relevant securities regulators with respect to compensation matters at the time of their appointment or become so within a reasonable period of time following such appointment. The competence of the members of the Compensation Committee in this regard will be determined by the Board in the exercise of its business judgment.

3. **Accountability and Reporting**

The Compensation Committee is accountable to the Board. The Compensation Committee must provide the Board with a summary of all meetings and its recommendations, together with a copy of the minutes of each such meeting. If applicable, the Chairman will provide oral reports as requested.

All information reviewed and discussed by the Compensation Committee at any meeting must be retained and made available for examination by the Board. The Compensation Committee will review its mandate annually and will forward to the Corporate Governance Committee any recommended alterations to that mandate.

4. **Responsibilities**

The Compensation Committee must:

(a) review and recommend the annual salary, incentive compensation and other benefits or perquisites, direct or indirect, of the employees and officers of NIKO and to ensure the compensation is fair, equitable and comparable with others in the petroleum industry.

(b) review and recommend the policies of NIKO concerning employee benefits and perquisites and periodically review their application;

(c) review and recommend incentive compensation for employees of NIKO;

(d) review with the CEO the performance, development of management of NIKO;

(e) ensure compliance with management compensation disclosure rules in the annual management information circular and proxy statement;

(f) review and approve corporate goals and objectives relevant to senior management and the CEO compensation, evaluating the performance of senior management and the CEO in light of those corporate goals and objectives and making recommendations to the Board with respect to the compensation of senior management and the level based on this evaluation; and

(g) review and make recommendations to the Board for determining and establishing compensation of Directors.

The Compensation Committee may request such officers of NIKO as it may see fit to attend its meeting and to assist in the discussion and consideration of such matters as the committee may determine.

The Compensation Committee may retain, on a periodic basis, an outside consulting firm to evaluate the overall compensation arrangements for executives or to develop new incentive plans.

5. **Communication, Authority to Engage Advisors and Expenses**

The Committee shall have direct access to such officers and employees of NIKO and to any other consultants or advisors, and to such information respecting NIKO it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at NIKO's expenses. NIKO shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX C
CORPORATE GOVERNANCE COMMITTEE MANDATE

The Corporate Governance Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to the Corporate governance and nomination issues facing the Corporation ("**NIKO**"), and such other matters as may be delegated by the Board.

1. **General**

The purpose of the Committee is:

(a) to review and report to the Board on matters of corporate governance and Board composition; and

(b) to provide oversight review of NIKO's systems for achieving compliance with regulatory and legal requirements provided the Committee's oversight role shall not include responsibility for NIKO's actual compliance with applicable laws and regulations; and

(c) to monitor NIKO's corporate process and structure used to direct and manage the business and affairs of NIKO in assisting the Board in discharging its legal and fiduciary obligations; and

(d) to promote appropriate standards of behaviour with respect to all aspects of NIKO's business.

The Committee will continuously review and modify its terms of reference with regards to changes in the business environment industry, standards on matters of corporate governance, and additional standards which the Committee believes may be applicable to the business of NIKO and submit such modifications to the Board for approval.

2. **Composition, Procedures and Organization**

(a) The Committee will be comprised of three or more Directors as determined from time to time by resolution of the Board.

(b) The majority of the members of the Committee must be independent as that term is defined in NI 58-101 and as such must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. A Director who is part of management may be appointed to the Committee on the unanimous approval of the Board to assist in promoting prudent corporate governance policies and procedures.

(c) Consistent with the appointment of other Board committees, the members of the Committee will be appointed by the Board at the first meeting of the Board following each AGM or at such of the time as may be determined by the Board.

(d) The Board will designate the Chairman of the Committee. The presence in person or by telephone of a majority of the Committee's member's constitutes a quorum for any meeting.

(e) All actions of the Committee will require a vote of the majority of its members present at a meeting of such Committee at which a quorum is present.

(f) The Committee will meet at least twice annually or otherwise as may be directed by the Board or as circumstances warrant.

(g) Meeting of the Committee may be called by any member.

(h) The Chairman of the Committee will preside at Committee meetings, and the Committee will appoint a secretary for the purposes of recording the minutes of each meeting.

(i) All members of the Committee must be familiar with any corporate governance guidelines established by the Canadian Security Administrators and relevant securities regulatory authorities at the time of their appointment or become so within a reasonable period of time following such appointment. The competence of the members of the Committee in this regard will be determined by the Board in the exercise of its business judgment.

3. Accountability and Reporting

The Committee is accountable to the Board. The Committee must provide the Board with a summary of all meetings and its recommendations together with a copy of the minutes of each such meeting. If applicable, the Chairman will provide oral reports as requested.

All information reviewed and discussed by the Committee at any meeting must be retained and made available for examination by the Board. The Committee will review its mandate annually. The Committee will also review the mandate and responsibilities of other committees of the Board annually.

(a) monitor procedures to ensure that the Board can function independently of management;

(b) ensure that there is a process in place to allow all levels of employees access to the Board to bring "whistleblower" issues to the Board which are not being adequately dealt with by the management of the Corporation;

(c) ensure that the Corporation's legal counsel, external engineering consultants and external auditors are currently instructed to make the Corporation aware of current and evolving legislation, regulations and guidelines relating to applicable corporate governance issues;

(d) establish procedures, as required, to enable individual directors to engage outside advisors under appropriate circumstances;

(e) make recommendations to the Board for the appropriate resolutions of any conflict of interest between or among an officer, Director or shareholder, which is properly directed to the Committee by the Chair of the Board, a Director, a shareholder, the Board, the external Auditors, or an officer of the Corporation (in respect of conflicts of interest relating to audit, finance or risk matters, the Committee will liaise with the Audit Committee);

(f) after consultation with the Chair of the Board, identify, evaluate and if appropriate recommend those circumstances which warrant a request by a Board for the retirement of a Director or which should act to disqualify a Director from re-election (including, but not limited to the level of attendance at, or participation in, meetings of the Board or a committee thereof, or a change in the affiliation or employment of a Director.

4. Corporate Governance Responsibilities

The Corporate Governance Committee is responsible for proposing to the full Board new nominees to the Board and for assessing the effectiveness of the Directors and Committees of the Board on an ongoing basis. Further, the Corporate Governance Committee is responsible for NIKO's response to, and implementation of, the guidelines of the Canadian Securities Administrators and relevant securities regulatory authorities relating to the corporate governance, as amended from time to time. The specific functions of the corporate Governance Committee in carrying out these areas of responsibility are set out below.

The Corporate Governance Committee must:

(a) consider and review NIKO's corporate governance principles and processes and compare the same to the guidelines of the Canadian Securities Administrators and relevant securities regulatory authorities relating to corporate governance as amended from time to time;

(b) propose changes to the Board necessary to respond to the guidelines;

(c) review NIKO's disclosure of its corporate governance program and compliance with the guidelines in the management proxy circular for each AGM; and

(d) monitor compliance with, and review and approve, if considered appropriate, all proposed waivers to NIKO's Code of Conduct.

5. Nomination and Assessment of Directors

The Corporate Governance Committee must:

(a) after consultation with the Chairman of the Board, consider and recommend candidates to fill new positions on the Board created by either expansion or vacancies that occur by resignation, retirement or for any other reason;

(b) review Board candidates recommended by Shareholders;

(c) conduct inquiries into the backgrounds and qualifications of potential candidates;

(d) recommend the suitable director nominees for approval by the Board and the Shareholders;

(e) consider questions of possible conflicts of interest of Directors;

(f) recommend members and chairs of committees;

(g) establish and implement a Director Orientation Program; and

(h) make a recommendation to the Board as to whether to accept or reject any resignation tendered by a Director as provided in the Mandate of the Board of Directors.

6. Communication, Authority to Engage Advisors and Expenses

The Committee shall have direct access to such officers and employees of NIKO and to any other consultants or advisors, and to such information respecting NIKO it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at NIKO's expenses. NIKO shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX D
ENVIRONMENT AND RESERVES COMMITTEE MANDATE

Purpose

The purpose of the Environment and Reserves Committee (the "**Reserve Committee**") is to provide assistance to the Board of Directors (the "**Board**") with respect to Niko Resources Ltd.'s ("**Niko**"):

- Selection and remuneration of the Reserves Evaluator;
- Establishment of processes and procedures to ensure flow of relevant information to the Reserves Evaluator;
- Review of the annual and periodic independent engineering reports;
- Compliance with regulatory requirements;
- Disclosure of reserves information;
- Review of the disclosed oil and gas reserves data; and
- Review of the reserves data of the Reserves Evaluator charged with evaluating Niko's reserves;
- Legal and fiduciary obligations in ensuring regulatory compliance and in ensuring that Niko's policies and procedures meet acceptable industry standards with respect to environmental matters which might arise as a result of the business and operations of Niko.

Composition, Procedures and Organization

The Environment and Reserves Committee will be comprised of three or more directors as determined from time to time by resolution of the Board.

The Majority of the members of the Environment and Reserves Committee must be independent and, as such, must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Environment and Reserves Committee.

Consistent with the appointment of other Board committees, the members of the Environment and Reserves Committee will be appointed by the Board at the first meeting of the Board following each annual general meeting of the Shareholders or at such other time as may be determined by the Board.

The Environment and Reserves Committee will designate the Chairman of the Environment and Reserves Committee by majority vote. The presence in person or by telephone of a majority of the Environment and Reserves Committee's members constitutes a quorum for any meeting. All actions of the Environment and Reserves Committee will require a vote of the majority of its members present at a meeting of such committee at which a quorum is present.

All members of the Environment and Reserves Committee must have expertise in oil and gas evaluation processes and procedures, as such qualification may be determined in the business judgment of the Board.

Accountability and Reporting

The Environment and Reserves Committee is accountable to the Board. The Environment and Reserves Committee must provide the Board with a summary of all meetings and its recommendations together with a copy of the minutes of each such meeting. If applicable, the Chairman of the Environment and Reserves Committee will provide oral reports as discussed.

All information reviewed and discussed by the Environment and Reserves Committee at any meeting must be retained and made available for examination by the Board.

The Environment and Reserves Committee shall have access to such officers and employees of Niko and to such information regarding Niko, and may engage independent environmental and health consultants and advisors at the expense of Niko, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Environment and Reserves Committee may consider meeting "in camera" without management; after any committee meeting.

Meetings

The Environment and Reserves Committee will meet with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities.

Generally, the Environment and Reserves Committee will meet at least two times annually: once prior to the selection of the Reserves Evaluator and once prior to public release of the annual reserve estimates. The Environment and Reserves Committee may also be directed by the Board to meet more frequently, as circumstances warrant.

The Chairman of the Environment and Reserves Committee will appoint a director, officer or employee of Niko to act as secretary for the purpose of recording the minutes of each meeting.

Reserves Responsibilities

The Environment and Reserves Committee must:

(a) Annually review with management of Niko the selection or retention, as the case may be, of a recognized Reserves Evaluator that is qualified to prepare an evaluation of the oil and gas reserves of Niko in a manner consistent with industry and regulatory standards and requirements and, in the case of a proposed change in the Reserves Evaluator, determine the reasons for the proposal and whether there have been any disputes between the Reserves Evaluator and management of Niko;

(b) Annually review and approve the expected fees of the Reserves Evaluator;

(c) Receive the annual independent evaluation of the oil and gas reserves of Niko and review the scope of work, reserves estimates and any material changes to Niko's reserves;

(d) Consider and review the input of management into the independent evaluation, the processes for providing information and they key assumptions used therein and review Niko's procedures relating to disclosure of information with respect to oil and gas activities, including its procedures for complying with disclosure requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")*;

(e) Meet with representatives of the Reserves Evaluator to consider and review the overall preparation of the evaluation, including:

- The independence of the Reserves Evaluator;
- Details of arrangements, if any, between Niko and the Reserves Evaluator;
- Sources of information used in preparing the evaluation;
- Access to information;
- Production estimates;
- Price forecasts;
- Sales contracts;
- Operating and capital cost estimates;

- Ownership interests;
- Royalty burdens;
  - Reconciliation of reserve additions and revisions;
  - Results of field inspections, if any; and
  - Matters that would have an effect on the quantity of reserves, production profile or estimated cash flow from the oil and gas assets;

(f) Review compliance with applicable regulations and policies, including NI 51-101, and, in particular, before filing the reserves data and the report of the Reserves Evaluator referred to in section 2.1 of NI 51-101, meet with management and the Reserves Evaluator to (i) determine whether any restrictions affect the ability of the Reserves Evaluator to report on the reserves data without reservation, (ii) review the reserves data and the report of the Reserves Evaluator, and (iii) review and approve the content and filing of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*;

(g) Review and execute Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure; and

(h) Present reports to the Board of consideration, where necessary.

Assessments

Disclosure whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

Directors complete an annual Board Effectiveness Questionnaire commenting on Board responsibility, organization, composition, independence from management, operations, effectiveness, and performance. The results of the questionnaires are analyzed by the Chairman of the Corporate Governance Committee who then recommends and implements changes to enhance the overall performance of the Board and monitors ongoing progress in any areas identified for improvement.

APPENDIX E
MAJORITY VOTING POLICY

The board believes that each director should have the confidence and support of the shareholders of the corporation. To this end, the board has unanimously adopted this policy and future nominees for election to the board will be required to confirm that they will abide by the policy.

Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If the vote was by a show of hands, the Corporation will disclose the number of shares voted by proxy in favour or withheld for each director.

If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to forthwith submit his or her resignation to the board of directors, effective on acceptance by the board. The board will refer the resignation to the nominating/corporate governance committee (or equivalent) for consideration.

The Corporate Governance Committee will consider all factors deemed relevant by the members of the corporate governance committee including, without limitation, the stated reason or reasons why shareholders who cast "withhold" votes for the director did so, the qualifications of the director including, the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation.

Subject to any corporate law restrictions, the board of directors may (1) leave a vacancy in the board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new director whom the board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s).

This policy does not apply where an election involves a proxy battle, *i.e.*, where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the board of directors.

APPENDIX F
ARTICLES OF AMENDMENT

Articles Of Amendment

Business Corporations Act
Section 29 or 177

1. Name of Corporation	2. Corporate Access Number
NIKO RESOURCES LTD.	**2016687135**

3. THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS FOLLOWS:

Pursuant to section 173(1)(l) of the *Business Corporations Act* (Alberta), Item 4 of the Articles of the Corporation is hereby amended to increase the maximum number of directors to 12.

Authorized Signature

Name of Person Authorizing *(please print)*

Date

N/A

Identification
(not applicable for societies)

Title *(please print)*

This information is being collected for the purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Coordinator for Alberta Registries, Box 3140, Edmonton, Alberta T5J 2G7, (780) 427- 7013.

REG 3054 (2003/05)