

RESERVES AND HEALTH, SAFETY & ENVIRONMENTAL COMMITTEE MANDATE

1. Purpose

The purpose of the Reserves and Health, Safety & Environmental Committee (the "**Reserves and HSE 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.

2. Composition, Procedures and Organization

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

The objective is for majority of the members of the Reserves and HSE Committee to 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 Reserves and HSE Committee. However currently the Reserves and HSE Committee has only one independent director, as such the Board of Directors are involved in approving reserves at the end of each fiscal year.

Consistent with the appointment of other Board committees, the members of the Reserves and HSE 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 Reserves and HSE Committee will designate the Chairman of the Reserves and HSE Committee by majority vote. The presence in person or by telephone of a majority of the Reserves and HSE Committee's members constitutes a quorum for any meeting. All actions of the Reserves and HSE 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 Reserves and HSE 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.

3. Accountability and Reporting

The Reserves and HSE Committee is accountable to the Board. The Reserves and HSE 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 Reserves and HSE Committee will provide oral reports as discussed.

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

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

4. Meetings

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

Generally, the Reserves and HSE 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 Reserves and HSE Committee may also be directed by the Board to meet more frequently, as circumstances warrant.

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

5. Reserves Responsibilities

The Reserves and HSE Committee must:

- 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;
- Annually review and approve the expected fees of the Reserves Evaluator;
- 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;
- Consider and review the input of management into the independent evaluation, the processes for providing information and the 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")*;
- 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;
- 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;

- Review and execute Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure; and
- Present reports to the Board of consideration, where necessary.