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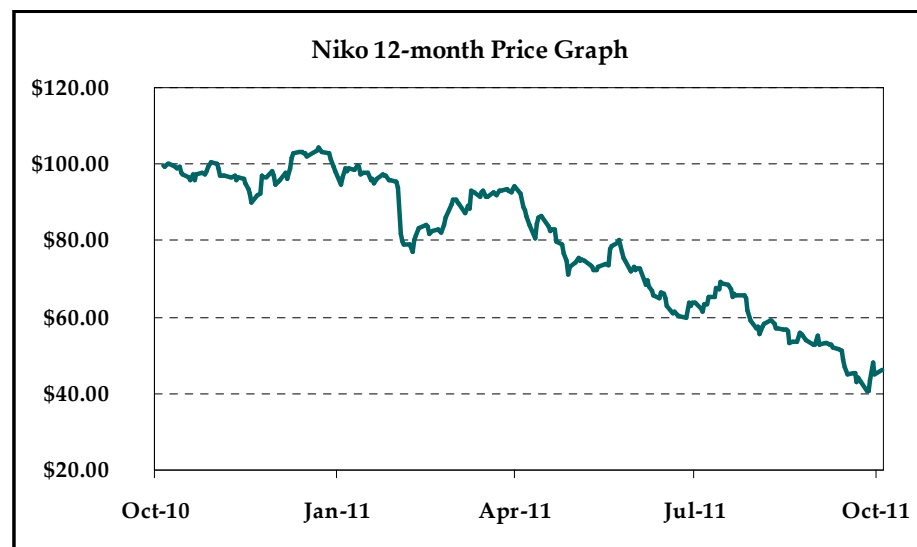
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A Bird in the Hand AND 30 in the Bush

Niko Resources: Company Snapshot

- Calgary-based oil & gas company
- Focused on international exploration and production
 - Producing assets in India and Bangladesh
 - Exploration assets in India, Indonesia, Trinidad, and Kurdistan
 - Primary focus on deepwater exploration and production

Ticker:	NKO CN
Exchange	Toronto (TSX)
Shares Outstanding:	51.6 million
Current Price:	\$54.00
Market Cap:	\$2,791 million
Cash & ST investments:	\$108 million
Convertible Debt:	\$310 million
Insider Ownership:	12.4% (diluted)



A Bird in the Hand: D6 Field (India)

D6: A Tier I Asset...

- Niko discovered the D6 offshore gas field in 2002, a transformational event for Niko (10% interest), Reliance Industries (90% interest), and India as a whole
- D6 is among the *largest conventional discoveries in the world over the last 20 years*; it materially improves India's energy deficit
- D6 produced first oil in 2008 and first gas in 2009; it currently represents *around 40% of India's total gas production* – and it's just getting started
- The field currently produces of 1.6 bcf/d with 20 additional exploration successes still to be developed
 - Production expected to ramp to 2.3 bcf/d and remain there for many years
 - NEC25 discovery could eventually add another 1 bcf/d
 - Combined production potential from just these two assets of 3.3 bcf/d is more than Chesapeake Energy currently produces, the 2nd largest US gas producer with a \$32B enterprise value
- Significant exploration upside remains on the block

...with Attractive Fiscal Terms...

- Gas price fixed at \$4.20/mmbtu through 3/31/14 (more on this later)
- No currency risk with sales denominated in US\$
- Favorable production sharing terms: Government entitlement limited until Niko gets to 2.5x cost recovery
 - Government profit share of 10-28% until 2.5x cost recovery (sliding scale) and 85% thereafter
 - Means higher capex is actually positive for Niko's net asset value
- Royalty set at 5% for the first 7 years of production and 10% thereafter
- 7 year tax holiday
- D6 currently generates > \$3.00 per mcf in cash flow on gas production or ~\$230mm in annual cash flow from this one asset

...World Class Partners...

- Niko's partner in D6, Reliance Industries, is the GE of India
 - \$54 billion market cap
 - First Indian Company in the Fortune 500
 - Businesses include oil & gas, refining, petrochemicals, textile, & retail
- Aug 2011: BP closed the acquisition of a 30% interest in Reliance's Indian offshore oil & gas assets
 - 6th Largest publicly traded energy company in the world at a market cap of \$133 billion
 - Acquisition includes 23 offshore blocks, but the majority of the value resides in the 3 blocks where Niko is a partner (D6, NEC25, and D4)
 - BP paying \$7.2B upfront, \$1.8B in contingent payments, and committing to spend another \$10B+ in future capex for a \$20B total capital commitment

...and Major Upside to Gas Pricing

- India is massively short energy and demand continues to grow rapidly
- Large Indian offshore gas discoveries have stalled due to inadequate prices, even as India pays astronomical prices for LNG imports
- Reliance, BP, and Niko representatives have indicated the need for and likelihood of higher gas prices to stimulate investment in production
- Press headlines and Company commentary indicate price discussions are already underway

Gas Pricing	Price (\$/mmbtu)
US (Henry Hub)	\$3.60
Gov't approved D6 natural gas price (through 3/31/14)	\$4.20
Niko's contracted Surat natural gas price (India)	\$6.18
UK Landed spot LNG price	\$10.03
India Landed spot LNG price	\$15.23
Japan Landed spot LNG price	\$16.75
Brent energy-equivalency natural gas price (\$110 @ 6:1)	\$18.38

So What's the Problem?

- Steady stream of negative news flow out of D6 since early 2011
 - Reservoir “more complex” than originally thought
 - Declining production; field operating at just over 50% of production plan
 - Development and exploration drilling activity halted; rig temporarily released
 - Uncertainty regarding the timing of renewed production growth; BP commentary that growth may not resume until 2014
 - D6 Satellite fields “uneconomic at current gas prices”

- Operational issues compounded by negative headlines in the press from Indian government agencies regarding D6
 - Comptroller and Auditor General of India (CAG) report criticizes Reliance's management of D6 block: cost overruns, declining production, not following development plan
 - CAG recommends regulatory response that could negatively impact asset

**Why are we so
confident despite
the headlines?**

Indian Politics – We’ve Seen This Before

“The British invented bureaucracy, and the Indian’s perfected it”

- We believe much of the negative news coming out of D6 is the result of a very public negotiation over gas prices
 - Reliance is downplaying the value of the asset for negotiating leverage
 - There is no incentive to ramp up production with \$4.20 pricing if they believe \$8-10 pricing is around the corner
 - While technical challenges have contributed to the declines, the bigger issue has been a complete lack of development spending; oil & gas wells face natural declines so a lack of spending guarantees production declines

- History repeats itself: We saw a similar situation play out on D6 gas pricing once before
 - Prior to first gas production, Reliance and a formerly related entity had a very public fight over D6 gas pricing
 - It became political, got very ugly in the press, and negatively impacted Niko’s shares price
 - Reliance got their gas price in the end and Niko’s shares quickly rebounded

BP Validation

BP: Macondo Well Explosion, Gulf of Mexico



BP Validation (cont.)

- April 20, 2010: Explosion on Deepwater Horizon drill rig results in major oil spill at BP's Macondo prospect in the Gulf of Mexico
- BP announces plans to divest \$30 billion in assets to meet the costs of spill
- Amidst divestitures, BP announces one major acquisition: a 30% interest in D6 and the rest of Reliance's offshore India assets
 - Committing \$20 billion in upfront and future capital to the assets
- Despite Macondo, BP among savviest deepwater players in the world
 - Rumors of BP interest in D6 surfaced in 2008, indicating >3 years of "diligence"
 - BP's major commitment amidst all the negative headlines reconfirms our view that the current problems are short-term in nature
- An assets worth can be determined by what a private market participant would be willing to pay for it
 - BP's 30% purchase implies a \$47-59/share value for Niko's 10% interest plus \$72/share in future capital spending commitments
 - While there were other assets in the deal, we believe >75% of the transaction value resides in Niko's D6, NEC-25, and D4 assets

Cash Flow Potential

- Niko currently generates around \$5/share in free cash flow before exploration expenditures
- Analysts originally expected D6 and NEC-25 to ultimately boost Niko free cash flow to a peak of >\$40 per share, a far too optimistic estimate
- The analyst community now assumes zero growth in cash flow for the foreseeable future; we believe they have overshot to the downside this time
- We project cash flow will increase 3-4x over the next several years as D6 growth resumes, pricing is revised upward, and NEC-25 development moves forward
- CF from discovered assets alone justifies substantial upside vs. current price

Niko Cash Flow / Share Sensitivity

		D6 Gas Price (\$/mcf)			
		\$4.00	\$6.00	\$8.00	\$10.00
Production (bcf/d)					
Current:	1.50	\$5.00	\$7.00	\$9.00	\$10.00
Target:	2.30	\$7.00	\$10.00	\$12.00	\$15.00
w/ NEC25:	3.30	\$9.00	\$13.00	\$17.00	\$21.00

30 in the Bush: Deepwater Exploration

Overview of Exploration Program

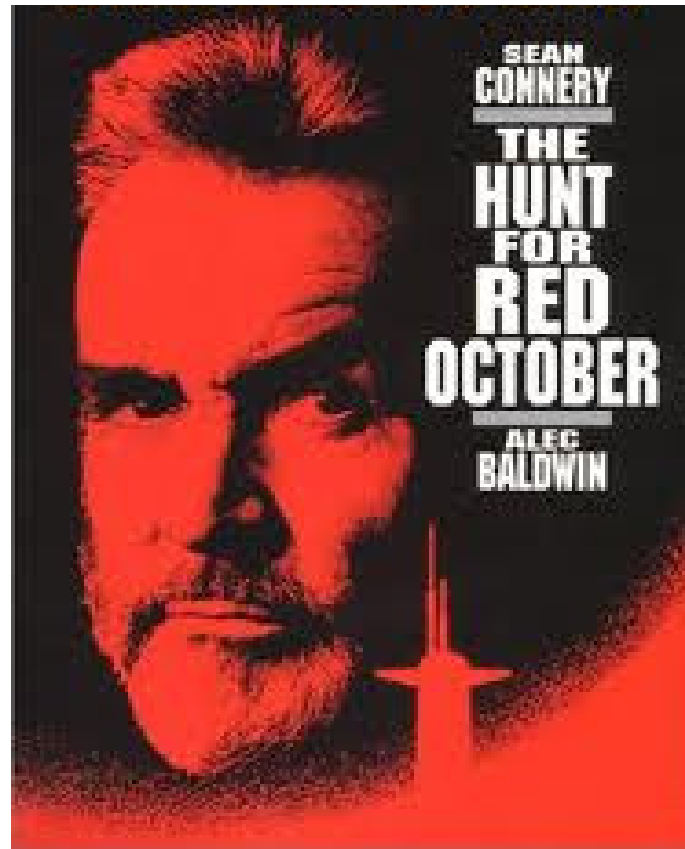
- Niko beginning one of the most active deepwater exploration programs in the world with *30 high impact wells over the next 18 months*
 - Approximately 1/2 of all new oil & gas reserves found since 2006 are in deepwater
 - *\$500-750 million has been invested* over several years to get to this point
 - We believe Niko’s deepwater portfolio is unmatched outside of the Majors
- Each of the 30 “at bats” is *non-correlated* and *potentially transformational*
- Niko has a major strategic advantage in its team and exploration technology
- Best of all, we believe we are getting all this *exploration upside for free*

Country	# Expl. Blocks	Exploration Acreage		Status
		Gross	Net	
India	3	8,576,828	1,280,991	Production, Development, & Exploration
Indonesia	18	19,695,526	15,195,136	Exploration
Trinidad	8	2,531,913	1,656,345	Exploration & Development
Bangladesh	1	1,800,693	1,121,813	Production, Development, & Exploration
Kurdistan	1	208,962	77,316	Exploration
Pakistan	4	2,450,460	2,450,460	Exploration
Madagascar	1	901,925	461,463	Exploration
Niko Total	36	36,166,307	22,243,524	
Exxon Total			62,000,000	

The Team: Black Gold

- Niko acquired Black Gold in 2009 for \$310 million, doubling its acreage position in Indonesia and adding important technology and personnel
- Black Gold was formed by the former heads of Unocal Asia with financing from Goldman Sachs & Temasek
 - Temasek financed Niko's acquisition with a \$310mm convert struck at \$110.50
- Unocal was the most active exploration company in Southeast Asia when it was acquired by Chevron in 2005 for \$20 billion
 - The Black Gold team has drilled approximately ½ of all deepwater exploration wells in Asia over the last 10 years
- Black Gold brought its multi-beam expertise & Sea Seep technology
 - Black Gold saw a unique opportunity in Indonesia to demonstrate the value of its multi-beam and Sea Seep technology
- We believe the combined team places Niko among the world leaders in deepwater drilling expertise

Seismic Anomalies



The Technology: Multi-Beam & Sea Seep

- **Multi-beam:** Developed by the US Navy to provide high resolution mapping of the deep ocean floor
 - 60-70% of major hydrocarbon discoveries defined through “surface geology”, i.e., looking for bumps and oil seeps at surface (think Jed Clampett)
 - Multi-beam is the modern day Jed Clampett – looking for bumps & seeps on the ocean floor
 - *Ability to cover vast amounts of the ocean floor quickly and at a reasonable cost;* Allows for more targeted 2/3D seismic

- **Sea Seep:** Niko’s patented technology used to test deepwater anomalies for hydrocarbon presence prior to drilling via coring
 - 40% of core’s tested so far had hydrocarbon shows and 11% had live oil
 - Enhances well selection process, materially increasing probability of success

The Structural Advantage

Multi-Beam: But does it work? It doesn't Matter!!

- **Indonesia Joint Study Program:** Indonesia formed joint study program with Niko to utilize multi-beam in identifying prospective deepwater acreage
 - Indonesia provided Niko with a right of first refusal (ROFR) on study areas
 - Niko has conducted joint studies on >1 million km² with more to come
 - Technology helps Niko identify best blocks; ROFR guarantees success on bids
 - Low cost entry: other parties either avoided blocks targeted by Niko given ROFR or chose to partner with them at advantageous terms

- **Farm-outs:** Niko acquires the best acreage at 100% interest, then farms out a portion to the highest bidder
 - 9 of 18 Indonesia blocks farmed out to-date, all to Oil & Gas Majors
 - Retains operatorship, >50% interest, and gets carried through the first exploration well
 - **With wells running in the \$60-100 million range, this equates to a free carry on nearly a billion dollars worth of future exploration costs with more to come**

Why Indonesia?

- Long history of prolific production: 23 Billion barrels of oil and 70 tcf of natural gas produced to-date
- Oil production peaked years ago; Indonesia withdrew from OPEC in 2008 after it became a net oil exporter
- Massive unexplored deepwater potential
 - Indonesia is approximately the size of the continental US when water is included
- Government response to production declines: improved fiscal incentives and auctioning unprecedented amount of deepwater acreage
 - Significant interest from E&P Majors
 - Several major new deepwater discoveries already announced
 - Blocks average 5,000 km² vs. 25 km² in Gulf of Mexico, capturing an entire trend
 - Niko has **18** of these blocks in total, and continues to add

Current License Holders in Indonesia

Niko Farm-in Partners

- Exxon Mobil
- Statoil
- Repsol
- Hess
- Marathon
- GDF

Other Major E&P Companies

- ENI
- Chevron
- Total
- Talisman
- Shell
- BP

A Taste of Indonesia's Upside: SE Ganal

- SE Ganal expected to be among the first wells drilled in a five year non-stop Indonesian exploration program that will begin shortly
- In a prolific region: 8 billion BOE discovered and produced
- The block is immediately *adjacent to ENI's recent Jangkrik discovery* which contain an estimated 4 tcf of gas in place
- A third party report has put the prospective resource on the block at **2.9 billion barrels of oil equivalent**
- This represents just one of Niko's **18 blocks** in Indonesia
- At a value of \$5/boe, a discovery in-line with the prospective resource estimates implies a value of **~\$280 per Niko share**

**And it's not just
Indonesia....there's a
whole lot more**

D4 Block: Offshore India

- Niko has 15% interest (BP 30%, Reliance 55%)
- Same play type as D6, only it looks significantly better on seismic
- Niko has stated that D4 could contain *over 100 tcf of gas* – significantly more than the prolific D6 field
- The field also has superior fiscal terms vs. D6 block
- Drilling has been delayed by D6 price discussions, but as soon as that is resolved they will mobilize a rig
- Former BP Chairman/CEO Lord Browne said at a meeting in 2003: “When they get around to drilling D4 it will be one of the most watched targets in the world with numerous satellites tasked to monitor. It has the potential to radically reshape the region”

Trinidad: Country Overview

- Hydrocarbons do not recognize national borders or land/water boundaries
 - Venezuela's prolific basin extends to Trinidad both onshore and offshore
- Several large discoveries in the 70's & 80's made Trinidad a net exporter
 - Exploration ground to a halt for the for next 20+ years with little incentive to drill
- Trinidad is once again a net importer of oil and LNG facilities need more gas
 - Government again focused on attracting private capital
 - Large blocks auctioned at improved fiscal terms
 - E&P Majors big participants in auctions



Companies active in Trinidad

- | | |
|---------|----------|
| ➤ BP | ➤ BHP |
| ➤ BG | ➤ Repsol |
| ➤ RWE | ➤ EOG |
| ➤ Total | ➤ Parex |

Trinidad: Niko Position

- Niko saw similarities to Indonesia
 - Improved fiscal terms
 - Substantial unexplored acreage available
 - Each block has the potential to meaningfully impact Niko's share price
- Niko added one of most experienced teams in Trinidad via Voyager acquisition in 2010
- Niko is now the **largest acreage holder in the country:**
 - 2.4 million acres across 8 blocks
 - All blocks adjacent to large discoveries
 - Targeting both oil (100mm bbl pools) and gas (multi-TCF fields)
- Niko's 5C block (25% interest) already has 2 discoveries with ~2.5 tcf gas
 - Niko submitting development plan which would lead to reserve adds
- First onshore well currently drilling
- First offshore exploration well toward the end of the month (2AB)

Summary

- **D6 Alone Justifies Value:** Cash flow machine; long-term growth potential validated by BP Investment
- **D6 Gas Price Upside:** Potential for material upward adjustment to D6 gas prices
- **Major Drilling Activity:** 30 high impact exploration wells over next 18 months, including SE Ganal and D4
- **Structural Bidding Advantage:** Continues to build exploration portfolio and offload risk in Indonesia
- **Target on its back following sell-off:** World class production, development, & exploration assets plus multi-beam expertise would be a prize for any Major

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