

**Niko Announces Major Expansion in Indonesia
with Acquisition of Black Gold Energy LLC**

- **Acquisition of key exploration partner greatly enhances Niko's acreage position, adds significant experience and technical expertise**

Niko (the "Company") (TSX:NKO) is pleased to announce that it has executed agreements to acquire Black Gold LLC ("Black Gold"). Black Gold is a partner in all of Niko's current Indonesian blocks. Upon completion of this transaction, Niko will hold an interest in 12.1 million net exploration acres in Indonesia, making Niko one of the larger holders of deepwater exploration acreage.

Niko will also benefit from key Black Gold personnel joining the team. The expanded team has extensive experience, in-depth knowledge and understanding of the exploration, operation and regulatory environment in Indonesia. Building on Black Gold's track record in Indonesia, Niko will be well-positioned for the opportunities opening up in the deepwater frontier of Indonesia and beyond.

Edward Sampson, Chairman and CEO of Niko, said "Niko is attracted to this additional acreage due to its excellent prospectivity, good fiscal terms and proximity to the growing Asian oil and gas market. In addition, the Black Gold team is impressive both in terms of knowledge and technology. Niko will now have an unparalleled platform to add shareholder value by growing in Indonesia and beyond."

The acquisition requires approximately Cdn. \$310 million of financing. Niko plans to fund the acquisition with convertible debentures and has executed related agreements. Maturing in 3 years, the debentures will have no related fees and will carry a coupon rate of 5% per annum, and a conversion price of Cdn. \$110.50 per share. The debentures will be held by Maju Investments, a subsidiary of Temasek Holdings, an Asia investor headquartered in Singapore.

The successful completion of these transactions is subject to the approval of the Government of Indonesia (BPMIGAS) and lenders under the Company's existing credit facility.

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For further information, please contact:

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Certain statements in this press release are forward-looking statements. Specifically, this press release contains forward-looking statements relating to management's approach to operations, estimates of future sales, production and deliveries, business plans for drilling and development, estimated amounts and timing of capital expenditures, anticipated operating costs, royalty rates, cash flows, transportation plans and capacity, anticipated access to infrastructure or other expectations, beliefs, plans, goals, objectives, assumptions and statements about future events or performance. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable by Niko at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Such factors include, but are not limited to: general economic, market and business conditions; industry capacity; competitive action by other companies; fluctuations in oil and gas prices; the results of exploration and development drilling and related activities; the uncertainty of estimates and projections relating to productions, costs and expenses; uncertainties as to the availability and cost of financing; fluctuations in currency exchange rates; the imprecision in reserve estimates; risks associated with oil and gas operations, such as operational risks in exploring for, developing and producing crude oil and natural gas; risks and uncertainties involving geology of oil and gas deposits; the weather in the Company's area of operations; the ability of suppliers to meet commitments; changes in environmental and other regulations; actions by governmental authorities including changes in laws and increases in taxes; decisions or approvals of administrative tribunals; risks in conducting foreign operations (for example, political and fiscal instability or the possibility of civil unrest or military action in countries such as India and Bangladesh); the effect of acts of, or actions against international terrorism; and other factors, many of which are beyond the control of Niko. There is no representation by Niko that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.