

## Niko Provides Initial Resource Estimates for the First Three Offshore Indonesia Blocks

CALGARY, ALBERTA-- Niko Resources Ltd. (TSX:NKO) is pleased to present prospective resource estimates for the company's Southeast Ganai, North Makassar Strait and West Sageri Blocks located offshore Indonesia. **Prospective resources are not reserves.** Rather prospective resources are undiscovered resources that indicate exploration opportunities but **nothing will be certain until wells are drilled.** These estimates were recently prepared by Netherland Sewell Associates Inc. (NSAI). Volume and geological risk estimates are as follows:

Gross Unrisked Undiscovered In-Place Volumes - Within PSC <sup>(1)(2)(3)(9)(10)</sup>									
PSC	Oil - MMstb <sup>(2)</sup>			Free Gas - Bscf <sup>(2)</sup>			Oil Equivalent <sup>(3)</sup> - MMboe		
	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>
Southeast Ganai	1,957	5,477	11,448	5,520	15,486	32,418	2,877	8,058	16,851
North Makassar Strait	228	761	1,684	653	2,216	4,756	337	1,130	2,477
West Sageri	414	1,196	2,538	1,027	2,943	6,254	585	1,687	3,580
Arithmetic Sum	2,599	7,434	15,670	7,200	20,645	43,428	3,799	10,875	22,908

Gross Unrisked Prospective Resources - Within PSC <sup>(1)(2)(3)(9)(10)</sup>												
PSC	Oil - MMstb <sup>(2)</sup>			Condensate - MMstb <sup>(2)</sup>			Separator Gas - Bscf <sup>(2)</sup>			Oil Equivalent <sup>(3)</sup> - MMboe		
	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>	Low Estimate <sup>(4)</sup>	Best Estimate <sup>(5)</sup>	High Estimate <sup>(6)</sup>
Southeast Ganai	196	1,109	3,749	44	279	1,037	2,164	9,013	24,897	600	2,890	8,935
North Makassar Strait	23	152	505	5	40	152	256	1,290	3,653	71	407	1,266
West Sageri	41	248	945	0	9	100	410	1,757	4,903	110	549	1,862
Arithmetic Sum	260	1,509	5,199	49	328	1,289	2,830	12,060	33,453	781	3,846	12,063

PSC	No. of Prospects	Risk Factors <sup>(7) (8)</sup> (P <sub>g</sub> )		
		Lowest Value <sup>(8)</sup>	Highest Value <sup>(8)</sup>	Midpoint <sup>(8)</sup>
Southeast Ganai	11	12%	15%	14%
North Makassar Strait	1	21%	21%	21%
West Sageri	5	16%	29%	23%

The independent assessment prepared by NSAI reaffirms management's estimates of the significant reserve potential on the first three Blocks. In upcoming months, the company intends to provide independent resources reports for its 13 other Blocks in Indonesia.

Niko is entering an exciting phase as planning of several exploration wells is underway.

## Notes:

1. These are the gross volumes estimated for the Blocks, without any adjustments for working interest or encumbrances. Niko holds a 100% interest in the Southeast Ganai and West Sageri Blocks and a 50% interest in the North Makassar Strait Block. A Production Sharing Contract (PSC) between Niko and the Indonesian Government executed for each Block gives Niko the right to explore for hydrocarbons. If a commercial discovery is made, Niko has the right to develop and produce from the Block containing the discovery.
2. There is uncertainty about the hydrocarbon phase that might be encountered in the prospects within the three PSCs. If a discovery is made, the volumes could consist entirely of gas or of oil or any combination of gas and oil. Volume calculations made by NSAI were based on a 50 percent probability that each prospect in the PSCs contains oil in the reservoir and a 50 percent probability that the prospect contains free gas in the reservoir. Thus, to determine volume ranges on Niko's PSCs in the case of a gas "only" discovery, NSAI's gas and condensate volume estimates should be multiplied by two and no oil volume included to estimate 100 percent gas in-place volumes or prospective resources. The opposite should be done in the case of an oil "only" discovery on Niko's PSCs, NSAI's oil volume estimate should be multiplied by two and no gas or condensate volumes should be included for the 100 percent oil case. Separator Gas includes the effect of shrinkage resulting from condensate dropout at surface temperature and pressure.
3. Conversion of gas volume to liquid volume was six to one, or 6 Mscf = 1 boe, based on standard British Thermal Unit (BTU) heating values of gas and oil.
4. There is a 90-percent chance that the Low Estimate for petroleum initially in-place or prospective resources will be equalled or exceeded.
5. There is a 50-percent chance that the Best Estimate for petroleum initially in-place or prospective resources will be greater or less than the best estimate.
6. There is a 10-percent chance that the High Estimate for petroleum initially in-place or prospective resources will be equalled or exceeded.
7. Risk Factor (Pg) means the geological chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to surface.
8. NSAI assessed Pg for each prospect identified within each PSC. The Lowest Value means the lowest Pg value assigned to a prospect within the PSC by NSAI. The Highest Value means the highest Pg value assigned to a prospect within the PSC by NSAI. The Midpoint was calculated and posted in the table by Niko and is the mean of Lowest and Highest estimates. The Midpoint does not represent the average chance of discovering hydrocarbons within the PSC.
9. The above quantities have not been adjusted for geological risk (chance of discovery).
10. The resource estimates were prepared in accordance NI 51-101 and the COGE Handbook.

Prospective resources are those resources of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. The chance of commerciality is the product of these two risk components. There is no certainty that any portion of the prospective resources will be discovered. If a discovery is made, there is no certainty that it will be developed or, if it is developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the prospective resources.

Prospective oil and gas resources are undiscovered resources that indicate exploration opportunities and development potential in the event a commercial discovery is made and should not be construed as reserves or contingent (discovered) resources.

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**For further information, please contact:**

**Niko Resources Ltd. (403) 262-1020, Edward S. Sampson, Chairman of the Board, President & CEO or Murray Hesje, VP Finance & CFO or visit the Company's website at [www.nikoresources.com](http://www.nikoresources.com).**

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.