

Niko Provides Drilling Update

CALGARY, ALBERTA (Marketwire – January 10, 2013) – Niko Resources Ltd. (“Niko” or the “Company”) (TSX:NKO), provides the following exploration updates:

Indonesia

The Ajek-1 exploration well in the Kofiau block, located offshore Papua province in eastern Indonesia, was drilled to a depth of 6,270 feet in 25 days, 32% faster than planned, and encountered 23 feet of pay over two target intervals, with additional thin bedded potential being analyzed. Drilling confirmed the presence of reservoir and hydrocarbon charge, the primary pre-drill concerns in this previously undrilled sub-basin. All sands encountered were hydrocarbon filled with no water leg and C5+ gas composition indicated liquid hydrocarbons. The well has been assessed as a sub-commercial oil and gas discovery. Ajek-1 was the first well drilled in the 5,000 km² Kofiau block and the well results will allow improved reservoir analysis assessing thin bed pay potential as well as improved prediction of potential locations with thicker sand packages.

Additional prospectivity on the Kofiau block remains to be evaluated in both the Pliocene clastic section as well as in a Miocene carbonate play. The Miocene carbonate prospects are analogous to producing fields in the nearby Salawati basin which have cumulatively produced over 500 mmbbl of oil to date.

The Ocean Monarch drilling rig is mobilizing to the Niko-operated West Papua IV block where it will spud the Cikar-1 well in mid-January, with a projected drilling time of 60-70 days. Cikar-1 is targeting a large Miocene carbonate prospect.

India

The G2 well on the D19 discovery in the D6 Block was successfully drilled. The D19 discovery is one of four satellite discoveries approved for development by the Government of India.

The MJ-1 exploration well in the D6 Block is currently expected to spud in the next few months. MJ-1 will target the Mesozoic synrift clastic reservoir, similar to the currently producing MA oil and gas field in the block.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Edward Sampson, Chairman of the Board, President & CEO, or Glen Valk, VP Finance & CFO, or visit the Company's website at www.nikoresources.com.

Forward-Looking Information

Certain statements in this press release constitute forward-looking information. Specifically, this press release contains forward-looking information relating to the anticipated timing of drilling activities. These forward-looking statements are based on certain key expectations and assumptions, including anticipated drilling conditions. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such factors include, but are not limited to: risks associated with oil and gas operations including equipment failures or accidents; the ability of suppliers and third party contractors to meet commitments; pressure or irregularities in geological formations; and adverse weather conditions. Niko makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.