Q2 RESULTS
FOR THE QUARTER ENDED
SEPTEMBER 30, 2013

NIKO REPORTS RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2013

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter ended September 30, 2013. The operating results are effective November 14, 2013. All amounts are in U.S. dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

PRESIDENT'S MESSAGE TO THE SHAREHOLDERS

In the second quarter of fiscal 2014, the Company announced a shift in its strategic focus to developing and appraising the assets in the D6 Block in India, while maintaining optionality on the balance of its exploration portfolio. To provide the financial capacity to implement this strategy, the Company has signed a non-binding term sheet for up to $340 million of debt financing and signed a letter of intent with Diamond Offshore relating to a settlement of the Company's payment obligations and other commitments under drilling contracts for the semisubmersible drilling rigs *Ocean Lexington* and *Ocean Monarch*. The settlement agreement is expected to be executed upon completion of negotiations and concurrently with the Company's proposed financing. The Company is also finalizing its plans for the remainder of the portfolio and have engaged Citi to act as its financial advisor in connection with the sale of certain of its non-core assets in India and Trinidad. In addition, the Company is working on farming out portions of its interests in many of its exploration production sharing contracts and rescheduling its exploration commitments.

The management of Niko has been aggressively engaged in active pursuit of a comprehensive financing arrangement since the beginning of the fiscal year. To date it has secured net proceeds of $110 million from two short term "bridge" financings and has received proceeds of $61 million from its program of farm-outs, asset sales and other arrangements. Despite this aggressive pursuit, the Company has not been able to raise from conventional sources the funds required to completely reset its capital structure. As a result, it has been necessary to look for funds from lenders that are willing to lend to companies whose credit standing is considered to be high risk.

"Admittedly, this will be a very high cost finance package with tight repayment terms and other highly restrictive terms. However, the proposed debt financing is to be repaid in four years and there is the ability to prepay in two years with certain premium considerations. The D6 Block is a valuable and growing asset that is expected to have a long life with higher production and revenue from new wells, new fields and increases in the price of natural gas. Bridging the gap from the Company's current condition to the expected higher value and production from D6 and other Niko assets is worth the high cost of the arrangements."

Edward S. Sampson – President and Chief Executive Officer, Niko Resources Ltd.

LIQUIDITY AND CAPITAL RESOURCES

The Company has entered into a non-binding term sheet with sophisticated institutional investors to provide the majority of the funding for a senior secured credit facility of up to $340 million (the "Proposed Credit Facility") that would provide funds to refinance certain of its existing debt obligations, to fund the Company's investment in the D6 Block and otherwise for general corporate and working capital purposes. The Proposed Credit Facility would be secured on a first priority basis, subject to certain permitted liens, by substantially all of the assets of the Company and its subsidiaries and would have terms that are customary for debt financings of this type for similarly situated borrowers. The Proposed Credit Facility would provide for quarterly interest payments as well as a certain royalty payment by the Company to the lenders in respect of revenues received from the D6 Block.

In addition, the Company has signed a letter of intent with Diamond Offshore relating to a settlement of the Company's payment obligations and other commitments under drilling contracts for the semisubmersible drilling rigs *Ocean Lexington* and *Ocean Monar*ch. The settlement agreement is expected to be executed upon completion of negotiations and concurrently with the Company's proposed financing transaction.

The consummation of the Proposed Credit Facility is subject to a number of closing conditions, including, without limitation, execution of the settlement agreement with Diamond Offshore, satisfaction of the Company's unsecured non-convertible notes obligation from sources other than the Proposed Credit Facility, the completion of the lenders' due diligence, and the execution and delivery of certain definitive documentation.

The Company has engaged Credit Suisse and another global investment bank to arrange the proposed financing transactions.

There can be no assurance, however, that the Company will be able to obtain the Proposed Credit Facility or execute the settlement agreement with Diamond Offshore on the terms described above or at all.

The Company is also finalizing its plans for the remainder of the portfolio and have engaged Citi to act as its financial advisor in connection with the sale of certain of its non-core assets in India and Trinidad. Sale of these assets could provide proceeds that could be used to fund the Company's future capital programs or pay down the Proposed Credit Facility. In addition, the Company is working on farming out portions of its interests in many of its exploration production sharing contracts and rescheduling its exploration commitments.

As at September 30, 2013, the Company had a working capital deficiency of $110 million. The Company's unrestricted cash and cash equivalents balance of $55 million at September 30, 2013 and anticipated revenues from its operating assets are expected to be sufficient to satisfy the anticipated cash requirements of its operating subsidiaries for the foreseeable future, but are not expected to be sufficient to satisfy its current liabilities and meet its current exploration and drilling rig commitments. The Company has negotiated extended payment terms with many of its suppliers of drilling and related services to its exploration subsidiaries.

The Company's current credit facilities are reserve based lending facilities that are not expected to provide sufficient borrowing base capacity for funding of the Company's planned activities. As at September 30, 2013, the availability under the facilities is $80 million and the facilities are fully drawn. The Company is working with the syndicate banks on a deferral from October 31 to November 29, 2013 for the date of the re-determination of the borrowing base under the current credit facility and from November 29 to December 31, 2013 for the date of any required repayment to reflect the new borrowing base. As at September 30, 2013, the Company had placed $15 million in escrow for the benefit of its credit facility lenders and a further $18 million received by the Company in October was placed in escrow, with these funds to be used, if required, to fund any reduction in outstanding borrowings. The Company has received a waiver from the syndicate banks of a provision in a previous consent agreement regarding a restriction on the use of cash balances, with similar waivers potentially required in future months.

There is uncertainty regarding whether the Company can complete all or a portion of the above efforts, raising significant doubt about the Company's ability to continue as a going concern.

REVIEW OF OPERATIONS AND GUIDANCE

Sales Volumes

(MMcfe/d)	Quarter ended September 30, 2013	Quarter ended June 30, 2013
D6 Block, India	54	53
Block 9, Bangladesh	56	50
Other[1]	2	3
Total[2]	113	107

[1] Other includes Hazira in India, and Canada.
[2] Figures may not add up due to rounding.

Total sales volumes for the second quarter of fiscal 2014 increased to 113 MMcfe/d from 107 MMcfe/d for the first quarter of fiscal 2014 due to the positive impact of workovers and the sale of crude oil and condensate volumes that had been held in inventory at the end of the first quarter. At the Bangora field in Block 9 in Bangladesh, the workovers of a suspended well and a producing well increased production in the quarter, reaching over 67 MMcfe/d from the field in September 2013. In the D6 Block in India, approximately 400 b/d (2.4 MMcfe/d) of the Company's share of crude oil and condensate production volumes that had been held in inventory at the end of the first quarter were sold in the second quarter, with approximately 200 b/d (1.2 MMcfe/d) sold in October.

Development drilling activities in the D6 Block in India commenced in September 2013 with the spudding of the MA-8 development well in the MA oil and gas field, with the well expected to be on-stream in December 2013. The drilling rig used for this well will now mobilize to the Dhirubhai 1 and 3 gas fields in the D6 Block to commence a three-well workover program that is expected to increase the volumes from this field in the fourth quarter of the fiscal year. These development activities are targeted to contribute to an annual average sales volumes forecast for the Company of between 112 and 116 MMcfe/d for fiscal 2014 and 133 MMcfe/d for fiscal 2015.

Funds from Operations[1]

(millions of U.S. dollars)	Quarter ended September 30, 2013	Quarter ended June 30, 2013
Funds from operations	32	15

[1] Includes other income related to cash gain of a farm-out.

Funds from operations for the second quarter of fiscal 2014 were $32 million compared to $15 million for the first quarter of fiscal 2014, benefitting from the cash gain related to the Company's farm-out of a 40 percent interest in the Grand Prix block in Madagascar and from increased sales volumes.

Capital and Exploration Expenditures, net of Proceeds of Farm-outs and Other Arrangements[1]

(millions of U.S. dollars)	Quarter ended September 30, 2013	Quarter ended June 30, 2013
Total	112	37

[1] Excludes proceeds related to cash gain of a farm-out recorded as other income.

Capital and exploration expenditures, net of proceeds of farm-outs and other arrangements, totaled $112 million for the second quarter of fiscal 2014. Spending in the quarter related primarily to exploration activities in Indonesia and Trinidad, and the commencement of drilling of development and appraisal wells in the D6 Block in India. Two wells drilled in Indonesia, the Elang-1 well in the Cendrawasih Block and the Elit-1 well in the Kofiau Block, did not encounter significant hydrocarbons and have been expensed. In addition, the Company suspended its drilling program in Indonesia in the second quarter and expensed the moving and standby costs related to the Ocean Monarch drilling rig.

The level of Company's funds from operations and capital spending for the remainder of fiscal 2014 and beyond will be dependent on a number of factors, including the successful execution of the Proposed Credit Facility transaction, and guidance on funds from operations and capital spending for fiscal 2014 and fiscal 2015 will be provided at a later date.

FINANCIAL RESULTS

Net Loss

(millions of U.S. dollars)	Quarter ended September 30, 2013	Quarter ended June 30, 2013
Net loss	149	59

Net loss for the second quarter of fiscal 2014 was $149 million compared to $59 million for the first quarter of fiscal 2014. In the current quarter, the Company recorded $122 million of exploration and evaluation expenses, primarily related to unsuccessful wells in Indonesia, including two wells drilled in the current quarter and the Ajek-1 well drilled in the prior year in the Kofiau Block, and to rig mobilization and standby costs. The Company also recorded impairments totaling $21 million in the current quarter related to the relinquishments of the Central Range Shallow and Deep Blocks in Trinidad and the four Cendrawasih Blocks in Indonesia.

Q2 Interim Report

Copies of the Company's Q2 Interim Report for the quarter ended September 30, 2013 (including Management's Discussion and Analysis and the consolidated Financial Statements for the quarter ended September 30, 2013) are available on the Company's website and have been filed with securities regulatory authorities and will be available by referring to the Company's profile on SEDAR at www.sedar.com.

Conference Call

Niko will be hosting its Q2 Results conference call on Friday, November 15th, 2013 at 9:00 am MST/ 11:00 am EST. The conference call will be webcast and the link to the webcast is http://www.gowebcasting.com/5066. A transcript of the conference call will be available on the Company's website until November 29, 2013.

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 within the meaning of applicable securities legislation. Specifically, this press release contains forward-looking information relating to the proposed shift in strategic focus of the Company, the Proposed Credit Facility and settlement agreement with Diamond Offshore, the proposed sale of non-core assets and farm-out transactions involving exploratory production sharing contracts, the satisfaction of all conditions to closing of the Proposed Credit Facility, including execution of the settlement agreement with Diamond Offshore and satisfaction of the Company's unsecured non-convertible notes obligation from sources other than the Proposed Credit Facility, the re-determination of the Company's borrowing base under the Company's existing credit facility, drilling activities in the D6 Block in India and the corresponding increases in sales volumes from these drilling activities anticipated in fiscal 2014 and 2015. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to the Company. This forward-looking information is based on certain key expectations and assumptions, including expectations and assumptions regarding its future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities, prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities, the availability and cost of labour and services and general market 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 risk factors include, but are not limited to: the risks associated with the oil and natural gas industry in general, such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation risks, environmental risks, competition, the ability to access sufficient capital from internal and external sources, changes in tax, royalty and environmental legislation, the impact of general economic conditions, imprecision of reserve estimates, the lack of availability of qualified personnel or management, stock market volatility, risks associated with satisfying the conditions to closing for the Proposed Credit Facility (including, without limitation, the negotiation of definitive documentation, completion of due diligence to the satisfaction of the lenders, access to sources of funding necessary to retire the outstanding unsecured non-convertible notes, completion of the settlement with Diamond Offshore), risks associated with the completion of the settlement with Diamond Offshore (including the negotiation of definitive documentation), the risks discussed under "Risk Factors" in the Company's most recent Annual Information Form and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. 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.

Non-IFRS Measures

The selected financial information presented throughout this press release is prepared in accordance with IFRS, except for "funds from operations". Funds from operations, which have been derived from the financial statements and applied on a consistent basis, is used by management to assess past performance and to help determine its ability to fund future capital projects and investments. Funds from operations is calculated as cash flows from operating activities prior to the change in operating non-cash working capital, the change in long-term accounts receivable and exploration and evaluation costs expensed to the statement of comprehensive income. Funds from operations should not be viewed as a substitute for measures of financial performance presented in accordance with IFRS or as a measure of a company's profitability or liquidity. This non-IFRS measure do not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies.