

Niko Provides Corporate Update

CALGARY, ALBERTA (Marketwired – November 20, 2013) – Niko Resources Ltd. (“Niko” or the “Company”) (TSX – “NKO”) provides the following updates:

- Ed Sampson gives notice of retirement
- Proposed Credit Facility terms include 15% interest rate and 6% royalty interest
- Proposed settlement with Diamond in an aggregate amount up to \$80 million

Ed Sampson, Chairman, CEO and President of the Company, wishes to announce his retirement, effective the end of the calendar year. During his 18 years with Niko, he was the architect of its expansion within India and to many international areas, including Bangladesh, Indonesia, and Trinidad & Tobago. Mr. Sampson will continue in his role as Chairman, CEO and President through year-end to assist with the proposed financing and to transition responsibilities to other members of the management team. In announcing his retirement, Ed indicated that:

“With production about to move up in India, a gas price in India about to double, and the recent drilling of what could prove to be the most significant discovery in D6 to date, I feel comfortable this should be my time. I will leave the Company with a very strong and committed management team, led by Jake Brace, Bill Hornaday and Glen Valk. As one of the largest individual shareholders of the Company, I remain extremely excited about the D6 Block and the prospects of Niko in the coming years.”

Effective January 1, 2014, Frederic F. (Jake) Brace will become interim President of Niko. Jake joined the Company as a senior advisor to take on the task of liability management and to work with management and the Board in concluding the process of addressing immediate liquidity issues. Jake will be moving into the position of interim President to continue that focus and other administrative duties of the office in the fulfillment of the Company’s strategy. Jake has considerable practical expertise in the management of the challenges facing the Company having previously dealt with such matters in executive positions at United Airlines, among others. Jake had the following to say about his new assignment:

“This is a classic asset rich Company facing a liquidity shortfall. The proposed financing will enable the company to get through the liquidity shortfall, preserve and, ultimately, realize the true value of these assets for shareholders.”

Bill Hornaday, a Board member and Chief Operating Officer, will have increased responsibility over all aspects of the Company’s activities in each of its areas of operation, including asset prioritization strategies, sourcing transactional opportunities, and personnel management. Bill had the following quotation:

“Niko’s D6 Block in India is a golden block and with a combination of the doubling of India natural gas price, approvals for the development of the R and the satellites, and the upside potential of the MJ discovery, focusing Niko’s capital and resources on D6 will provide for significant growth in value for Niko shareholders. The new financing and re-focused management on a recovery plan will provide a clear path to realize this value for Niko’s shareholders.”

Update on Financing and Diamond Offshore

The \$340 million Proposed Credit Facility

In conjunction with the release of the Company’s results for the second quarter ended September 30, 2013, the Company provided information regarding efforts to secure financing for implementation of its strategy. The key terms of the non-binding term sheet for a Proposed Credit Facility to provide \$340 million in funds for the execution of the Company’s strategy are as follows:

- The Proposed Credit Facility would provide funds to refinance certain of its existing debt obligations, including the Company’s current credit facility and secured loan, 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.

- The Proposed Credit Facility would mature on September 30, 2017.
- Importantly, at any time after the second anniversary of the signing of the Proposed Credit Facility, the Company may prepay all or a portion of the Proposed Credit Facility at a premium to the face value of the principal.
- The Proposed Credit Facility would provide for quarterly interest payments at an annual rate of 15%.
- The Proposed Credit Facility would provide for a royalty payment to the lenders in the amount of 6% of revenues received from the D6 Block, commencing April 1, 2015 for a term of seven years.
- The consummation of the Proposed Credit Facility is subject to a number of closing conditions, including, without limitation, the satisfaction of certain of the Company's unsecured non-convertible note obligations of approximately \$42 million from sources other than the Proposed Credit Facility, the completion of the lenders' due diligence, and the execution and delivery of certain definitive documentation, which is now in the process of being prepared, together with the settlement with Diamond Offshore discussed below.

Diamond Offshore

Niko and Diamond Offshore have signed a letter of intent (which Niko has previously disclosed) relating to settlement of payment obligations and other commitments under the *Ocean Monarch* and *Ocean Lexington* drilling contracts. The letter of intent identifies certain terms to be included in a final settlement agreement, including a mutual release of claims in respect of certain rights and obligations under the drilling contracts. Claims in respect of Niko's payment obligations under the drilling contracts would be released upon satisfaction of the consideration payable by Niko, in an aggregate amount up to US\$80 million, under the final settlement agreement. Payment of part of the payable will be due upon closing of the previously-disclosed financing, and the remainder would be paid over future years, subject to early pre-payment upon certain events. The payable will be non-interest bearing. Conversion of the letter of intent into a final settlement agreement is subject to execution of a definitive agreement and other customary conditions.

Current Credit Facility

The Company has received consent from its current credit facility 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 facility and from November 29 to December 31, 2013 for the date of any required repayment to reflect the new borrowing base. The \$33 million that the Company had placed in escrow for the benefit of its current credit facility lenders will now be applied to reduce the outstanding borrowings and the availability under the current credit facility to \$47 million.

Board Commitment

The Board of Directors has established a Special Committee comprised of certain non-management directors. The purpose of the Special Committee will be to supervise the implementation of a Comprehensive Restructuring and Recovery Plan (the "Plan"). The central focus of the Plan is on the preservation and development of our producing assets in India and Bangladesh. Additionally, the Plan will seek to take decisive action to preserve and realize value for the Company's exploration assets in Indonesia and Trinidad. Management and the Board have invested a significant amount of time in developing the Plan and the financing over the last three months and believes its comprehensive approach to dealing with its liquidity issues in this manner is the best way to address the Company's current liquidity profile and to fully fund the attractive development program underway in the D6 Block. In addition, the Board will consider expanding the Board during the course of executing its Plan in the coming year to augment the experience and expertise of its membership.

The Board of Directors of Niko is committed to this Comprehensive Restructuring and Recovery Plan. With the active oversight of its Special Committee and the dedicated focus of the management team, this Plan is already underway. The Board understands the consequences to shareholders of the Company's recent difficulties. We believe that this program incorporates all the elements necessary to address the correction of those difficulties and that it will be successful in returning the Company to a profitable growth profile.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Edward Sampson, Chairman of the Board, President & CEO, Jake Brace, Senior Advisor, William Hornaday, COO, 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 timing of Mr. Sampson's retirement and the appointment of the interim President, the Proposed Credit Facility and settlement agreement with Diamond Offshore, 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, and the re-determination of the Company's borrowing base under the Company's existing credit facility. 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, executive and managerial requirements, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, 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.