

Niko Provides Updates

- Liquidity position significantly strengthened – \$370 million of debt and equity financings closed and Diamond settlement executed
- Capital program focused on D6 Block in India – production expected to increase for fourth quarter of fiscal 2014
- Farm-out agreement for Guayaguayare PSCs executed – part of strategy to maintain optionality in exploration portfolio

CALGARY, ALBERTA (December 23, 2013) – As separately announced today, Niko Resources Ltd. (“Niko” or the “Company”) (TSX – “NKO”) has secured \$340 million of loan facilities, closed its offering of equity securities for net proceeds of approximately \$30 million, and executed a settlement agreement with Diamond Offshore. The Company’s prior credit facility and secured loan agreement have been fully repaid, and the outstanding principal amount of its unsecured notes has been reduced to approximately \$13 million. The \$174 million of net proceeds from the above transactions provides significant financial capacity for the Company’s planned capital program, focused primarily on developing and appraising the assets in the D6 Block in India.

The Company’s development and appraisal expenditures in India and Bangladesh are forecast to be approximately \$175 million over fiscal 2014 and fiscal 2015 combined (including \$19 million expended in the first half of fiscal 2014). The MA-8 development well in the MA field in the D6 Block to be brought on-stream at the end of December and a three-well workover program that has commenced in the Dhirubhai 1 and 3 gas fields are expected to increase volumes from the block in the fourth quarter of fiscal 2014 and additional development activities are planned for these fields in fiscal 2015. The results of this activity and the increased prices for gas sales commencing April 1, 2014 for the D6 Block are expected to significantly increase the Company’s cash flow from operations in the coming years. Drilling of the MJ-A1 appraisal well, a follow-up to the significant gas and condensate discovery at MJ-1, is ongoing and results of the well are expected in January.

Outside of India and Bangladesh, the Company executed a farm-out agreement in December with Range Resources Limited for 50 percent of the Company’s interests in the Guayaguayare Shallow and Deep PSCs in Trinidad, which is subject to government approval. Range is expected to earn its interest by funding two onshore commitment wells and a potential appraisal well at its sole expense, and will share the cost of drilling an offshore commitment well equally with Niko. The first onshore well is targeted to spud in early 2014. This farm-out is the part of the Company’s strategy to maintain optionality in its exploration portfolio by farming out portions of its interests in many of its exploration PSCs and rescheduling its exploration commitments. Over the next few years, the Company plans to restrict its exploration expenditures, net of proceeds of farm-outs and other arrangements, to less than \$35 million per year.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Jake Brace, Incoming President (effective January 1, 2014) 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 Company’s planned use of proceeds from its recently completed financings; its planned capital program; expenditures, including those for development, appraisal and exploration; exploration and operational results; gas prices; and governmental approvals. 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. These forward looking statements are based on certain key expectations and assumptions, including expectations and assumptions regarding its future growth; the outcome of potential asset sales and farm-outs; results of operations; production; future capital and other expenditures; 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; general economic, market and business conditions; decisions or approvals of regulatory or administrative bodies; risks and uncertainties associated with the debt and equity capital markets. 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 achieved during the forecast period 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: 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, 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. This forward-looking information contains future-oriented financial information that is based on assumptions that in management's view are reasonable in the circumstances but readers are cautioned that this future-oriented financial information may not be appropriate for other purposes. 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. The forward-looking information is presented as of the date of this press release, and the Company assumes no obligation to update or revise such information to reflect new events or circumstances, except as required by law.