NIKO RESOURCES LTD

2014

RESULTS FOR THE YEAR ENDED MARCH 31, 2014

NIKO REPORTS RESULTS FOR THE YEAR ENDED MARCH 31, 2014

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter and year ended March 31, 2014. The operating results are effective June 26, 2014. All amounts are in US dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

BOARD OF DIRECTORS MESSAGE TO THE SHAREHOLDERS

In the second quarter of fiscal 2014, the Company adopted a new business strategy that incorporates the following principles:

- Focus on value generation in the D6 Block;
- Reduce the Company's exposure to future drilling commitments in its exploration portfolio while, if possible, maintaining optionality to benefit from the exploration potential in the portfolio; and
- Continue to restructure the Company to create the necessary financial strength and flexibility to realize the inherent value of the Company's assets.

In the third quarter of fiscal 2014, the Company closed on its $340 million debt facility while simultaneously raising approximately $30 million (net) in equity. Through this financing, the Company rebalanced its debt obligations, extended the majority of its debt maturities out to calendar 2017, finalized a settlement agreement for its long term drilling contracts, and added $174 million in cash to the Company's balance sheet, thus providing funding and time for execution of the Company's new strategic focus.

In addition, over the past year, the Company implemented the following:

- Suspension of exploration activities outside of India – Exploration efforts ceased in Indonesia, Trinidad, Madagascar, and Brazil, with drilling and technical staffing reduced significantly. Activities in these countries are now focussed on farm-outs and/or sales of working interests along with extensions of drilling obligations or modifications of terms. In addition, the Company initiated discussions with its vendors in Indonesia and Trinidad towards settlement of the payables accrued from its drilling programs.
- Expansion of the Board of Directors – Four new independent directors joined the board, bringing expertise and in-depth experience in corporate turnarounds and rebuilding, and the Board formed a special Restructuring Committee to directly oversee the Company's restructuring efforts.
- Changes in management – New executive talent joined the Company with practical experience in financial restructuring and the Company hired an "in-house" general counsel. The Company also retained specialized consultants to advise on the many technical aspects of corporate restructuring. More recently, the Board has retained a search firm to identify candidates for a new Chief Executive Officer who is to provide the leadership to complete the Company's restructuring and develop the strategic roadmap for future value growth of the Company.

In the first quarter of fiscal 2015, the Company sold its interest in the Block 5(c) asset, providing funds to repay $15 million of its settlement obligation for its drilling contracts and $20 million of the short-term Facility E portion of the term loan, and adding an additional $26 million in cash to the balance sheet.

The Company is now dealing with the decisions of the Government of India ("GOI") to defer, first in March and now in June, the notification of the natural gas price calculated from the pricing formula in the Domestic Natural Gas Guidelines, 2014 ("Guidelines") that the GOI had notified earlier in the year. In the opinion of the contractor group of the D6 Block, the GOI has contravened the terms of the D6 production sharing contract ("PSC") and as a result, the contractor group filed an arbitration notice against the GOI seeking implementation of the Guidelines in accordance with the terms and conditions of the PSC. The D6 contractor group will endeavour to work with the GOI to achieve a prompt and efficient resolution to this dispute.

On behalf of the Board of Directors, I would like to thank the people of Niko for their diligent efforts during this year and our shareholders for their continued support as we all move forward into the future.

Wendell R. Robinson – Chairman of the Board, Niko Resources Ltd.

BUSINESS HIGHLIGHTS

The significant business highlights of fiscal 2014 are as follows:

Sales Volumes

(MMcfe/d)	Quarter ended Mar. 31, 2014	Quarter ended Dec. 31, 2013	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
D6 Block, India	50	47	51	96
Block 9, Bangladesh	67	62	59	56
Other(1)	2	2	2	6
Total(2)	119	112	112	158

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

D6 Block, India

- New pricing formula for domestic gas sales in India approved by the GOI, to be effective from April 1, 2014. Notification of the price has been deferred by the GOI until October 1, 2014, and in May 2014, the contractor group for D6 Block issued a notice of arbitration to the GOI seeking implementation of the approved pricing formula.
- Significant oil and gas discovery made at MJ field in the D6 Block, adding to the resource potential in the block. The drilling of MJ-A1 appraisal well, located in the western fault block on the field, was completed in January 2014 and technical evaluation suggested a gross pay interval of 130 meters and pre-drill expectations were largely confirmed. The drilling of MJ-A2 appraisal, located to target the eastern fault block on the field, was completed in June 2014 and encountered high quality Mesozoic synrift reservoir, similar to the quality and age of the hydrocarbon bearing sections found in MJ-1 and MJ-A1, but the targeted section was wet. The implication of the MJ-A2 well is a reduction of the estimated areal extent of the field from 65 square kilometers to 38 to 45 square kilometers, approximately 3.5 to 4 times the areal extent of the analogous MA field. The results of the two appraisal wells are being integrated into the plans for further appraisal drilling and subsequent options for development. The MJ field remains a material discovery for the D6 Block partners and is well positioned to take advantage of the existing D6 Block infrastructure. Niko and its partners are accelerating the commercial assessment of this significant discovery.
- Plan for R-Cluster development project in the D6 Block approved by the GOI, providing the opportunity for significant production growth for the Company in the future. The final decision to proceed with the project is pending resolution of the gas pricing issue noted above.
- MA-8 development well brought on-stream in the fourth quarter of the year, increasing production from the D6 Block for the first time in nearly four years. MA-6H sidetrack commenced drilling in the fourth quarter and was brought on-stream in the first quarter of fiscal 2015.
- Production optimization efforts for existing fields in the D6 Block underway with i) workover campaigns on existing shut-in wells, and ii) engineering and construction activities for booster compression, with targeted completion by the fourth quarter of fiscal 2015. The initial two workovers in the Dhirubhai 1 and 3 fields did not succeed due to mechanical well bore difficulties, and the third workover operation is currently underway.

Block 9, Bangladesh

- Workovers completed on two wells in the Bangora field, resulting in a sustained production level of approximately 66 mmcfe/d since mid-year.
- Engineering and construction activities for plant compression ongoing, with targeted completion in the first quarter of fiscal 2015.

Legal Proceedings

- Decision issued by an tribunal constituted under the Rules of the International Centre for Settlement of Investment Disputes ("ICSID") respecting its jurisdiction to decide two arbitration claims related to the Company's Feni and Chattak assets in Bangladesh. The arbitration processes on both claims have commenced with a hearing occurring in April 2014 on the claim for the amounts owed to the Company for gas supplied from the Feni field. A decision from the arbitral panel on this claim is expected in the second quarter of fiscal 2015.

Restructuring

- Term loan facilities agreement entered into, repaying certain of the Company's debt obligations outstanding at the time and providing significant capacity for the Company's planned capital program, focused primarily on developing and appraising the fields in the D6 Block in India.
- Settlement agreement executed with Diamond Offshore related to drilling contracts in Indonesia and Trinidad.
- Exploration efforts in Indonesia and Trinidad suspended in the second quarter of the year, with the Company's focus shifting to working with the various governments and partners to maximize the optionality of its exploration portfolio, while working to strengthen its balance sheet.
- Combined net proceeds of $58 million received in the year related to farm-outs and other arrangements, with the sale of the Company's interest in Block 5(c) in Trinidad contributing an additional $62 million of gross proceeds in the first quarter of fiscal 2015.

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

(millions of U.S. dollars)	Year ended March 31, 2014
Capital and exploration expenditures	231
Proceeds of farm-outs and other arrangements	(40)
Net	191

India / Bangladesh

Capital and exploration expenditures in India and Bangladesh totaled $59 million for fiscal 2014, including $16 million in the fourth quarter. Development capital of $38 million for the year related primarily to the drilling of the MA-8 development well and workovers/sidetrack operations in the D6 Block in India and to a compression facility project in Block 9 in Bangladesh. Exploration and evaluation capital of $20 million for the year related primarily to the drilling of the successful MJ-1 discovery well and follow-up MJ-A1 appraisal well in the D6 Block in India. Exploration and evaluation costs expensed directly to income of $2 million for the year related primarily to the seismic acquisition and processing for the MJ field in the D6 Block in India.

Other Countries (primarily Indonesia and Trinidad)

Capital and exploration expenditures outside of India and Bangladesh totaled $172 million for fiscal 2014. Exploration and evaluation capital of $72 million for the year related primarily to the costs of three unsuccessful exploration wells drilled in Indonesia and one well that had been planned to be drilled in Trinidad, prior to the suspension of the Company's drilling programs in these countries in the second quarter of the year. Capital inventory purchased for wells not drilled in the year amounted to $25 million. Exploration and evaluation costs expensed directly to income of $75 million for the year included rig mobilization and standby costs incurred subsequent to suspension of the drilling programs in Indonesia and Trinidad, costs related to seismic and other exploration projects and branch office costs. In the fourth quarter, exploration and evaluation costs expensed directly to income of $5 million reflected the Company's reduction in staffing and exploration efforts outside of India.

The Company's efforts on farm-outs and other arrangements generated proceeds of $58 million for the year including net proceeds received from the farm-out of the Cendrawasih block in Indonesia, the Company's exit from the Qara Dagh block in Kurdistan, the farm-out of the Grand Prix block in Madagascar, and consideration received in the fourth quarter of the year in exchange for assuming a 100 percent interest in the Semai V block in Indonesia (including a future drilling commitment). $40 million of these proceeds were reflected on the statement of cash flows as cash related to investing activities, while $18 million of funds received from the farm-out of the Grand Prix block in Madagascar that were in excess of the book value recorded for the property were reflected as cash related to operating activities.

ESTIMATED RESERVES and ESTIMATED AFTER-TAX NET PRESENT VALUE OF FUTURE NET REVENUE

Estimated Reserves

	As at March 31,	
Gross[1] (Bcfe)	2014	2013
Proved[2]	584	564
Proved plus Probable[2]	826	821

(1) 'Gross' reserves are defined as those accruing to the Company's working interest share before deduction of royalties and government share of profit petroleum.

(2) Table includes 197 Bcf of proved natural gas reserves and 235 Bcf of proved plus probable natural gas reserves related to the Company's interest in Block 5(c) in Trinidad and Tobago that was sold subsequent to March 31, 2014.

In fiscal 2014, net additions to proved reserves and to proved plus probable reserves on a gas equivalent basis (before the impact of production) exceeded production in the year, resulting in proved reserve replacement ratio of approximately 150 percent and proved plus probable reserve replacement ratio of approximately 110 percent.

India

Net additions to proved reserves on a gas equivalent basis (before the impact of production) amounted to 13 Bcfe for the D6 Block, approximately seven percent of the March 31, 2013 balance for the block, with virtually no revisions reflected for proved plus probable reserves.

Bangladesh

Net additions to proved reserves on a gas equivalent basis (before the impact of production) of 48 Bcfe were reflected for Block 9, increasing proved reserves to 128 Bcfe even after production of 21 Bcfe. This represents the second consecutive year of strong results on a proved basis. Proved plus probable reserves for Block 9 increased to 172 Bcfe from 150 Bcfe at March 31, 2013.

Trinidad and Tobago

The Company's estimated reserves as at March 31, 2014 included 197 Bcf of proved natural gas reserves and 235 Bcf of proved plus probable natural gas reserves related to its interest in Block 5(c) in Trinidad and Tobago that was sold subsequent to March 31, 2014.

Estimated After-tax Net Present Value of Future Net Revenue

	As at March 31,	
(millions of U.S. dollars)	2014	2013
Proved[1]	695	761
Proved plus Probable[1]	1,147	1,299

(1) Table includes after-tax net present value of future net revenue of $125 million for proved reserves and $159 million for proved plus probable reserves related to the Company's interest in Block 5(c) in Trinidad and Tobago that was sold subsequent to March 31, 2014.

After adjusting for the sale of the Company's interest in Block 5(c) in Trinidad and Tobago that closed in the first quarter of fiscal 2015, the estimated aggregate after-tax net present value of future net revenue attributable to the Company's estimated proved plus probable reserves (discounted at 10 percent and estimated using forecast prices and costs) as at March 31, 2014 is approximately $1 billion.

Complete details of the Company's reserves and future net revenues attributable thereto are contained in its Annual Information Form for the year ended March 31, 2014 which will be available on SEDAR at www.sedar.com.

FINANCIAL RESULTS

EBITDAX[1]

(millions of U.S. dollars)	Quarter ended Mar. 31, 2014	Quarter ended Dec. 31, 2013	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
EBITDAX	20	24	101	153
Loss	(1)	(448)	(657)	(216)

(1) EBITDAX is a non-IFRS measure as defined by the Company in its quarterly filings of its Management's Discussion and Analysis on SEDAR at www.sedar.com. The most comparable IFRS measure is net loss and a reconciliation of EBITDAX to net loss is contained in the Company's Management's Discussion and Analysis.

EBITDAX for the fourth quarter of fiscal 2014 was $20 million compared to $24 million for the third quarter of fiscal 2014, primarily due to the impact of lower liquids sales volumes from the D6 Block in India and higher G&A expenses related to legal cost of the ICSID arbitration cases in the quarter, partially offset by higher natural gas sales volumes from the D6 Block and from Block 9 in Bangladesh. EBITDAX for fiscal 2014 was $101 million compared to $153 million for fiscal 2013, primarily due to lower sales volumes in India.

Net loss for the fourth quarter of fiscal 2014 was $(1) million compared to a net loss of $(448) million for the third quarter of fiscal 2014. In the fourth quarter of fiscal 2014, the Company recorded $20 million of other income related to consideration received in exchange for assuming a 100 percent interest in the Semai V block in Indonesia (including a future drilling commitment), partially offset by a $16 million loss arising from the revaluation of the Company's future obligation payments of six percent of its share of revenue from the D6 Block, commencing April 1, 2015. In the third quarter of fiscal 2014, the Company recorded after-tax asset impairments totaling $339 million related to the Company's exploration and evaluation assets in Indonesia and Trinidad, exploration and evaluation expenses of $40 million, and restructuring costs of $38 million. Net loss for fiscal 2014 was $(657) million compared to a loss of $(216) million for fiscal 2013.

Complete details of the Company's financial results are contained in its consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2014 which will be available on SEDAR at www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

To provide the financial capacity to implement its new strategic focus of developing and appraising the assets in the D6 Block in India while maintaining optionality in the balance of its exploration portfolio, in the third quarter of fiscal 2014, the Company entered into a new secured term loan facilities agreement, closed an offering of equity securities, and executed a settlement agreement with Diamond Offshore for drilling contract obligations. At closing, the Company's revolving credit facility and secured loan agreement were fully repaid and the outstanding principal amounts of its unsecured notes were reduced with the terms of these notes amended to permit the holders to convert the outstanding amounts into common shares prior to maturity in July, 2013. The $174 million of net proceeds from the above transactions provided significant financial capacity for the Company's planned capital program, focused primarily on developing and appraising the assets in the D6 Block in India.

Prices for natural gas sales from the D6 Block were expected to approximately double effective April 1, 2014, as per the pricing formula approved by the GOI in June, 2013 and included in the Domestic Natural Gas Guidelines, 2014 ("Guidelines") published by the GOI in January, 2014. As per the Guidelines, the pricing formula shall be applicable to all natural gas sales from the D6 Block, subject to submission of bank guarantees related to incremental natural gas revenues from the Dhirubhai 1 and 3 fields. The Company has been working with Reliance, the operator of the D6 Block, on providing bank guarantees required by the GOI as security in the case of an adverse outcome to the D6 contractor group of the D6 cost recovery dispute arbitration proceedings. However, the GOI did not notify the price calculated under these Guidelines for the quarter beginning April 1, 2014, initially due to an election commission ruling that the price should not be notified during the election campaign, and subsequently due to the transition to a new government ruling party. Under protest but in good faith, the contractor group for the D6 Block has kept supplying gas to its customers and the customers have been paying for the gas supplied at the price specified in the sales contracts that expired on March 31, 2014. In May 2014, the contractor group for the D6 Block filed a notice of arbitration to the GOI seeking the implementation of the Guidelines. The GOI has indicated that it is working towards the announcement of a new natural gas price to be effective October 1, 2014, but there is significant uncertainty at this time as to the timing and magnitude of the price increase.

Sources of Funding

The Company has the following sources of cash for funding of its planned operating, investing and financing cash outflows (including working capital requirements):

- Unrestricted cash and cash equivalents as at March 31, 2014 of $82 million;
- Restricted cash as at March 31, 2014 of $79 million that is available for funding of expenditures related to the D6 Block in India (including working capital requirements);
- Receipts of oil and natural gas revenues from its producing assets in India and Bangladesh;
- Potential proceeds from asset sales, farm-outs and other arrangements; and
- Potential proceeds from future equity or debt issues.

Annual average sales volumes for the Company in fiscal 2015 from existing producing wells in its producing fields are targeted to be approximately equal to the annual average sales volumes for fiscal 2014, with the sales volumes from planned development activities in the D6 Block in the remainder of the year dependent on the timing and results of these activities. EBITDAX for fiscal 2015 is dependent on the sales volumes and resolution of the natural gas pricing increase. The Company's budget for its planned capital program for India and Bangladesh in fiscal 2015 is approximately $70 million, with a potential increase to $150-$200 million in fiscal 2016 depending on the resolution of the gas price issue described above.

If the expected new price for natural gas sales from the D6 Block in India is not notified by the GOI, then a significant portion of the contractor group's planned investments in the block are expected to be deferred; and

- the unrestricted and restricted cash and the forecasted receipts of oil and gas revenues are expected to be sufficient to satisfy the anticipated cash requirements of the Company's operating subsidiaries in India and Bangladesh, its corporate general and administrative expenditures, and its interest obligations for the foreseeable future.

If the expected new price for natural gas sales from the D6 Block in India is notified by the GOI, effective, October 1, 2014, then the contractor group's planned investments in the block for fiscal 2015 and fiscal 2016 are expected to occur as currently planned; and:

- If the bank guarantee required by the GOI is provided by Reliance on behalf of the contractor group without a requirement for cash support from the Company, then the unrestricted and restricted cash and the forecasted receipts of oil and gas revenues are expected to be sufficient to satisfy the anticipated cash requirements of the Company's operating subsidiaries in India and Bangladesh, its corporate general and administrative expenditures, and its interest obligations for the foreseeable future.

- If the bank guarantee required by the GOI is provided by Reliance on behalf of the contractor group with full cash support from the Company for the Company's share of the incremental natural gas revenue from the Dhirubhai 1 and 3 fields, then the unrestricted and restricted cash and the forecasted receipts of oil and gas revenues are expected to be sufficient to satisfy the anticipated cash requirements of the Company's operating subsidiaries in India and Bangladesh, its corporate general and administrative expenditures, and its interest obligations for fiscal 2015. In this scenario, for fiscal 2016, the Company is expected to require additional funding from asset sales, farm-outs and other arrangements and/or future equity or debt issues and expects that it will be able to raise the required funds from some or all of these sources. However, there can be no assurance that these efforts will be sufficient to satisfy the anticipated cash requirements of the Company's operating subsidiaries in India and Bangladesh, its corporate general and administrative expenditures, and its interest obligations.

As at March 31, 2014, the Company had $118 million of accounts payable and accrued liabilities related to its exploration subsidiaries, primarily in Indonesia and Trinidad, and has significant exploration work commitments over the next several years. The terms of the Company's term loan facilities limit the funding of capital expenditures and working capital requirements in these areas and the Company is evaluating its options for these subsidiaries as part of its strategy of maintaining optionality in its exploration portfolio. The Company is working on selling or farming out interests in many of its exploration production sharing contracts, rescheduling its exploration commitments, and settling its vendor liabilities. Over the next few years, the Company plans to limit its exploration expenditures outside of India and Bangladesh, net of proceeds of farm-outs and other arrangements, to less than $35 million per year. There is significant uncertainty regarding whether the Company's efforts will be sufficient to allow certain of the Company's exploration subsidiaries to meet existing and future obligations and continue activities in the future.

As described above, there is material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

Non-core Asset Dispositions, Farm-outs and Other Arrangements

In the first quarter of fiscal 2015, the Company closed the sale of its 25 percent interest in Block 5(c) in Trinidad and Tobago for net proceeds of $61 million and used the funds to repay $15 million of contract settlement obligation owing to Diamond and repay the $20 million term loan Facility E. As per the terms of the facilities agreement, the Company offered to prepay approximately $26 million of the term loan and the lender group declined the offer, resulting in additional cash being available for funding of the anticipated cash requirements of its operating subsidiaries in India and Bangladesh, its corporate general and administrative expenses, and its interest obligations.

During fiscal 2014, the Company received proceeds of $58 million related to its program of farm-outs and other arrangements, including certain consideration received in the fourth quarter of fiscal 2014 in exchange for assuming a 100 percent interest in the Semai V PSC in Indonesia (including a future drilling commitment). In the third quarter of fiscal 2014, the Company executed a farm-out agreement with Range Resources for 50 percent of the Company's interests in the Guayaguayare Shallow and Deep PSCs in Trinidad whereby Range will earn its interests by funding two onshore commitment wells and a potential onshore appraisal well at its sole expense, and will share the costs of an offshore commitment well equally with Niko. This agreement is subject to approval of the Government of Trinidad and Tobago.

Conference Call

Niko will be hosting its Q4 and year end results conference call on Friday, June 27, 2014 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/5584.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Jake Brace, President, 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 sale of non-core assets and farm-out transactions involving exploratory production sharing contracts, possible resolution of outstanding payables from the Indonesian and Trinidad drilling programs, sources of funding for planned operating activities, drilling activities in the D6 Block in India and the corresponding increases in sales volumes from these drilling activities anticipated in fiscal 2015, forecast EBITDAX for 2015, planned capital and exploration expenditures for 2015, and the outcome and timing in respect of the determination by the GOI of the increased pricing formula for natural gas sales in India. 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, government regulation, 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 meeting all of the Company's financing obligations and contractual commitments (including work commitments), the risks discussed under "Risk Factors" in the Company's Annual Information Form for the year-ended March 31, 2014 ("AIF") 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.

The reserves estimates presented herein are derived from the report of Deloitte LLP, an independent qualified reserves evaluator and auditor. Information relating to "reserves" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future to achieve the future net revenue calculated in accordance with certain assumptions. The assumptions relating to the reserves reported herein are contained in the reports of Deloitte LLP dated June 25, 2014 and effective March 31, 2014 and are summarized in Niko's AIF. Future net revenues associated with reserves do not necessarily represent fair market value.

The forward looking information included in this press release is expressly qualified in its entirety by this cautionary statement. The forward looking information included herein is made as of the date of this press release and Niko assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.

Non-IFRS Measures

The selected financial information presented throughout this press release is prepared in accordance with IFRS, except for “EBITDAX” and “funds from operations”. The Company utilizes EBITDAX and funds from operations to assess past performance and to help determine its ability to fund future capital projects and investments. EBITDAX is calculated as net income before interest expense, income taxes, depletion and depreciation expenses, exploration and evaluation expenses, and other non-cash items (gain or loss on investments, asset impairment, share-based compensation expense, restructuring expenses, accretion expense, and unrealized foreign exchange gain or loss). 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. Refer to the Company's Management’s Discussion and Analysis for details on these non-IFRS financial measures.