NIKO RESOURCES LTD

Q3 RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2014

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Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter ended December 31, 2014. The operating results are effective February 13, 2015. All amounts are in US dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

CHAIRMAN'S MESSAGE TO THE SHAREHOLDERS

In October 2014, the Government of India announced its new domestic gas pricing policy, effective November 1, 2014. The announced price for the period from November 2014 to March 2015 is a 33 percent increase over the price received previously, but is lower than expected. In addition, there is uncertainty around the long-term natural gas price outlook in India. As a result, the Company announced in December that it had engaged Jefferies as its financial advisor to assist the Company in pursuing strategic alternatives including the sale of assets of the Company, a merger or other business combination, the outright sale of the Company, a refinancing of its existing debt with replacement debt, or some combination thereof. Marketing efforts are underway for the potential sale of the Company's interest in the D6 Block in India along with other assets of the Company and/or the entire Company.

On February 12, 2015, the Company announced that it had reached an agreement with the institutional lenders of its term loan facilities to amend the terms of the facilities agreement. The Company believes that the amendment provides the Company with sufficient flexibility during the next year to complete its strategic alternatives plan. In this regard, the Company believes that the milestones related to its strategic alternatives plan agreed to in the amendment are consistent with an orderly sale and will be achieved on a timely basis.

On the operational side, the drilling of the MJ-A3 appraisal well confirmed hydrocarbons in a third fault block of the structure with the zone of interest thinner than expected, and the resource assessment for the significant MJ gas and condensate discovery is underway. The Company continues to focus its capital spending on core assets while minimizing cash outflows in other areas.

The Company also announces that Frederic (Jake) Brace, left his position as President of the Company, effective December 31, 2014. On behalf of the Board of Directors, I thank Jake for his service to the Company.

Kevin J. Clarke – Chairman and interim Chief Executive Officer, Niko Resources Ltd.

LIQUIDITY AND CAPITAL RESOURCES

In fiscal 2014, the Company shifted its strategic focus to developing and appraising the assets in the D6 Block in India, while maintaining optionality of the balance of its exploration portfolio. To provide the financial capacity to implement this strategy, in December 2013, the Company entered into a definitive facilities agreement with certain institutional lenders (the "lenders") providing for term loan facilities. At that time, 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 Government of India ("GOI") in June, 2013.

After three deferrals, in October 2014, the GOI approved the new domestic gas pricing policy for India effective November 1, 2014, and issued the New Domestic Natural Gas Guidelines, 2014 (the "Guidelines"), which reflect a pricing formula that has been revised from the pricing formula approved in June, 2013. In accordance with the new Guidelines, the GOI issued a notification that the initial price for the period of November 1, 2014 to March 31, 2015 is $5.05 / MMbtu based on the gross calorific value of the sales gas. This price equates to approximately $5.61 / MMbtu based on the net calorific value ("NCV") of the sales gas, an increase of approximately 33 percent from the $4.20 / MMbtu NCV that natural gas sales had been priced at prior to the adoption of the Guidelines.

The Guidelines indicate that, subject to certain exceptions, this initial price is applicable to all natural gas produced from various types of blocks in India including NELP blocks (such as the D6 and NEC-25 blocks in which the Company holds a 10 percent interest). One of the exceptions noted in the Guidelines is the Dhirubhai 1 and 3 fields in the D6 Block where a dispute between the contractor group and the GOI on the cost recovery of certain costs is under arbitration. The Guidelines indicate that the contractor group will be paid the earlier price of $4.20 / MMbtu and the difference between the revised price and the $4.20 / MMbtu will be credited to a gas pool account and "whether the amount so collected is payable or not to the contractors of this block would be dependent on the outcome of the award of the pending arbitration and any attendant legal proceedings".

As per the Guidelines, the announcement of the gas price will be determined on a semi-annual basis. Notification of the gas price for the period of April 1, 2015 to September 30, 2015 is expected to occur in mid-March 2015. Prices will be calculated based on a volume weighted average of prices in the US, Canada, Europe and Russia based on the twelve month trailing average price with a lag of three months.

The Guidelines indicate that "For all discoveries after the issuance of these guidelines, in Ultra Deep Water Areas, Deep Water Areas and High Pressure-High Temperature areas, a premium would be given on the gas price determined as per the formula" defined in the Guidelines, with the premium to be "determined as per prescribed procedure." The applicability of the premium to existing undeveloped discoveries in the D6 and NEC-25 blocks, such as the discoveries included in the approved plans of development for the R-Cluster and Satellite Areas, remains to be clarified. The development of these discoveries is dependent on the future long-term price outlook for gas sales from these projects and the significant uncertainty in this outlook could mean that the development of these reserves could be deferred and/or material reductions in the Company's reported reserves or future net revenues could result.

Due primarily to the projected impact of the new domestic gas pricing policy for India on the Company's future liquidity and significant uncertainty on the future long-term price outlook in India, the Company engaged Jefferies LLC as its financial advisor to assist the Company in pursuing strategic alternatives including the sale of assets of the Company, a merger or other business combination, the outright sale of the Company, a refinancing of its existing debt with replacement debt, or some combination thereof.

Covenants and Liquidity

In the current quarter, the Company was subject to the following financial covenants under its term loan facilities agreement (which covenants have since been waived per the amendment discussed below):

- Maximum ratio of (a) consolidated senior debt (defined as debt incurred under facilities A, B and C of the term loan facilities and finance lease obligations) to (b) the consolidated EBITDAX (as defined in the facilities agreement) for the trailing four quarters, commencing with the period ended June 30, 2014.
- Minimum ratio of (a) proved plus probable reserves for the D6 Block to (b) senior debt, commencing with the period ended March 31, 2014 (with the calculation performed annually based on its year-end reserves and financial statements).

The Company's operating results for the trailing four quarters ended December 31, 2014 were not sufficient to satisfy the senior debt to EBITDAX financial covenant and under the original agreement, this breach of covenant would have, but for the amendment (as defined below), resulted in the right for the lenders to accelerate payment of the outstanding principal amount of the term loan facilities of $308 million. Due to cross default provisions of the note indenture for the Company's convertible notes, an event of default under the term loan facilities agreement that was not cured within 45 days would permit the holders of the convertible notes to accelerate payment of the outstanding principal amount of the convertible notes of approximately $99 million. As a result, and not withstanding that an event of default did not occur under the facilities agreement, the Company has reflected the outstanding balances of the term loan facilities and convertible notes as current liabilities as at December 31, 2014.

In February 2015, the Company reached an agreement with the institutional lenders of its term loan facilities agreement to amend the terms thereof.

Subject to certain conditions, the key terms of the amendment are as follows:

- Requirement to achieve certain milestones related to the potential sale of the Company's interest in the D6 Block in India, which could include the sale of the Company
- Waiver of certain financial covenants and undertakings set out in the facilities agreement (including senior debt to EBITDAX, and proved plus probable reserves for the D6 Block to senior debt) until December 15, 2015 (or June 16, 2015, if certain milestones related to the potential sale of the Company's interest in the D6 Block are not met by such date)
- Requirement to maintain specified minimum cash balances
- Restrictions on capital expenditures for non-core assets and general and administrative expenditures
- An offer by the Company to make a principal repayment of $5 million on the term loan facilities by February 26, 2015
- If the lenders agree to the Company having access to the restricted cash in the reserve accounts specified in the facilities agreement, the Company shall (i) offer to make a principal repayment of $15 million on the term loan facilities, which repayment shall be made within 10 business days of the lenders making such agreement and (ii) pay a fee equal to 0.5 percent of the outstanding principal amount on the date the loan is repaid

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

- Unrestricted cash and cash equivalents as at December 31, 2014 of $74 million;
- Restricted cash as at December 31, 2014 of $58 million subject to terms under the amendment;
- 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 issuances.

The Company believes that the amendment provides the Company with sufficient flexibility during the next year to complete its strategic alternatives plan. In this regard, the Company believes that the milestones agreed to in the amendment are consistent with an orderly sale and will be achieved on a timely basis. However, if the strategic alternatives plan does not result in one or more transactions, or results in one or more transactions the terms or timing of which are unacceptable to the Company or the lenders, this could have a material adverse impact on the Company. Further, the results of the strategic alternatives plan could prove to be unsatisfactory for security holders, which could have a material adverse impact on the value of their interest in the Company.

As at December 31, 2014, the Company had $108 million of accounts payable and accrued liabilities related to its exploration subsidiaries in Indonesia and Trinidad and $272 million of exploration work commitments associated with these subsidiaries, including commitments of the Trinidad subsidiaries that are backed by parent company guarantees. For six production sharing contracts ("PSCs") in Indonesia that have commitments due in November 2014, the Company has requested amendments to the PSCs to extend the initial exploration period to ten years, and related extensions to the commitment dates. 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.

In October 2014, the Company executed a definitive agreement with a subsidiary of Ophir Energy Plc ("Ophir") relating to the sale of the Company's interests in seven Indonesian PSCs for cash consideration of $31 million, with further payments of up to $56 million contingent on future exploration success. Closings of the transactions for each of the seven PSCs are subject to closing adjustments and a number of conditions including the approval of the Government of Indonesia, certain other third party consents and agreements, and other conditions customary for transactions of this nature. Upon closings of the transactions, a specified portion of the proceeds would be used to reduce the Company's outstanding contract settlement obligation to Diamond Offshore, with the remainder subject to conditions outlined in the Company's term loan facilities agreement, and the Company will indemnify Ophir for any Land and Building Tax obligations related to its interests in three of the PSCs being sold through issuance of a parent company guarantee.

The Company is continuing its efforts to sell or farm out interests in many of its exploration PSCs, reschedule its exploration commitments, and settle its vendor liabilities. There is significant uncertainty regarding whether these 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 a result of the foregoing matters (including the ongoing obligations of the Company and its subsidiaries), there is material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

BUSINESS HIGHLIGHTS

The significant business highlights of the third quarter of fiscal 2015 are as follows:

Sales Volumes

	Three months ended December 31,		Nine months ended December 31,	
(mmcfe/d)	2014	2013	2014	2013
D6 Block, India	44	47	47	52
Block 9, Bangladesh	63	62	65	56
Other(1)	2	2	2	2
Total(1)	109	112	114	110

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

D6 Block, India

- In October 2014, the Cabinet Committee of Economic Affairs of the GOI approved the new domestic gas pricing policy for India and the GOI issued the New Domestic Natural Gas Guidelines, 2014 (the "Guidelines"). As a result, the price for natural gas sales from the D6 Block in India increased by 33 percent, effective November 1, 2014. Refer to the "Liquidity and Capital Resources" for a detailed discussion of the gas pricing policy and its impact on the Company and the Company's future outlook.
- During the quarter, the price for oil and condensate sales for the third quarter of fiscal 2015 decreased by nearly 45 percent compared to the third quarter of fiscal 2014 as a result of the decline in world oil prices.
- Total sales volumes in the third quarter of fiscal 2015 of 44 MMcfe/d were lower compared to the third quarter of fiscal 2014 primarily due to the impact of natural production declines in the fields in the block, partially offset by incremental production from the MA-8 development well brought on-stream in January 2014 and the MA-6H well sidetrack well brought on-stream in April 2014.
- Construction activities for the onshore terminal compression project continued in the third quarter of fiscal 2015, with commissioning underway on two of the compressors with the third compressor expected to be commissioned by March 2015.
- Appraisal of the MJ field continued in the third quarter with the drilling of the third appraisal well, MJ-A3, completed in the third quarter. The well encountered hydrocarbon at the zone of interest, with the zone thinner than expected. Analysis of the impact on the overall resources for the MJ gas and condensate field is currently underway.
- Drilling on MA-5H sidetrack well commenced in December 2014 and is expected to be completed in the fourth quarter.

Block 9, Bangladesh

- Total sales volumes for the third quarter of fiscal 2015 of 63 mmcf/d reflected the impact of a scheduled plant turnaround in early October and plant compression facilities which came on-line in the quarter.
- Total sales volumes for the nine months ended December 31, 2014 of 65 mmcf/d reflected the impact of workovers performed in the first half of fiscal 2014.

Restructuring

- In October 2014, the Company executed a definitive agreement with a subsidiary of Ophir Energy Plc relating to the sale of the Company's interests in seven Indonesian PSCs for cash consideration of $31 million, with further payments of up to $56 million contingent on future exploration success. Upon closing of the transactions, a specified portion of the proceeds would be used to reduce the Company's outstanding contract settlement obligation to Diamond Offshore, with the remainder subject to conditions outlined in the Company's term loan facilities agreement.
- Due primarily to the projected impact of the new domestic gas pricing policy for India on the Company's future liquidity and significant uncertainty on the future long-term price outlook in India, in the current quarter, the Company engaged Jefferies LLC as its financial advisor to assist the Company in pursuing strategic alternatives including the sale of assets of the Company, a merger or other business combination, the outright sale of the Company, a refinancing of its existing debt with replacement debt, or some combination thereof. Marketing efforts are underway for the potential sale of the Company's interest in the D6 Block in India along with other assets of the Company and/or the entire Company, and in this regard the Company has entered into confidentiality agreements with several parties.

CAPITAL AND EXPLORATION EXPENDITURES

For the nine months ended December 31, 2014:

(thousands of US Dollars)	Additions to property, plant and equipment(1)	Additions to capital inventory	Additions to exploration and evaluation assets(1)(2)	Directly expensed exploration and evaluation costs(1)	Total
India and Bangladesh	26,877	739	15,225	249	43,090
Other	62	(5,812)	1,880	14,432	10,562
Total	29,939	(5,073)	17,105	14,681	53,652

(1) Share-based compensation and other non-cash items are excluded.
(2) Includes additions that were subsequently written off.

India and Bangladesh

Capital and exploration expenditures in India and Bangladesh totaled $43 million for the nine months ended December 31, 2014, including $10 million in the current quarter. Development capital of $27 million incurred year to date related primarily to the drilling of wells and workover operations in the Dhirubhai 1 and 3 field in the D6 Block in India and compression projects in the D6 Block and in Block 9 in Bangladesh. Exploration and evaluation capital of $15 million for the nine months ended December 31, 2014 is primarily related to the appraisal drilling of MJ-A2 and MJ-A3 in the MJ field in the D6 Block in India. Costs related to the unsuccessful MJ-A2 well were expensed in the first quarter.

Other Countries

Capital and exploration expenditures outside of India and Bangladesh totaled $11 million for the nine months ended December 31, 2014, including $4 million in the current quarter. Year to date exploration and evaluation costs expensed directly to income of $14 million reflect final costs related to operation of the Ocean Monarch rig in Indonesia and branch office costs, partially offset by the impact of returning $6 million of drilling inventory to suppliers in the first quarter.

FINANCIAL RESULTS

	Three months ended December 31,		Nine months ended December 31,	
(mmcfe/d)	2014	2013	2014	2013
EBITDAX	19	24	63	81
Net loss	(144)	(448)	(238)	(656)

(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 third quarter of fiscal 2015 was $19 million compared to $24 million in the third quarter of fiscal 2014 primarily due lower oil prices, decreased sales volumes, and higher government share of revenue in Block 9 in Bangladesh, partially offset by higher natural gas prices for the D6 Block in India.

Net loss for the third quarter of fiscal 2015 primarily related to recognition of asset impairment of $67 million relating to exploration and evaluation assets and capital inventory in Trinidad and Indonesia, accelerated accretion expense of $81 million resulting from the reclassification of the Company's term loan facilities and convertible notes from long-term to current liabilities in the quarter, partially offset by a $48 million gain on derivative related to the impact of the new natural gas price guidelines on the revaluation of the Company's deferred obligation related to the D6 Block in India. Net loss in the third quarter of fiscal 2014 related primarily to the after-tax impact of impairments of exploration and evaluation assets in Indonesia and Trinidad.

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

About Niko Resources Ltd.:

With its head office in Calgary, Alberta, Canada, Niko is focused on value generation in the D6 Block in India, while maintaining optionality to benefit from the exploration potential in its portfolio.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, 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 ability of the Company to successfully complete its strategic alternatives plan on a timely basis (including meeting and satisfying certain milestones), the Company complying with the terms of the facilities agreement, as amended by the amendment, and the ability of the Company to give effect to its business plan. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. There can be no assurances that the Company will be able to successfully complete its strategic alternatives plan on a timely basis, or that the Company will be able to comply with the terms of the facilities agreement, as amended by the amendment, or that the Company will be able to meet the goals and purposes of its business plan or meet and satisfy the milestones agreed to in the amendment. The failure to meet or satisfy any of the foregoing is likely to have a material adverse impact on the Company. 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, many of which are not within the control of the Company and include 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 Company meeting its obligations under the amended facilities agreement and successfully completing its strategic alternatives plan, as well as 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 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”. The Company utilizes EBITDAX to assess performance and to help determine its ability to fund future capital projects and to repay debt. 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, gain or loss on asset disposal, gain or loss on derivatives, asset impairment, share-based compensation expense, restructuring expenses, accretion expense, and unrealized foreign exchange gain or loss). EBITDAX 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.