Niko Announces Independent Resources Evaluation of MJ Discovery in the D6 Block in India

CALGARY, ALBERTA (April 6, 2015) – Niko Resources Ltd. ("Niko" or the "Company")(TSX – "NKO") is pleased to announce that the Company has received an independent resources evaluation report for the MJ Discovery in the D6 Block in India from Deloitte LLP ("Deloitte"), an independent petroleum engineering firm. The evaluation has been prepared in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities and the Canadian Oil and Gas Evaluation Handbook, with an effective date of March 31, 2015.

"The discovery and successful appraisal of MJ adds a new and exciting chapter to the D6 Block. Going forward, the contractor group in the block will be working on plans to develop MJ, which may lead to potentially significant additions to reserves and production levels in the coming years," said William T. Hornaday, Chief Operating Officer, Niko Resources Ltd.

Resources Evaluation – MJ Discovery in the D6 Block in India

Deloitte has evaluated the contingent resources for the MJ Discovery in the D6 Block in India based on available information, including the drilling, testing and coring results of the MJ-1 discovery well and the MJ-A1, MJ-A2, and MJ-A3 appraisal wells:

- The drilling of MJ-1, located in the Central (North) fault block, was completed in May 2013 in a water depth of 1,024 metres to a total depth of 4,509 metres to explore the prospectivity of a Mesozoic Synrift Clastic reservoir lying over 2,000 metres below the already producing reservoirs in the Dhirubhai 1 and 3 gas fields. Formation evaluation indicates a gross gas and condensate column in the well of about 155 metres in the Mesozoic reservoirs. In a drill stem test, the well flowed 30.6 MMcf/d of natural gas and 2,121 b/d of liquids though a 36/64" choke, with a flowing bottom hole pressure of 8461 psia suggesting good flow potential. The well flow rate during the test was limited by the rig and well test equipment configuration.
- The appraisal program, which included three appraisal wells, has provided additional information on understanding the reservoir. The first appraisal well, MJ-A1, in what is now designated as the Northern fault block, had encouraging results. No hydrocarbon bearing zone was encountered in the second appraisal well, MJ-A2, in the Eastern segment of MJ discovery area. The third appraisal well, MJ-A3, in the Central (South) fault block, encountered hydrocarbons at the zone of interest, with the zone thinner than expected.

Deloitte's best case estimate of gross unrisked contingent resources of 1.4 trillion cubic feet of equivalent ("Tcfe") relates to the Central (North), Northern and Central (South) fault blocks that were drilled by the MJ-1, MJ-A1, and MJ-A3 wells, based on an estimated areal extent of approximately 24 square kilometers, approximately twice the areal extent of the analogous MA field that is currently producing.

Table 1 provides the estimates of the gross unrisked recoverable contingent resources for the MJ Discovery in the D6 Block in India as evaluated by Deloitte as of March 31, 2015.

Table 1

Gross Unrisked Contingent Resources [(1), (2)]

for the MJ Discovery in the KG-D6 Block in India as of March 31, 2015

Hydrocarbon Type	Units	Low Estimate[(4)]	Best Estimate[(5)]	High Estimate[(6)]
Non-Associated Gas[(3)]	BCF	778	1,108	1,581
Condensate	MMBBL	34	49	71
Total[(7)]	BCFe	988	1,402	2,000

Notes to Table 1:

1) The resources presented are the gross volumes estimated for the indicated reservoirs without any adjustments for the Company's working interest or encumbrances. Niko has a 10 percent working interest in the D6 Block in India. For a description of the production sharing terms under the D6 Block PSC, see the Company's Annual Information Form dated June 26, 2014 ("AIF") under the heading "Terms of Agreements governing Exploration, Development and Production Activities".

2) Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources have an associated chance of development (economic, regulatory, market and facility, corporate commitment or political risks). These estimates have not been risked for the chance of development. There is no certainty that the contingent resources will be developed and, if they are developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the contingent resources. The major contingencies identified that need to be overcome for the contingent resources to become reserves are as follows:

    - Economic volumes have not been established as the costs associated with producing these volumes (capital and operating) have not been determined.
    - Regulatory approval from the Indian government will be required to bring this field on-stream.
    - Niko has not made any decisions as to whether to commit to project development.
    - Niko is not the operator of the D6 Block. The operator of the D6 Block, who is the majority working interest holder, has confirmed the appraisal work and development planning work is currently underway. The operator is actively pursuing related studies.

3) The gross unrisked contingent resources for gas reflect reductions for condensate recovery, surface losses, and fuel gas.

4) Low Estimate is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

5) Best Estimate is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

6) High Estimate is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

7) Total natural gas equivalent may be misleading, particularly if used in isolation. A Mcfe conversion ratio of 1 bbl:6 Mcfe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

This news release contains certain forward-looking information relating, but not limited, to future development plans, the timing associated therewith, future potentially significant increases to reserves and production levels, and resources. Forward-looking information typically contains statements with words such as "anticipate", "plan", "estimate", "expect", "potential", "could", or similar words suggesting future outcomes. The Company cautions readers not to place undue reliance on forward-looking information as by its nature, it is based on current expectations regarding future events that involve a number of assumptions, inherent risks and uncertainties, which could cause actual results to differ materially from those anticipated by the Company. Readers are also cautioned that disclosed test rates and results are not necessarily indicative of long-term performance or of ultimate recovery. In addition, the forward-looking information is made as of the date hereof, and the Company assumes no obligation to update or revise such to reflect new events or circumstances, except as required by law.

Forward-looking information is not based on historical facts but rather on management's current expectations and assumptions regarding, among other things, plans for and results of drilling activity and testing programs, future capital and other expenditures (including the amount, nature and sources of funding thereof), continued political stability, and timely receipt of any necessary government or regulatory approvals. Although the Company believes the expectations and assumptions reflected in such forward-looking information are reasonable, they may prove to be incorrect. Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from those anticipated by the Company including, but not limited to, risks associated with the Company, its business and its previously announced pursuit of strategic alternatives, risks associated with the oil and gas industry (e.g. operational risks in exploration; inherent uncertainties in interpreting geological data; changes in plans with respect to exploration or capital expenditures; interruptions in operations together with any associated insurance proceedings; the uncertainty of estimates and projections in relation to costs and expenses and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with negotiating with foreign governments, the risk of adverse determinations by governmental authorities, the risk of arbitrating and enforcing claims against entities that may claim sovereignty and other risks associated with international activity and foreign governmental sovereignty over the areas in which the Company’s operations are conducted. For further information on the Company and the risks associated with its business, please see the Company's AIF which is available on SEDAR at www.sedar.com.

In addition, statements relating to "resources" contained herein are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources described can be economically produced in the future. Terms related to resource classifications referred to herein are based on the definitions and guidelines in the Canadian Oil and Gas Evaluation Handbook. Contingent resources have an associated chance of development (economic, regulatory, market and facility, corporate commitment or political risks). The estimates of contingent resource referred to herein have not been risked for the chance of development. There is no certainty that the contingent resources will be developed and, if developed, there is no certainty as to the timing of such development or that it will be commercially viable to produce any portion of the contingent resources. The resource estimates presented are gross volumes without any adjustment for the Company’s working interest or encumbrances. In addition, the gross unrisked contingent resource volumes presented in Table 1 reflect the stochastic total of the estimated volumes for each fault block in the MJ Discovery.