NIKO RESOURCES LTD

NIKO REPORTS RESULTS FOR THE YEAR ENDED MARCH 31, 2017

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter and year ended March 31, 2017. The operating results are effective June 15, 2017. All amounts are in US dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

CHIEF EXECUTIVE OFFICER'S MESSAGE TO THE SHAREHOLDERS

The focus of our efforts continues to be to achieve our overarching goal of enhancing value and ultimately monetizing the Company's core assets for the benefit of all its stakeholders. However, general market conditions in the industry coupled with our on-going legal issues relating to our assets in India and Bangladesh provide significant challenges that need to be overcome in order to achieve our goal.

The continued non-payment of amounts due for natural gas and condensate delivered from Block 9 in Bangladesh threatens the ability of the Company to fund its operations over the next several months. In addition, it is the opinion of both the Company and our independent reserves evaluator that reserves associated with Niko's interest in Block 9 can no longer be recognized at this time. If the situation in Bangladesh can be resolved, then reserves for Block 9 could again be recognized.

Faced with this liquidity concern, we continue to pursue resolution of the situation in Bangladesh and actively market our interest in the D6 Block in India. I believe that the recent announcement by the operator of the D6 Block indicating that they will award contracts to progress development of the R-Series deepwater gas fields in the block could help this marketing process and that a sale of our interest in the D6 Block could potentially provide a solution to our liquidity situation and achieve our Company's overarching goal. However, no assurance can be made that these efforts will provide a solution on a timely basis or at all.

While we remain hopeful, we acknowledge that much work has to be done and we are committed to doing our best for the benefit of all stakeholders.

William Hornaday – Chief Executive Officer, Niko Resources Ltd.

LIQUIDITY AND CAPITAL RESOURCES

Non-payments by Petrobangla of Amounts Due

Since June 2016, Bangladesh Oil, Gas and Mineral Corporation ("Petrobangla") has paid reduced amounts to the operator of the Block 9 PSC for invoiced amounts due for gas and condensate supplied from March 2016 to March 2017 pursuant to the Block 9 gas and condensate sales agreements, with the amounts withheld equal to the 60 percent share in the Block 9 PSC held by Niko Exploration (Block 9) Limited ("Niko Block 9") and totalling $31.5 million to date. Niko Block 9 has issued notices of dispute and force majeure under the Block 9 PSC and sales agreements to the Government of Bangladesh ("GOB") and Petrobangla. As the cash flow that was expected to be generated by the Block 9 PSC was targeted to fund the current and projected capital expenditures related to the drilling program in Block 9 in fiscal 2017 as well as other cash requirements of the Company, since late September 2016 Niko Block 9 has not paid cash calls that were due and has been issued default notices by the operator of the Block 9 PSC. Under the terms of the joint operating agreement ("JOA") between the participating interest holders in the Block 9 PSC, during the continuance of a default, the defaulting party shall not have a right to its share of gas and condensate sales proceeds, which shall vest in and be the property of the non-defaulting parties who have paid to cover the amount in default in order to recover the amounts owed by the defaulting party. In addition, if the defaulting party does not cure a default within sixty days of the default notice, the non-defaulting parties have the option to require the defaulting party to withdraw from the PSC and JOA. To date, the non-defaulting parties have not exercised this option.

Funding of Projected Cash Requirements of the Company

The Company's cash flow has been negatively impacted by the failure of Petrobangla to comply with its legal obligations as outlined above. As a result, the Company's cash balances as at March 31, 2017 and projected revenues from its assets in India are not expected to be sufficient to fund the projected cash requirements of the Company's assets in India and its other cash requirements over the next several months. However, the Company's cash resources, and therefore its ability to fund its operations, could be positively enhanced by various factors, including the following:

- Receiving payments from Petrobangla of amounts due,
- Executing sale(s) of the Company's interests in its core assets in India and Bangladesh, or
- Obtaining financing for planned development projects in the D6 Block.

No assurance can be made that appropriate steps will be taken, or goals accomplished, in a manner or on a timely basis so as to enhance the Company's cash resources sufficiently. The failure to enhance the Company's cash resources on a timely basis will have a material adverse impact on the ability of the Company to fund its operations.

Term Loan and Convertible Notes

In July 2016, the Company executed an amendment (the "Fourth Amendment") to the terms of the Facilities Agreement with its Term Loan Lenders and executed a supplemental indenture to the Indenture governing its Convertible Notes (the "Indenture Amendment") (collectively, the "Amendments"). As a result of the Amendments, the Company is not required to make interest payments (including interest previously owing) under the Facilities Agreement or the Indenture during the term of the Amendments, nor make payments under the deferred obligation, other than in connection with waterfall distributions ("Waterfall Distribution"). The Amendments restrict the Company's ability to utilize potential proceeds from sales of assets and settlements of arbitration and / or tax claims, as any proceeds from these types of transactions will be required to be distributed amongst the lenders under the amended Facilities Agreement, the holders of the Convertible Notes (the "Noteholders") and the Company pursuant to the Waterfall Distribution. The Waterfall Distribution under the Amendments is described in Note 15(b) of the Company's audited consolidated financial statements for the year ended March 31, 2017; and, in respect of amounts to be retained by the Company, is subject to the 2016 Settlement Agreement described under "Diamond Settlement" below.

Diamond Settlement

In October 2016, Niko executed an agreement (the "2016 Settlement Agreement") with subsidiaries of Diamond Offshore ("Diamond") relating to the settlement of outstanding claims under drilling contracts and the agreement executed in December 2013 (the "2013 Settlement Agreement") (including related judgements granted by courts in Texas and Alberta), in compliance with the terms of the Fourth Amendment. The terms of the 2016 Settlement Agreement are described in Note 16(b) of the Company's audited consolidated financial statements for the year ended March 31, 2017.

Claim from the Government of India in Alleged Migration of Natural Gas Dispute

In November 2016, the contractor group of the D6 Block in India received a letter from the Government of India ("GOI"), in which the GOI made a claim of approximately $1.55 billion (Niko share $155 million) against the contractor group in respect of gas said to have migrated from neighboring blocks to the D6 Block. Reliance Industries Limited, the operator of the D6 Block, has invoked the dispute resolution mechanism in the PSC and issued a Notice of Arbitration to the GOI, with the arbitration process currently underway. Niko believes the contractor group is not liable for the amount claimed by the GOI and is working with the contractor group to defend against the claim by invoking the dispute resolution mechanism in the PSC.

Exploration Subsidiaries

The Company's exploration subsidiaries that previously owned interests in PSCs in Trinidad and Indonesia have significant accounts payable and accrued liabilities (including PSC obligations) and unfulfilled exploration work commitments reflected on the Company's balance sheet as at March 31, 2017. In August 2016, three of the Company's indirect subsidiaries received written notice from the Government of the Republic of Trinidad and Tobago ("GORTT") requesting that unfulfilled exploration work commitments be performed under each of the subsidiaries' respective PSCs within sixty days, failing which the GORTT would terminate the three PSCs and exercise its rights on the parent company guarantees for unfulfilled exploration commitments of $118 million. In May 2017, the Company's indirect subsidiaries received written notices from the GORTT terminating the three PSCs. In the Company's view, the parent guarantees for unfulfilled exploration commitments for the three PSCs have expired.

Contingent Liabilities

The Company and its subsidiaries are subject to various claims from other parties, as described in Note 32 of the Company's audited consolidated financial statements for the year ended March 31, 2017, and are actively defending against these claims. An adverse outcome on one or more of these claims could significantly impact the future cash flows of the Company.

Ability of the Company to Continue as a Going Concern

As a result of the foregoing matters (including the ongoing obligations of the Company and its subsidiaries), there are material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern.

Complete details of the Company's financial results are contained in its audited consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2017 which will be available under the Company's SEDAR profile at www.sedar.com.

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

India

Estimated Reserves - India

	As at March 31,	
Gross[1] (Bcfe)	2017	2016
Proved	232	265
Proved plus Probable	362	406

(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, and are reflected on a gas equivalent basis.

Deloitte LLP ("Deloitte"), an independent petroleum engineering firm, has prepared its reserves evaluation for the Company's interest in the D6 Block in India. This 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, 2017.

Deloitte has evaluated the reserves for the Company's interest in the D6 Block in India using its forecast of commodity price inputs into the Indian natural gas pricing formulas under the Guidelines for producing fields and under the New Guidelines for undeveloped discoveries.

Estimated After-tax Net Present Value of Future Net Revenue - India (discounted at 10%)

	As at March 31,	
(millions of U.S. dollars)	2017	2016
Proved	250	218
Proved plus Probable	486	486

Bangladesh

Since June 2016, Petrobangla has withheld all payments for Niko's share of gas and condensate sales from the Block 9 PSC due to legal disputes between Niko and the GOB, Petrobangla and Bapex (refer to discussion on *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section). In this situation, it is the opinion of both Deloitte and Niko that reserves associated with Niko's interest in Block 9 can no longer be recognized. If the situation in Bangladesh can be resolved such that payments for the Company's share of Block 9 gas and condensate sales resume, then reserves for Block 9 could again be recognized.

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, 2017, which will be available on the Company's SEDAR profile at www.sedar.com.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

The Company's financial results for the year ended March 31, 2017 were impacted by the following significant items:

Execution of the Amendments in July 2016
As a result of the Amendments, the carrying value of the Term Loan, Convertible Notes and deferred obligation and related interest and other payment obligations that had been reflected as current liabilities were derecognized and these obligations were recorded as long-term liabilities at their estimated fair values, resulting in the recognition of a gain on debt modification of $255 million, net of costs. The value of these obligations is primarily dependent on the net proceeds that would be distributed in the future under the Waterfall Distribution mechanism to the respective holders of these debt instruments upon the sale of the assets of the Company and other events, and is therefore highly uncertain. The estimated fair value of the Convertible Notes was determined based on the active trading price of Cdn$11.00 per $100 of Convertible Notes on the date of the Indenture Amendment, the estimated fair value of the Term Loan was determined using the estimated fair value of the Convertible Notes and the corresponding net proceeds that would be payable to the Term Loan lenders under the Waterfall Distribution mechanism, and the estimated fair value of the deferred obligation was determined to be zero based on the priority of payments for the deferred obligation being last under the Waterfall Distribution mechanism after all other claims under the Term Loan have been completely satisfied. In addition, subsequent to the date of the Amendment, the Company has not recognized interest expense on the Term Loan and Convertible Notes.

Diamond Settlement
As a result of the 2016 Settlement Agreement, the carrying value of the contract settlement obligation that had been reflected as a current liability was derecognized and this obligation was recorded as a long-term liability at its estimated fair value, resulting in the recognition of a gain on debt modification of $28 million, net of costs. The value of this obligation is primarily dependent on the net proceeds that would be distributed to Diamond in the future under the Waterfall Distribution mechanism upon the sale of the assets of the Company and other events, and is therefore highly uncertain. The estimated fair value of the contract settlement obligation was determined using the estimated fair value of the Convertible Notes and the corresponding net proceeds that would be payable to Diamond under the Waterfall Distribution mechanism.

Non-payments by Petrobangla of Amounts Due
As a result of the continued non-payments by Petrobangla of amounts due and Niko Block 9's non-payments of cash calls due to the operator and the default mechanism in the Block 9 JOA, the invoices issued by the operator of the Block 9 PSC for gas and condensate sales to Petrobangla for September 2016 to March 2017 reflect the non-defaulting parties' entitlement to the sales proceeds and, as such, the Company did not recognize $19 million of net oil and gas revenues that it otherwise would have been entitled to. In addition, the Company recognized an impairment of $13 million in the second quarter of fiscal 2017 related to the net revenue receivable from Petrobangla for the months of March to August 2016. If the non-defaulting parties to the Block 9 exercise their option to require Niko Block 9 to withdraw from the PSC and JOA and if this results in a loss of Niko Block 9's interest in the PSC and JOA, then a full impairment of the Company's carrying value of the assets and liabilities related to Block 9 could result.

The Company's results for the fourth quarter and year ended March 31, 2017 are as follows:

Consolidated

(thousands of US Dollars,	Three months ended March 31,		Year ended March 31,	
unless otherwise indicated)	2017	2016	2017	2016
Sales volumes (MMcfe/d)(1)	87	99	88	104
Net oil and natural gas revenue	8,097	20,370	44,385	94,170
EBITDAX from continuing operations(2)	556	11,018	17,575	57,118
Net income (loss) from continuing operations	24,111	77,595	266,567	(55,694)
Net income (loss) from discontinued operations	(23)	(337)	(2,148)	(30,108)
Development capital expenditures	2,947	2,789	30,968	21,679
Net cash flow(3)	(4,783)	(1)	(25,680)	(22,562)

(1) Includes volumes for September 2016 to March 2017 in Bangladesh for which revenue has not been recognized (see below).

(2) Refer to "Non-IFRS Measures" for details.

(3) Net cash flow is the total change in cash and cash equivalents as stated in the Company's statement of changes in cash flow. This additional IFRS measure is used to show the total change in cash and cash equivalents from the Company's operating, investing and financing activities.

Highlights for the year ended March 31, 2017 include:

Natural production declines and lower natural gas prices for the D6 Block in India and the non-recognition of net revenue for Block 9 in Bangladesh in fiscal 2017 contributed to lower net oil and gas revenue and lower EBITDAX for the Company for fiscal 2017 compared to fiscal 2016, partially offset by lower production and operating expenses and general and administrative expenses.

Net income from continuing operations of $267 million in fiscal 2017 primarily resulted from recognition of gains on debt modification totalling $283 million resulting from the Amendments and the 2016 Settlement Agreement, and recognition of deferred income tax recovery of $40 million related to an extension in the carry-forward period for unutilized Minimum Alternative Tax ("MAT") credits in India from ten to fifteen years, partially offset by the negative impact of $32 million of non-payments by Petrobangla of amounts due in Block 9 and finance expense of $26 million. Refer to Note 26 of the audited consolidated financial statements for the year ended March 31, 2017 for details regarding MAT.

Net loss from continuing operations of $(56) million in fiscal 2016 primarily reflected the recognition of unfulfilled exploration commitments of $54 million, finance expense of $77 million and recognition of deferred income tax expense of $40 million, partially offset by net reversal of asset impairments of $121 million primarily related to the D6 Block in India.

Development capital expenditures of $31 million in fiscal 2017 related primarily to development well programs in the D6 Block in India and Block 9 in Bangladesh.

Net cash flow of ($26) million in fiscal 2017 primarily reflected the impact of EBITDAX, payments for development capital expenditures of $17 million, and principal and interest repayments of $11 million on the finance lease related to the floating, production, storage and offloading vessel ("FPSO") employed in the D6 Block in India.

Highlights for the fourth quarter ended March 31, 2017 include:

Total sales volumes in the fourth quarter of fiscal 2017 of 87 MMcfe/d decreased from 99 MMcfe/d in fiscal 2016 primarily due to the impact of natural production declines in the D6 Block in India and impact of increased delivery pressure requirements of the sales trunkline in Block 9 in Bangladesh, partially offset by incremental production from two sidetrack wells in the D6 Block, of which one well was brought on-stream in January 2017.

Net oil and natural gas revenues of $8 million decreased in the fourth quarter of fiscal 2017 compared to $20 million in the fourth quarter of fiscal 2016 primarily due to lower natural gas sales volumes and prices in India and the non-recognition of $8 million of net oil and gas revenues in Block 9 during the fourth quarter.

EBITDAX in the fourth quarter of fiscal 2017 decreased compared to $11 million in the fourth quarter of fiscal 2016 primarily due to lower net oil and natural gas revenues in India and a result of the non-recognition of net oil and gas revenues in Block 9, offset by lower production and operating expense.

Net income from continuing operations of $24 million in the fourth quarter of fiscal 2017 decreased compared to $78 million in the fourth quarter of fiscal 2016 primarily due to the impact of lower EBITDAX, offset by the recognition of deferred income tax recovery of $40 million in India related to MAT. In the fourth quarter of fiscal 2016, the Company recognized a reversal of asset impairment of $199 million, which was partially offset by the recognition of deferred income tax expense of $40 million.

Net cash flow of $(5) in the fourth quarter of fiscal 2017 increased from the fourth quarter of fiscal 2016 primarily due to payments for development capital expenditures in India.

Results for the year ended March 31, 2017 for each reportable segment are as follows:

India

(thousands of US Dollars, otherwise indicated)	Three months ended March 31, 2017	2016	Year ended March 31, 2017	2016
Sales volumes (MMcfe/d)	29	37	30	41
Net oil and natural gas revenue	8,093	13,667	33,504	67,820
Segment EBITDAX[1]	2,972	7,019	16,669	45,825
Segment income	25,864	159,635	25,447	74,692
Development capital expenditures	2,317	1,154	18,599	16,783
Segment net cash flow[1]	(3,322)	1,210	(13,083)	(2,155)

(1) Refer to "Non-IFRS Measures" for details.

Total sales volumes from the D6 Block in fiscal 2017 of 28 MMcfe/d decreased from 39 MMcfe/d in fiscal 2016 primarily due to the impact of natural production declines in the fields in the block, partially offset by incremental production from sidetracks and reactivations during fiscal 2016 and fiscal 2017. Two sidetrack wells in the MA field brought on-stream in October 2016 and January 2017, respectively, contributed approximately 7 MMcfe/d of production for the fourth quarter of fiscal 2017.

Net oil and natural gas revenues decreased in fiscal 2017 compared to fiscal 2016 primarily due to lower natural gas sales volumes and prices. The notified price for gas sales from the D6 Block was $3.06 / MMbtu GCV for April 1, 2016 to September 30, 2016 and $2.50 / MMbtu for October 1, 2016 to March 31, 2017 (compared to $4.66 / MMbtu for April 1, 2015 to September 30, 2015 and $3.82 / MMbtu for October 1, 2015 to March 31, 2016). The notified price for gas sales from the D6 Block for April 1, 2017 to September 30, 2017 is $2.48 / MMbtu.

Segment EBITDAX of $17 million in fiscal 2017 decreased compared to fiscal 2016 primarily due to lower net oil and natural gas revenues, partially offset by the impact of lower production and operating expenses for the D6 Block.

Segment income of $25 million in fiscal 2017 decreased compared to segment income of $75 million in fiscal 2016 primarily due to lower EBITDAX in fiscal 2017 and a reversal of asset impairment of $119 million in fiscal 2016, partially offset by lower depletion expense in fiscal 2017 and a deferred income tax recovery of $40 million recognized in the fourth quarter of fiscal 2017 versus a deferred income tax expense of $40 million in fiscal 2016. Depletion expense decreased in fiscal 2017 compared to fiscal 2016 due to lower production volumes and a lower depletion rate resulting from a change in the depletion calculation for the common facilities of the D6 Block effective April 1, 2016, whereby the costs of common facilities are depleted using the total proved reserves of the D6 Block instead of being depleted using the total proved reserves of producing fields in prior periods.

Development capital expenditures of $19 million in fiscal 2017 primarily related to the development drilling program in the D6 Block in India. Development capital expenditures are expected to increase in fiscal 2018 due to the planned spending for the development of the R-Series gas fields.

Segment net cash flow of ($13) million in fiscal 2017 primarily reflected the impact of segment EBITDAX, which was more than offset by payments for development capital expenditures of $22 million, and $11 million of principal and interest repayments on the finance lease related to the FPSO employed in the D6 Block.

In the third quarter of fiscal 2017, the Company signed an asset sale and purchase agreement for the sale of its 33.33 percent interest in the Hazira field in India. Closing of the sale transaction is subject to government and other approvals. The Company's share of sales volumes from the Hazira field in fiscal 2017 of 1.3 MMcfe/d was virtually unchanged from fiscal 2016.

Bangladesh

(thousands of US Dollars, unless otherwise indicated)	Three months ended March 31, 2017	2016	Year ended March 31, 2017	2016
Sales volumes (MMcfe/d)[1]	58	61	58	62
Net oil and natural gas revenue	-	6,703	10,867	26,333
Segment EBITDAX[2]	(1,297)	5,120	4,983	17,300
Segment income (loss)	(2,605)	3,759	(13,497)	10,266
Development capital expenditures	630	1,635	12,369	4,896
Segment net cash flow[2]	(489)	39	(490)	11,241

(1) Includes volumes for September 2016 to March 2017 for which revenue has not been recognized (see below).

(2) Refer to "Non-IFRS Measures" for details.

Total sales volumes from Block 9 in fiscal 2017 decreased from fiscal 2016, primarily reflecting the impact of increased delivery pressure requirements of the sales trunkline, partially offset by the impact of a development well that was brought on-stream in late January 2017.

Net oil and natural gas revenues in fiscal 2017 decreased from fiscal 2016 due to lower sales volumes and the non-recognition of $19 million of net oil and gas revenues from September 2016 to March 31, 2017 in Block 9 (refer to discussion on *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section).

Segment EBITDAX of $5 million in fiscal 2017 decreased compared to fiscal 2016 primarily as a result of the non-recognition of net oil and gas revenues, partially offset by lower production and operating expenses.

Segment loss of $(13) million in fiscal 2017 decreased compared to segment income of $10 million in fiscal 2016 primarily as a result of lower segment EBITDAX and the impairment of $13 million of net revenue receivable from Petrobangla, partially offset by lower depletion expense.

Development capital expenditures of $12 million in fiscal 2017 related primarily to costs for the development drilling program in Block 9 in Bangladesh. The drilling of the first of two planned development wells in the Bangora field commenced in September 2016 and this well was brought on-stream in late January 2017. Drilling of the second well is currently under evaluation (refer to discussion on *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section).

Segment net cash flow in fiscal 2017 primarily reflected the non-payment by Petrobangla of amounts due to the Company and non-payment by the Company of cash calls due to the operator for development capital and operating expenditures in Block 9 (refer to discussion on *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section).

Other

(thousands of US Dollars, unless otherwise indicated)	Three months ended March 31, 2017	2016	Year ended March 31, 2017	2016
Segment EBITDAX from continuing operations[1]	(1,119)	(1,121)	(4,077)	(6,007)
Segment income (loss) from continuing operations	852	(85,799)	254,617	(140,652)
Segment net cash flow from continuing operations[1]	(966)	(1,205)	(12,088)	(37,855)
Net income (loss) from discontinued operations	(23)	(337)	(2,148)	(30,108)
Net cash flow from discontinued operations[1]	6	(45)	(19)	6,207

(1) Refer to "Non-IFRS Measures" for details.

Segment EBITDAX from continuing operations of $(4) million in fiscal 2017 decreased from $(6) million in fiscal 2017, primarily due to lower general and administrative expenses.

Segment income from continuing operations of $255 million in fiscal 2017 increased from a segment loss of $(141) million in fiscal 2016, primarily due to the recognition of gains on debt modification of $283 million due to the Amendments and 2016 Settlement Agreement in fiscal 2017, recognition of liabilities of $54 million for unfulfilled exploration commitments for a PSC in Trinidad in fiscal 2016 and lower finance expenses due to the Amendments in July 2016.

Segment net cash flow from continued operations of ($12) million in fiscal 2017 decreased from ($38) million in fiscal 2016 primarily due to lower repayment of long-term debt and contract settlement obligations (funded partially from the release of restricted cash accounts) and lower payments for restructuring costs and general and administrative expenses.

Net loss from discontinued operations in fiscal 2017 of $(2) million in fiscal 2017 decreased from $(30) million in fiscal 2016 primarily due to recognition of liabilities of $22 million of unfulfilled exploration commitments for three PSCs in Indonesia in fiscal 2016.

Net cash flow from discontinued operations of $6 million in fiscal 2016 reflected receipt of net cash consideration for the sale of subsidiaries that held interests in five Indonesian PSCs in fiscal 2016.

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 Company's ability to fund its cash requirements over the next several months, the ability of the Company to successfully complete its strategic plan on a timely basis, the Company not being liable in respect of claims made by the GOI and the successful pursuit of legal rights by the Company related to disputes with the Government of Bangladesh and its subsidiary entities. 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 plan on a timely basis or that the Company will be able to meet the goals and purposes of its business plan (including resolving various disputes against governments and others in its favour) or fund its operations over the next several months. The failure to meet or satisfy any of the foregoing is likely to have a material adverse impact on the Company and thereby significantly impair the value of security holders' interest in 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 the future actions of the Company's lenders, future actions of the GOI, future actions of the People's Republic of Bangladesh, Petrobangla or Bapex, whether courts in the People's Republic of Bangladesh will recognize the exclusive jurisdiction of the international tribunals constituted under the Rules of the International Centre for Settlement of Investment Disputes, Niko being able to terminate or otherwise overcome a certain stay order in respect of Block 9 PSC, non-defaulting parties not seeking to require a subsidiary of the Company to withdraw from the Block 9 PSC or JOA, future commodity prices, 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 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: risks related to the ability of the Company to continue as a going concern, risks related to the Company not being able to increase its cash resources, the risks associated with the Company meeting its obligations under the amended Facilities Agreement and successfully completing its strategic plan, risks related to the various legal claims against the Company or its subsidiaries, risks related to non-payments by Petrobangla of amounts due to subsidiaries of the Company, 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, 2017 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", "Segment EBITDAX" and "Segment Net Cash Flow". The Company utilizes EBITDAX and Segment EBITDAX to assess performance and to help determine its ability to fund future capital projects and to repay debt. EBITDAX and Segment 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 debt modification, gain or loss on asset disposal, gain or loss on derivatives, asset impairment, share-based compensation expense, restructuring expenses, accretion expense, unfulfilled exploration commitment expense and unrealized foreign exchange gain or loss). Segment net cash flow is the total change in cash and cash equivalents for each of the Company's reportable segments (India, Bangladesh and Other). This additional measure is used to show the total net change in cash and cash equivalents from the reportable segment's operating, investing and financing activities. EBITDAX, Segment EBITDAX and Segment Net Cash Flow 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. These non-IFRS measures do not have any standardized meaning prescribed by IFRS and is therefore may not 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.