

Niko Announces Award of Arbitral Tribunal On Alleged Migration of Gas Dispute

CALGARY, ALBERTA (July 31, 2018) – Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) announces that an international Arbitration Tribunal has issued an award in favour of Reliance Industries Limited, BP & Niko, the members of the Contractor group of the KG-D6 production sharing contract (PSC), rejecting completely the claims of the Government of India (GOI) against the Contractor group in respect of the alleged migration of gas dispute, by a majority of 2 to 1.

All the contentions of the Contractor group have been upheld by the majority with a finding that the Contractor group was entitled to produce all gas from its contract area and all claims made by the Government of India have been rejected. The Contractor group is not liable to pay any amount to the Government of India.

The award will not result in any cash inflow to the Company, but, as previously disclosed, could enhance the potential to successfully monetize Niko’s interest in the D6 Block or secure financing for the R-Cluster, Satellite Cluster and MJ development projects in the D6 Block in India. However, no assurance can be made that additional funding will be secured in a manner or on a timely basis so as to enable the Company to meet its funding obligations. Please refer to the Liquidity and Capital resources section of the Company’s June 21, 2018 press release for further information.

Background on Arbitration of Alleged Migration of Gas Dispute

On November 11, 2016, RIL filed a Notice of Arbitration on the alleged migration of gas dispute in accordance with the provisions of the PSC. On February 2, 2017, the Arbitral Tribunal was constituted and hearings on the dispute concluded in January 2018. The award was issued within 18 months of the constitution of the Arbitral Tribunal, in accordance with The Arbitration and Conciliation Act, 1996 [26 of 1996] as amended by The Arbitration and Conciliation (Amendment) Act, 2015 [3 of 2016]. Under this Act, an arbitral award shall be final and binding on the parties and persons claiming under them respectively, subject to appeal by either party under limited circumstances.

For further information, please contact:

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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 obligations. 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. 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, including the Company being able to successfully pursue the financing options outlined in its June 21, 2018 press release. 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 discussed under the heading "Risk Factors" in the Company's Annual Information Form for the year ended March 31, 2018 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.