

Niko Provides Corporate Update

CALGARY, ALBERTA (October 17, 2018) – Further to its press release of October 9, 2018, Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) provides the following updates:

- As a result of non-payments of D6 cash calls, a subsidiary of the Company received a default notice from the operator of the D6 production sharing contract (“PSC”) in India. Under the terms of the joint operating agreement (“JOA”) between the participating interest holders in the D6 PSC, during the continuance of a default, the defaulting party shall not have a right to its share of revenue (which shall vest in and be the property of the non-defaulting parties who have paid to cover the amount in default). 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 D6 PSC and JOA.
- Under the terms of the Company’s Facilities Agreement with its senior lenders (the “Lenders”), the receipt of the default notice from the operator of the D6 PSC would result in an event of default unless the default under the D6 JOA is cured within 10 days. As such, the Company has requested that the Lenders waive such default. The Company has consulted with the Lenders about its liquidity situation and will continue to have discussions with the Lenders with whom the Company believes it has a positive relationship.
- The Company has also requested, under the terms of the Facilities Agreement, that some or all of the Lenders provide a senior loan facility for funding of D6 Block expenditures. None of the Lenders are under any obligation to provide this loan facility.

If the default under the D6 JOA is not cured on a timely basis and the non-defaulting parties request that Niko withdraw from the D6 PSC and JOA, then this will have a material adverse impact on the Company’s stakeholders. No assurance whatsoever can be made that the Company will be able to meet its funding requirements under the D6 PSC or its other obligations on a timely basis or at all.

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 fund its operations and meet 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. In particular, the Company has not been successful in its efforts to sell its interest in the D6 Block in India or secure financing for funding of its share of the R-Cluster, Satellite Cluster and MJ development projects in the D6 Block, and while it will continue such efforts to enhance its liquidity there can be no assurance whatsoever that these efforts will be successful on a timely basis or at all. In addition, the Company has requested that the Lenders waive a default under the Facilities Agreement and fund a senior loan facility. The Lenders may in their sole discretion determine to refuse both requests. Accordingly, absolutely no assurance can be made that the Company will be able to meet its funding requirements under the D6 PSC or its other obligations on a timely basis or at

all, and nothing herein should be read as stating or inferring otherwise. 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.