

## **Niko Announces Consent Solicitation With Respect to 7% Senior Unsecured Notes In Connection With Support For Previously Announced Strategic Plan**

CALGARY, ALBERTA (March 24, 2016) – Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) announces that, as contemplated in its press release of March 14, 2016, it will commence a solicitation of consents (the “Consent Solicitation”) to amend the trust indenture (the “Indenture”) governing its 7% senior unsecured convertible notes due December 31, 2017 (the “Notes”). The terms and conditions of the Consent Solicitation will be set out in the consent solicitation statement of Niko dated March 29, 2016 (the “Consent Solicitation Statement”) which will be mailed to holders of the Notes (the “Noteholders”) on or about April 15, 2016.

### **Consent Solicitation**

The purpose of the Consent Solicitation is to obtain approval for proposed amendments to the Indenture (the “Indenture Amendments”) as outlined below under “Terms of Indenture Amendments”. The Indenture Amendments require the consent of Noteholders holding not less than 66 2/3% of the principal amount of the outstanding Notes (the “Requisite Consents”). As disclosed on March 14, 2016, Niko executed a support agreement with institutional lenders (the “Lenders”) holding approximately 85% of the senior term loan facilities (the “Term Loan”) and a support agreement with Noteholders (the “Consenting Noteholders”) holding approximately 60% of the Notes, each in support of the Company’s strategic plan of maintaining its core assets until the value of these assets can be enhanced for the benefit of the Company’s stakeholders. The Consenting Noteholders have agreed to execute consents approving of the Indenture Amendments.

The Consent Solicitation will be open at least until 5:00 p.m. (Eastern Time) on the thirtieth day from the commencement thereof (the “Expiration Date”), unless extended or cancelled by Niko.

Those Noteholders who validly deliver a consent to the Indenture Amendments, on or prior to the Expiration Date, where such consent is accepted, may be eligible to receive a consent fee, following the effective date of the Indenture Amendments (the “Implementation Date”), equal to their pro rata share of US\$1,500,000 (the “Consent Fee”) as set out in the Consent Solicitation Statement, subject to the satisfaction or waiver of various conditions as described in the Consent Solicitation Statement and to the other provisions therein. If, on or after April 26, 2016 and prior to the Expiration Date, Niko has received the Requisite Consents, Niko may immediately proceed with implementing the Indenture Amendments. However, the Consent Solicitation will remain open until the Expiration Date and Consenting Noteholders who deliver a valid consent on or prior to the Expiration Date may still be eligible to receive their pro rata share of the Consent Fee.

The record date for purposes of the Consent Solicitation will be 5:00 p.m. (Eastern Time) on March 29, 2016. The effectiveness of the Indenture Amendments and the payment of the Consent Fee are subject to the satisfaction or waiver of the conditions set out in the Consent Solicitation Statement.

Beneficial owners of the Notes whose Notes are held in the name of a broker, dealer, commercial bank, trust company or other intermediary, or in the name of a clearing agency of which such intermediary is a participant, should contact such intermediary promptly and obtain and follow their intermediary's instructions with respect to the applicable consent procedures and deadlines, which may be earlier than the deadlines set out in the Consent Solicitation Statement.

## Terms of Indenture Amendments

Subject to certain conditions, the key terms in the proposed Indenture Amendments are expected to be as follows:

- the Implementation Date will occur upon such date as set out in a new interim agreement (the “Interim Agreement”) that would amend the terms of the Term Loan and outline the requirements for the Indenture Amendments;
- elimination of the requirements to pay cash interest under the Indenture during the period in which the Interim Agreement continues to be in effect;
- accrual of cash interest under the Notes at the previously defined non-default rate of interest (7% );
- waiver of certain covenants of the Company under the Indenture, including to maintain a listing of the Notes on the Toronto Stock Exchange and to conduct the Company’s business, and cause the Company’s subsidiaries to conduct their business, in a proper and business-like manner in accordance with good business practices, and to preserve the Company’s and certain key subsidiaries’ existence and rights;
- replacement of the events of default under the existing Indenture with events of default limited to certain matters, including a default under the Interim Agreement and a breach of the payment obligations to Noteholders as set out immediately below;
- a requirement to distribute any proceeds of potential transactions (sales of assets, settlements of insurance, arbitration and/or tax claims, excess operating cash above an agreed cash flow forecast, etc.) to the Lenders, Noteholders and the Company on the following basis:
  - First Tranche of the first US\$168 million:
    - (i) 100% to the Lenders,
  - capitalized interest on the Term Loan of up to US\$12 million:
    - (i) 100% to the Lenders,
  - Second Tranche of the next US\$100 million:
    - (i) 62.67% to the Lenders,
    - (ii) 29.33% to the Noteholders, and
    - (iii) 8.00% to be retained by the Company,
  - Third Tranche of the next US\$120 million:
    - (i) 40% to the Lenders,
    - (ii) 40% to the Noteholders, and
    - (iii) 20% to be retained by the Company,
  - Fourth Tranche of any proceeds above the Third Tranche:
    - (i) 20% to the Lenders,
    - (ii) 20% to the Noteholders, and
    - (iii) 60% to be retained by the Company

The cumulative proceeds distributed to each of (A) the Lenders shall not exceed the total principal and interest amounts outstanding to the Lenders as at the Implementation Date plus interest accruing at a rate of 15% per annum from the Implementation Date plus any amounts owing under the royalty agreement dated December 23, 2013 between Cortes Royalty Limited, formed for the benefit of the Lenders, and Niko (Neco) Ltd. relating to the Company’s interest in the D6 Block property in India plus capitalized interest under the Term Loan and (B) the Noteholders shall not exceed the total principal and interest outstanding to the Noteholders as at the Implementation Date plus interest accruing at a rate of 7% per annum from the Implementation Date. All funds retained by the Company under the waterfall will be retained free from the security (and claims for payment) held by the Lenders and Noteholders;

- the maturity date of the Notes will be extended to December 31, 2025; and
- the Notes will be secured by certain assets of the Company, including a share pledge from certain key subsidiaries and security over certain bank accounts. However, such security and the covenant package provided to the Noteholders will be deeply subordinated to the Term Loan such that the Noteholders will have limited rights of enforcement and recourse.

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](http://www.nikoresources.com)

This press release is neither a solicitation of consents, an offer to purchase the Notes nor a solicitation of an offer to sell securities. The Consent Solicitation is being made solely by the Consent Solicitation Statement.

### **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 implement the Interim Agreement, obtain the Requisite Consents and give effect to its strategic 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 obtain the required approvals to give effect to the Interim Agreement and the Indenture Amendments or to otherwise successfully complete its strategic plan on a timely basis. The failure to meet or satisfy any of the foregoing is expected to have a material adverse impact on the Company and could significantly impair the value of securityholders' 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. 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 ability of the Company to obtain the Requisite Consents and the consent of all the Lenders to the Interim Agreement and related agreements and documents, the ability of the Company to obtain regulatory approval of the transactions contemplated herein and the risks discussed under "Risk Factors" in the Company's Annual Information Form for the year-ended March 31, 2015 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.