NIKO RESOURCES LTD

NIKO REPORTS RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2016

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter ended September 30, 2016. The operating results are effective November 9, 2016. 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

As previously communicated to shareholders, the Company is in the midst of a strategic plan to enhance the value of our core assets with the objective of ultimately monetizing these assets for the benefit of the Company's stakeholders. In furtherance of this objective, and after consideration of favorable developments with respect to natural gas pricing applicable to the Company's undeveloped deep water fields in India, we have now re-launched the sales process for our interest in the D6 Block. While we believe the D6 Block offers a number of compelling attributes to potential bidders, the sales process will inevitably be complicated by the recent claim made by the Government of India against the contractor group of the D6 production sharing contract in respect of gas said to have migrated from neighboring blocks to the D6 Block. Niko believes the contractor group is not liable for the amount claimed and is working with the contractor group to defend against the claim by invoking the dispute resolution mechanism in the D6 Block production sharing contract.

At the time of my last message to shareholders, the Company faced two near-term challenges in executing its strategic plan - a claim pursued by Diamond Offshore and ongoing disputes with the Government of Bangladesh. In October 2016, we reached an amicable resolution of the claim by Diamond and executed a settlement agreement, but unfortunately, our ongoing disputes with the Government of Bangladesh remain unresolved at this juncture. Non-payments by Petrobangla of amounts due to a subsidiary of the Company for natural gas and condensate delivered from Block 9 in Bangladesh continue to adversely impact our operations in the region and overall liquidity in a material manner. We will continue to actively pursue resolution of these disputes through diplomacy while tenaciously protecting our interests in various legal and arbitration forums. However, no assurance can be made that resolution of these matters can be accomplished on a timely basis or at all.

Robert S. Ellsworth, Jr. – Interim Chief Executive Officer, Niko Resources Ltd.

LIQUIDITY AND CAPITAL RESOURCES

The Company continues to pursue a strategic plan to maintain its core assets for a period of time with the goal of enhancing the value of such assets for the benefit of the Company's stakeholders.

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"). The key terms of the Amendments are described in the audited consolidated financial statements for the year-ended March 31, 2016. As a result of the Amendments, the Company is no longer in default of the amended Facilities Agreement or Indenture and 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 as follows (and, in respect of payments to the Company, is subject to the 2016 Settlement Agreement as set out under "Diamond Settlement Agreement" below):

- first tranche of the first $168 million:
    - (i) 100 percent to the Lenders
- capitalized interest on the Term Loan of up to $12 million:
    - (ii) 100 percent to the Lenders
- second tranche of the next US $100 million, on a *pro rata* basis:
    - (i) 62.67 percent to the Lenders,
    - (ii) 29.33 percent to the Noteholders, and
    - (iii) 8.00 percent to be retained by the Company
- third tranche of the next US $120 million, on a *pro rata* basis:
    - (i) 40 percent to the Lenders,
    - (ii) 40 percent to the Noteholders, and
    - (iii) 20 percent to be retained by the Company
- fourth tranche of any proceeds above the Third Tranche, on a *pro rata* basis:
    - (i) 20 percent to the Lenders,
    - (ii) 20 percent to the Noteholders, and
    - (iii) 60 percent 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 effective date of the Fourth Amendment plus interest accruing at a rate of 15 percent per annum from such date plus any amounts owing under the deferred obligation 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 effective date of the Fourth Amendment plus interest accruing at a rate of 7 percent per annum from such 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.

Diamond Settlement Agreement

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 Diamond Settlement 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).

Under the 2016 Settlement Agreement, in exchange for full and final mutual releases of outstanding claims under the drilling contracts and the 2013 Settlement Agreement (including related judgements), the Company has:

(i) agreed to make future payments to Diamond equal to 20 percent of amounts to be retained by the Company pursuant to the Waterfall Distribution, subject to a cap;
(ii) paid to Diamond a cash settlement amount; and
(iii) assigned to Diamond a portion of potential contingent payments under the previously announced sale agreement for the Company's interest in five Indonesian production sharing contracts ("PSCs").

As a result of the 2016 Settlement Agreement, liabilities of $32 million that were reflected as current liabilities as at September 30, 2016 will be derecognized and the fair value of the 2016 Settlement Agreement will be recognized as a long-term liability on the Company's statement of financial position for the subsequent quarter.

Funding of Projected Capital Expenditures for Planned Drilling Programs in the Producing Fields in India and Bangladesh
The Company's cash balances as at September 30, 2016 and its projected cash flows from operating activities for fiscal 2017 were expected to be sufficient to fund the projected capital expenditures related to planned drilling programs in the producing fields in India and Bangladesh in fiscal 2017, assuming its customers fully complied with the terms of the respective agreements for natural gas, crude oil and condensate sales from these producing fields (see discussion below on Non-payments by Petrobangla of Amounts Due).

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 the Block 9 PSC 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"). Niko Block 9 has issued notices of dispute and force majeure under the Block 9 PSC and sales agreements to the Government of Bangladesh 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, withholdings by Petrobangla of amounts due to Niko Block 9 for gas and condensate supplied from the Block 9 PSC has significantly impacted the Company's ability to fund its operating and capital budgets for fiscal 2017. In late September 2016, Niko Block 9 did not pay a cash call that was due and was issued a default notice 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 60 days of the default notice, the non-defaulting parties have the option to require the defaulting party to withdraw from the PSC and JOA.

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 Ltd. ("RIL"), the operator of the D6 Block, has proposed to invoke the dispute resolution mechanism in the PSC and issue a Notice of Arbitration to the GOI. 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 currently own or 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 September 30, 2016, with the unfulfilled commitments and PSC obligations in Trinidad backed by parent company guarantees. 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 60 days, failing which the GORTT would terminate the PSCs and exercise its rights on the parent company guarantees for unfulfilled exploration commitments of $118 million. The Company is considering various options to address this matter.

Contingent Liabilities
The Company and its subsidiaries are subject to various claims from other parties, as described in Note 22 of the condensed interim financial statements for the three and six months ended September 30, 2016, and is 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 is material uncertainty 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 condensed interim consolidated financial statements and Management's Discussion and Analysis for the six months ended September 30, 2016 which will be available under 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 second quarter of fiscal 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 Amendment date, the Company has not recognized interest expense on the Term Loan and Convertible Notes.

Non-payments by Petrobangla of Amounts Due

As a result of the non-payments by Petrobangla of amounts due, 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. In addition, due to Niko Block 9's non-payment of a cash call due in late September 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 the month of September 2016 reflect the non-defaulting parties' entitlement to the sales proceeds and as such, for the month of September 2016, the Company has not recognized $2.4 million of net oil and gas revenue that it otherwise would have been entitled to.

Consolidated

	Three months ended September 30,		Six months ended September 30,	
($ thousands, unless otherwise indicated)	2016	2015	2016	2015
Sales volumes (MMcfe/d)	86	105	89	106
Net oil and natural gas revenue	13,266	24,943	29,621	51,622
EBITDAX[(1)]	7,233	16,907	16,053	35,260
Net income (loss) from continuing operations	241,135	(76,421)	219,485	(106,078)
Net loss from discontinued operations	(72)	(33,631)	(64)	(33,282)
Development capital expenditures	(10,753)	(5,469)	(15,307)	(16,699)
Net cash flow[(2)]	(13,905)	(2,068)	(12,897)	(22,522)

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

(2) 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.

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 for September 2016 contributed to lower net oil and gas revenue and lower EBITDAX for the Company for the second quarter of fiscal 2017 compared to the second quarter of fiscal 2016. Net income from continuing operations of $241 million for the second quarter of fiscal 2017 primarily attributed to the gain on debt modification of $255 million and the non-recognition of interest expense on the Term Loan and Convertible Notes as a result of the Amendments, offset by the $13 million impairment of net revenue receivable from Petrobangla and lower EBITDAX. Net loss from continuing operations of $76 million for the second quarter of fiscal 2016 primarily reflected higher interest expense on the Term Loan and Convertible Notes and asset impairment in the D6 Block in India.

Development capital expenditures of $11 million for the second quarter of fiscal 2017 related primarily to development well programs in the D6 Block in India and in Block 9 in Bangladesh.

Net cash flow of ($14) million for the second quarter of fiscal 2017 primarily reflected the impact of EBITDAX of $7 million, non-payment by Petrobangla of amounts due in the quarter of $6 million, development capital expenditures of $5 million, principal repayments of $12 million on the Term Loan, release of $9.7 million from a reserve account required under the terms of the amended Facilities Agreement, consent fee payments of $1.3 million to consenting noteholders, principal and interest payments of $3 million on the finance lease related to the floating, production, storage and offloading vessel ("FPSO") employed in the D6 Block in India and restructuring costs of $3 million. Net cash flow of $(2) million for the second quarter of fiscal 2016 primarily reflected the impact of EBITDAX of $17 million, development capital expenditures of $8 million, exploration capital expenditures of $5 million, restructuring costs of $2 million and principal and interest payments of $3 million on the finance lease related to the FPSO employed in the D6 Block in India and payment of $1 million on the deferred obligation.

India

	Three months ended September 30,		Six months ended September 30,	
($ thousands, unless otherwise indicated)	2016	2015	2016	2015
Sales volumes (MMcfe/d)	29	42	31	43
Net oil and natural gas revenue	8,717	18,570	18,747	38,842
Segment EBITDAX[(1)]	5,108	13,386	10,323	28,450
Segment income (loss)	2,685	(69,380)	(168)	(69,822)
Development capital expenditures	(7,906)	(4,674)	(11,297)	(14,663)
Segment net cash flow[(1)]	(3,318)	(1,587)	(3,123)	(2,986)

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

Total sales volumes from the D6 Block for the second quarter of fiscal 2017 of 29 MMcfe/d decreased from 42 MMcfe/d for the second quarter of 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.

Net oil and natural gas revenues decreased for the second quarter of fiscal 2017 compared to the second quarter of 2016 primarily due to lower natural gas sales volumes and prices. The notified price for natural gas sales from the D6 Block for April 2016 to September 2016 was $3.06 / MMbtu based on the gross calorific value ("GCV") of the sales gas, which was approximately 35 percent lower than the price for the April 2015 to September 2015 period and approximately 20 percent lower than the price for the October 2015 to March 2016 period. The notified price for gas sales from the D6 Block for October 2016 to March 2017 is $2.50 / mmbtu GCV, a decrease of 18 percent from the notified price for April 2016 to September 2016 and a decrease of approximately 34 percent from the price prior to adoption of the New Domestic Natural Gas Pricing Guidelines, effective November 1, 2014. The decrease in the notified price for gas sales from the D6 Block is projected to have a negative impact on net cash flow of approximately $1.5 million for each of the next two quarters.

Segment EBITDAX of $5 million for the second quarter of fiscal 2017 decreased compared to the second quarter of 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 $3 million for the second quarter of fiscal 2017 reflected the impact of lower segment EBITDAX, which was more than offset by lower depletion expense and a deferred income tax recovery of $6 million. Depletion expense decreased for the second quarter of fiscal 2017 compared to the second quarter of 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. Segment loss for the second quarter of fiscal 2016 also reflected asset impairment expense of $67 million primarily related to the reductions in the carrying value of the Company's assets in the D6 Block in India that were subsequently reversed in the fourth quarter of fiscal 2016.

Development capital expenditures of $8 million for the second quarter of fiscal 2017 primarily related to the development drilling program in the D6 Block in India. The drilling of the first of two planned sidetrack wells in the MA field commenced in June 2016, production from this well began ramping up at the beginning of October 2016, and drilling of the second well has commenced.

Segment net cash flow for the second quarter of fiscal 2017 primarily reflected the impact of $5 million of segment EBITDAX, partially offset by $6 million of payments for development capital expenditures, and $3 million of principal and interest payments on the finance lease related to the FPSO employed in the D6 Block.

Bangladesh

($ millions, unless otherwise indicated)	Three months ended September 30, 2016	2015	Six months ended September 30, 2016	2015
Sales volumes (MMcfe/d)(1)	57	63	58	64
Net oil and natural gas revenue	4,544	6,368	10,867	12,772
Segment EBITDAX(2)	3,014	4,231	7,297	8,330
Segment income (loss)	(11,338)	2,326	(8,544)	4,517
Development capital expenditures	(2,847)	(795)	(4,010)	(2,036)
Segment net cash flow(2)	(2,510)	4,287	66	6,519

(1) Includes volumes for September 2016 for which revenue has not be recognized (see below)
(2) Refer to "Non-IFRS Measures" for details.

Total sales volumes from Block 9 in the second quarter of fiscal 2017 decreased from the second quarter of fiscal 2016, primarily reflecting the impact of increased delivery pressure requirements of the sales trunkline.

Net oil and natural gas revenues for the second quarter of fiscal 2017 decreased from the second quarter of fiscal 2016 due to lower sales volumes and the non-recognition of $2.4 million of net oil and gas revenues for the month of September 2016 in Block 9.

Segment EBITDAX of $3 million for the second quarter of fiscal 2017 decreased compared to the second quarter of fiscal 2016 primarily as a result of lower net oil and gas revenues, partially offset by lower production and operating expenses.

Segment loss of $11 million for the second quarter of fiscal 2017 decreased compared to segment income of $2 million in the second quarter of fiscal 2016 as a result of decreased segment EBITDAX, the impairment of $13 million of net revenue receivable from Petrobangla, and a lower depletion rate resulting from lower estimated future development costs related to the estimated proved reserves as at March 31, 2016.

Development capital expenditures of $3 million for the second quarter of 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 is expected to be brought on-stream in the third quarter of fiscal 2017. Drilling of the second well targeted for the fourth quarter of fiscal 2017 is currently under evaluation.

Segment net cash flow of $(3) million for the second quarter of fiscal 2017 primarily reflected payments of $2 million for development capital and operating expenditures in Block 9 (see discussion on *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section).

Other

($ millions, unless otherwise indicated)	Three months ended September 30, 2016	2015	Six months ended September 30, 2016	2015
Segment EBITDAX from continuing operations (1)	(889)	(711)	(1,567)	(1,520)
Segment income (loss) from continuing operations(1)	249,788	(9,367)	228,197	(40,773)
Net loss from discontinued operations	(72)	(33,631)	(64)	(33,282)
Segment net cash flow from continuing operations(1)	(8,033)	(2,903)	(9,763)	(30,607)
Net cash flow from discontinued operations(1)	(44)	(1,865)	(77)	4,552

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

Segment income for the second quarter of fiscal 2017 of $250 million increased from a loss in the second quarter of fiscal 2016 of $9 million, primarily resulting from the recognition of a gain on debt modification of $255 million and the non-recognition of interest expense on the Term Loan and Convertible Notes as a result of the Amendments. Unrealized foreign exchange gain for the second quarter of fiscal 2017 decreased compared to the second quarter of fiscal 2016 primarily due to the impact of the weakening of the Canadian Dollar against the US Dollar on the Canadian Dollar denominated Convertible Notes.

Segment net cash outflows related to continued operations for the second quarter of fiscal 2017 of $8 million increased from $3 million in the second quarter of fiscal 2016 primarily due to payments associated with the Company's July 2016 debt restructuring funded partially from the release of restricted cash accounts, partially offset by lower payments for general and administrative expenses.

Segment net cash outflows from discontinued operations for the second quarter of fiscal 2016 decreased from the second quarter of fiscal 2016 due to significant decrease in activity subsequent to the sale of Indonesia subsidiaries in the prior year.

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 successfully complete its strategic plan on a timely basis, the ability of the Company to give effect to its business plan, compliance with the 2016 Settlement Agreement, 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, Petrobangla and Bapex. 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). 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, 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, 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, 2016 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 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.