MANAGEMENT'S DISCUSSION AND ANALYSIS

Niko Resources Ltd. ("Niko" or the "Company") is a company incorporated in Alberta, Canada. The address of its registered office and principal place of business is Suite 1500, 205 – 5th Avenue SW, Calgary, Alberta, T2P 2V7. The Company is engaged in the exploration for and development and production of oil and natural gas, primarily in India and Bangladesh. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "NKO".

The following Management's Discussion and Analysis ("MD&A") of the financial condition, financial performance and cash flows of the Company for the three months ended June 30, 2018 should be read in conjunction with the condensed interim consolidated financial statements for the period ended June 30, 2018. Additional information relating to the Company, including the Company's Annual Information Form ("AIF"), is available on SEDAR at www.sedar.com and on the Company's website at www.nikoresources.com. This MD&A is dated August 13, 2018.

The MD&A contains forward-looking information and statements. Refer to the end of this MD&A for the Company's advisory on forward-looking information and statements.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2018, the Company`s unrestricted cash balances totalled $10 million compared to $3 million as at March 31, 2018. In May 2018, an indirect subsidiary of the Company received income tax refunds from the Government of India ("GOI") totalling the Indian Rupee equivalent of approximately $15.5 million (including interest). In the first quarter of fiscal 2019, the Company funded expenditures of approximately $6 million related to the development of the R-Cluster fields in the D6 Block in India.

Funding of Projected Future Cash Requirements of the Company

Major contracts for development of the R-Cluster fields in the D6 Block in India have been awarded and drilling commenced in early August 2018 towards a targeted start-up of production by mid-2020. In addition, field development plans for the Satellite Cluster discoveries and the MJ discovery in the D6 Block have been approved by the GOI, with start-up of these projects projected for 2021 and 2022, respectively. Based on Deloitte's reserves evaluation as at March 31, 2018, Niko's share of the funding requirement for development of these projects is estimated at approximately $200 million between mid-2018 and mid-2020, after which time the future net operating revenues from the D6 Block are forecast to be sufficient to fund the development capital expenditures to complete the projects.

The Company's cash resources, and therefore its ability to fund its operations, could be positively enhanced by various factors, including the following:

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

The Company is pursuing financing options for the R-Cluster, Satellite Cluster and MJ development projects in the D6 Block in India and is continuing its efforts to monetize its interest for the benefit of all of its stakeholders. However, the Company has not yet secured funding and, as such, in the next few months, it may not have sufficient funds available to pay cash calls under the D6 production sharing contract ("PSC"). Under the terms of the joint operating agreement ("JOA") between the participating interest holders in the D6 PSC, if a cash call is not paid, the operator of the D6 PSC could issue a default notice to the defaulting party and during the continuance of a default, the defaulting party shall not have a right to its share of 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 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.

No assurance can be made that the Company will be able to enhance the Company's cash resources on a timely basis or at all, so as to meet its funding requirements under the D6 PSC or its other obligations. 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 and will therefore have a material adverse impact on all of its stakeholders.

Alleged Migration of Natural Gas Dispute

In November 2016, the contractor group of the D6 Block in India received a letter from the GOI, in which the GOI made claims against the contractor group in respect of gas said to have migrated from neighboring blocks to the D6 Block. Later in November 2016, the operator of the D6 Block invoked the dispute resolution mechanism in the PSC on behalf of the contractor group and issued a notice of arbitration to the GOI.

In July 2018, an international arbitral tribunal issued an award in favour of the contractor group, rejecting completely the claims of the GOI, 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 GOI have been rejected with the contractor group not liable to pay any amount to the GOI. 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] of India. Under this act, an arbitral award shall be final and binding on the parties, subject to appeal to the Indian court system by either party under limited circumstances.

Non-payments by Petrobangla of Amounts Due

From June 2016 to March 2018, Petrobangla paid reduced amounts to the operator of the Block 9 PSC for invoiced amounts due for gas and condensate supplied pursuant to the Block 9 gas and condensate sales agreements, In the first quarter of fiscal 2019, the Company was notified by the operator of the Block 9 PSC that Petrobangla had paid funds to the operator of the Block 9 for recovery of costs incurred by the operator related to Niko Block 9's interest in Block 9. The impact of Petrobangla's actions on the Company's position in Block 9 is currently under evaluation. Refer to Note 30(a)(ii) of the audited consolidated financial statements for the year ended March 31, 2018 for further details on this matter.

Contingent Liabilities

The Company and its subsidiaries are subject to various claims from other parties, as described in Note 30 of the audited consolidated financial statements for the year ended March 31, 2018 and updated in Note 9 of the condensed interim consolidated financial statements for the quarter ended June 30, 2018, 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 and contingent liabilities 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.

RESULTS OF OPERATIONS

The Company's results for the first quarter ended June 30, 2018 are as follows:

Consolidated

(thousands of US Dollars, unless otherwise indicated)	Quarter ended June 30, 2018	2017
Sales volumes (MMcfe/d)(1)	66	83
Net oil and natural gas revenue	4,575	5,764
EBITDAX from continuing operations(2)	4,608	(680)
Net loss from continuing operations	(18,184)	(36,831)
Net income from discontinued operations	-	180

(1) Includes volumes in Bangladesh for which revenue has not been recognized since September 2016.
(2) Refer to "Non-IFRS Measures" for details.

Total sales volumes in the first quarter of fiscal 2019 of 66 MMcfe/d decreased from 83 MMcfe/d in the first quarter of fiscal 2018 primarily due to lower natural gas sales volumes from the D6 Block in India, reflecting the impact of natural production declines, underperformance, and water and sand ingress that resulted in the shut-in of wells, lower sales volumes from Block 9 in Bangladesh, as well as the sale of the Company's interest in the Hazira Block in India, effective October 1, 2017.

Net oil and natural gas revenue in the first quarter of fiscal 2019 decreased from the first quarter of fiscal 2018 primarily due to lower natural gas sales volumes, partially offset by higher natural gas and crude oil prices.

EBITDAX from continuing operations in the first quarter of fiscal 2019 increased from the first quarter of fiscal 2018 primarily due to interest income on income tax refunds received in India in the first quarter of fiscal 2019, a realized foreign exchange gain in the first quarter of fiscal 2019 versus a realized foreign exchange loss in the first quarter of fiscal 2018, and lower general and administrative expenses, partially offset by lower net oil and natural gas revenue.

Net loss from continuing operations of $(18) million in the first quarter of fiscal 2019 decreased compared to net loss from continuing operations of $(37) million in the first quarter of fiscal 2018 primarily due to increased EBITDAX and the recognition in the first quarter of fiscal 2018 of commercial claim expense of $28 million as a result of an arbitration award in the respect of the Hazira field in India, partially offset by increased depletion expense resulting from negative revisions to proved reserves as at March 31, 2018 for the D1 D3 and MA fields in the D6 Block in India.

Bangladesh - Block 9

Net oil and natural gas revenues have not been recognized for Niko's interest in the Block 9 PSC since September 2016 due to non-payments by Petrobangla (refer to discussion on Non-payments by Petrobangla of Amounts Due in the Liquidity and Capital Resources section). Since the Company has not received financial information from the operator of the Block 9 PSC for the months of May and June of 2018, the recorded production and operating expenses for the first quarter of fiscal 2019 of $1.5 million reflect estimates for these months based on trends from prior months and from the first quarter of fiscal 2018. Depletion and depreciation for the first quarter of fiscal 2019 of $1 million decreased slightly compared to the first quarter of fiscal 2018 primarily due to lower sales volumes.

RECONCILIATION OF NON-IFRS MEASURES

The following table reconciles the Company's gross revenue to EBITDAX to net loss:

(thousands of US Dollars, unless otherwise indicated)	Quarter ended June 30, 2018	2017
Sales volume		
Natural gas (mcf/d)	64,078	80,513
Oil and condensate (bbl/d)	350	375
Natural gas equivalent (mcfe/d)	66,176	82,766
Natural gas revenue	3,942	5,644
Crude oil and condensate revenue	1,176	828
Royalties	(493)	(645)
Government share of profit petroleum	(50)	(63)
Net oil and natural gas revenue	**4,575**	**5,764**
Production and operating expenses	(4,052)	(4,182)
General and administrative expenses	(791)	(1,719)
Finance and other income	4,528	142
Bank charges and other finance costs	(10)	(5)
Realized foreign exchange gain (loss)	359	(680)
EBITDAX from continuing operations(1)	**4,609**	**(680)**
Cash interest expense	(265)	(393)
Restructuring costs	-	(277)
Depletion and depreciation expenses	(20,462)	(7,169)
Exploration and evaluation expenses	-	(56)
Accretion expense	(778)	(836)
Non-cash finance and other income	233	251
Commercial claim expense	(443)	(27,604)
Unrealized foreign exchange loss	(1,078)	(67)
Net loss from continuing operations(2)	**(18,184)**	**(36,831)**
Net income from discontinued operations(2)	-	**180**
Total net loss	**(18,184)**	**(36,651)**

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

(2) Refer to Note 8 of the condensed interim financial statements for the quarter ended June 30, 2018 for detailed segment information.

SUMMARY OF QUARTERLY RESULTS

(thousands of US Dollars)	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016
Oil and natural gas revenue(1)	4,575	3,547	6,116	4,926	5,764	8,097	6,667	13,266
Net income (loss)(1)								
Continuing operations	(18,184)	(26,886)	(7,364)	(10,536)	(36,831)	24,142	23,044	240,811
Discontinuing operations(2)	-	-	108	58	180	(54)	(2,133)	252
Total	(18,184)	(26,886)	(7,256)	(10,478)	(36,651)	24,088	20,911	241,063
Earnings (loss) per share - basic(1)								
Continuing operations	(0.19)	(0.28)	(0.08)	(0.12)	(0.39)	0.26	0.24	2.56
Discontinuing operations(2)	0.00	0.00	0.00	0.00	0.00	(0.00)	(0.02)	0.00
Total	(0.19)	(0.28)	(0.08)	(0.12)	(0.39)	0.26	0.22	2.56
Earnings (loss) per share - diluted(1)								
Continuing operations	(0.19)	(0.28)	(0.08)	(0.12)	(0.39)	0.26	0.24	1.33
Discontinuing operations(2)	0.00	0.00	0.00	0.00	0.00	(0.00)	(0.02)	(0.00)
Total	(0.19)	(0.28)	(0.08)	(0.12)	(0.39)	0.26	0.22	1.33

(1) The results for the eight most recent quarters were prepared in accordance with IFRS and presented in US Dollars.
(2) The Company has discontinued operations in Indonesia, Pakistan and Trinidad. Prior quarters have been restated for comparative purposes.

Oil and natural gas revenue fluctuated throughout the last eight quarters based on changes in production and price. Production has naturally declined in India, partially offset by development activities. Natural gas prices have fluctuated in India reflecting semi-annual price notifications issued by the GOI pursuant to India's Domestic Natural Gas Guidelines (the "Guidelines") effective November 2014. Oil and natural gas revenue for the quarter ended December 31, 2016 decreased significantly compared to the prior quarter primarily due to the non-recognition of gas and condensate sales in Block 9 since September 2016 (refer to *Non-payments by Petrobangla of Amounts Due* in the Liquidity and Capital Resources section). Net income (loss) fluctuated throughout the last eight quarters reflecting the fluctuations in oil and natural gas revenues and volumes. For the quarter ended September 30, 2016, net income from continuing operations of $241 million resulted primarily from recording of gains on debt modification of $255 million as a result of the Amendments executed with the Company's lenders, partially offset by a $13 million impairment of net revenue receivable from Petrobangla. For the quarter ended December 31, 2016, the Company recognized a $28 million gain on debt modification as a result of the 2016 Settlement Agreement. For the quarter ended March 31, 2017, the Company recognized a $31 million deferred tax recovery. For the quarter ended June 30, 2017, the Company recognized a liability of $28 million for an arbitration award relating to the minimum contracted quantities dispute in India. For the quarters ended March 31, 2018 and June 30, 2018, the Company recognized increased depletion expense resulting from negative revisions to proved reserves as at March 31, 2018 for the D1 D3 and MA fields in the D6 Block in India.

CONTRACTUAL OBLIGATIONS

The following table represents the Company's contractual obligations and other commitments as at June 30, 2018:

(thousands of US Dollars)	Face Value	Carrying Value	< 1 year	1 to 3 years	3 to 5 years	> 5 years
Term loan facilities(1)(2)	428,698	200,748	-	-	-	200,748
Convertible notes(1)(3)	110,038	9,574	-	-	-	9,574
Finance lease obligations(4)	1,801	1,801	1,801	-	-	-
Contract settlement obligation(5)	26,057	530	-	-	-	530
Deferred obligation(6)	6,557	-	-	-	-	-
Decommissioning obligations(7)	68,353	45,734	-	-	-	45,734
Exploration work commitments(8)	272,399	272,399	272,399	-	-	-
Total contractual obligations	913,903	530,786	274,200	-	-	256,586

(1) The Company is not required to make interest payments (including interest previously owing) under the term loan facilities agreement or the note indenture governing the convertible notes, other than in connection with a Waterfall Distribution.
(2) The term loan facilities are recorded in the financial statements at fair value.
(3) The convertible notes are recorded in the financial statements at fair value. The face value of the convertible notes as at June 30, 2018 is Cdn$143 million (including accrued interest).
(4) Finance lease obligations are included in the table based on the remaining payments on the charter lease for the floating, production, storage and offloading vessel used in the MA field of the D6 Block.
(5) The contract settlement obligation is recorded in the financial statements at fair value.

(6) The deferred obligation is recorded in the financial statements at fair value.
(7) Decommissioning obligations are included in the table based on the estimated undiscounted future liability of the Company. Site restoration funds totalling $2 million have been set up for certain of these obligations and are reflected in restricted cash.
(8) The total unfulfilled exploration commitment obligation includes $270 million related to dormant subsidiaries recorded in the condensed interim consolidated financial statements for period ended June 30, 2018.

OUTSTANDING SHARE DATA

The Company did not issue any common shares or securities convertible or exchangeable into common shares. As at August 13, 2018, the Company has 94,049,967 common shares, 1 preferred share, and no stock options outstanding.

OFF BALANCE SHEET ARRANGEMENTS

The Company had no off balance sheet arrangements in place as at June 30, 2018.

FINANCIAL INSTRUMENTS

The Company is exposed to credit risk, liquidity risk, foreign currency risk and commodity price risk as a part of normal operations. A detailed description of the Company's financial instruments and risk management is included in Note 6 to the condensed interim consolidated financial statements for the three months ended June 30, 2018.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer and the Vice President, Finance and Chief Financial Officer has assessed the design and effectiveness of internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") as at June 30, 2018. There have been no significant changes in ICFR during the three months ended June 30, 2018 that have materially affected, or are reasonably likely to materially affect, ICFR.

CHANGES IN ACCOUNTING STANDARDS

Effective April 1, 2018, the Company adopted the following new accounting standards. Also refer to the audited consolidated financial statements for the year ended March 31, 2018 for the recent accounting pronouncements issued but not yet effective.

IFRS 9 – Financial Instruments
IFRS 9 "Financial Instruments" was amended in July 2014 with respect to its classification and measurement of financial assets and introduces a new expected loss impairment model. The standard now includes three categories for financial assets, as compared to five categories under IAS 39, including amortized cost, fair value through profit or loss, and fair value through other comprehensive income. IFRS 9 removes the loans and receivables and held for trading categories previously included under IAS 39. The adoption of IFRS9 did not require any material adjustments to the Company's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, IASB issued IFRS 15 which replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfer of Assets from Customers" and SIC 31 "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 establishes revenue recognition principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. The adoption of IFRS15 did not require any material adjustments to the Company's consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The Company makes assumptions in applying certain critical accounting estimates that are uncertain at the time the accounting estimate is made and may have a significant effect on the condensed interim consolidated financial statements of the Company. The Company used the following critical accounting estimates for the first quarter of fiscal 2019 as consistent with the year ended March 31, 2018:

- Pricing Forecasts
- Oil and Natural Gas Reserves
- Exploration and Evaluation Assets
- Depletion, Depreciation and Amortization
- Fair Value of Long-Term Debt

- Asset Impairment
- Decommissioning Obligations
- Income Taxes
- Contingencies

For a complete discussion of the critical accounting estimates, refer to Note 5 of the audited consolidated financial statements for the year ended March 31, 2018, available on SEDAR at www.sedar.com.

In addition, since the Company has not received financial information from the operator of the Block 9 PSC for the months of May and June of 2018, the recorded production and operating expenses for the first quarter of fiscal 2019 of $1.5 million reflect estimates for these months based on trends from prior months and from the first quarter of fiscal 2018.

RISK FACTORS

In the normal course of business the Company is exposed to a variety of actual and potential events, uncertainties, trends and risks. In addition to the risks associated with the use of assumptions in the critical accounting estimates, financial instruments, the Company's commitments and actual and expected operating events, all of which are discussed above, the Company has identified the following events, uncertainties, trends and risks that could have a material adverse impact on the Company.

- The ability of the Company to continue as a going concern;
- The ability to execute sale(s) of the Company's interests in its core assets in India and Bangladesh at all or on a timely basis;
- The ability to obtain financing for planned development projects in the D6 Block;
- The timing of receiving income tax refunds due from the GOI;
- The Company's ability to comply with the terms under the Term Loan, Convertible Notes, and 2016 Settlement Agreement;
- No assurance that debt or equity financing or cash generated by operations will be sufficient or available to meet obligations for exploration, development, and production of oil and natural gas reserves in the future;
- The Company's ability to meet all of its financing obligations and contractual commitments (including work commitments);
- The Company's ability to fund its operating and capital budgets particularly if the Company is unable to lift a Stay Order issued in Bangladesh pending resolution of certain legal proceedings or otherwise receive amounts due to Niko Block 9 for gas and condensate supplied from the Block 9 PSC;
- The Company's ability to obtain appropriate and timely approvals from government authorities for exploration and development activities;
- Changes in capital markets and uncertainties to the availability and cost of financing;
- Changing governmental policies, social instability and other political, economic or diplomatic developments in the countries in which the Company operates;
- Future oil and natural gas prices are subject to fluctuations in the market including the future long-term natural gas price outlook in India which could result in deferral of development plans, relinquishment of interests and material adverse effect on the Company's operations and financial condition;
- Adverse operating risks associated with the oil and natural gas operations including hazards and injury;
- Credit risk, liquidity risk, foreign currency risk and commodity risk;
- Adverse factors including climate and geographical conditions, weather conditions, environmental and labour disputes;
- Fluctuations in foreign exchange rates that impact the Company's non-US Dollar transactions;
- Changes in taxation policies, taxation laws and interpretations thereof;
- Uncertainties associated with the negotiations with foreign governments and third parties and the possibility of adverse decisions regarding outstanding litigations and arbitration; and
- Environmental regulations and legislations including restriction and prohibitions on the release of emission from oil and gas operations.

Additional information related to the Company and its identified risks is included in the Company's AIF for the year ended March 31, 2018 available on SEDAR at www.sedar.com.

A complete description of the potential effects of the Company's contingencies on the Company as at June 30, 2018 are described in Note 30 of the audited consolidated financial statements for the year ended March 31, 2018 as updated in Note 9 of the condensed interim consolidated financial statements for the period ended June 30, 2018.

BASIS OF PRESENTATION

The financial data included in this MD&A is in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") that are effective as at March 31, 2018. Certain prior period amounts have been reclassified to conform to the current presentation. All financial information is presented in thousands of US Dollars unless otherwise indicated.

The term "fiscal 2019" is used throughout the MD&A and in all cases refers to the period from April 1, 2018 through March 31, 2019. The term "fiscal 2018" is used throughout the MD&A and in all cases refers to the period from April 1, 2017 through March 31, 2018.

Mcfe (thousand cubic feet equivalent) is a measure used throughout the MD&A. Mcfe is derived by converting oil and condensate to natural gas in the ratio of 1 bbl:6 Mcf. Mcfe may be misleading, particularly if used in isolation. A Mcfe conversion ratio of 1 bbl: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. MMBtu (million British thermal units) is a measure used in the MD&A. It refers to the energy content of natural gas (as well as other fuels) and is used for pricing purposes. One MMBtu is equivalent to 1 Mcf plus or minus up to 20 percent, depending on the composition and heating value of the natural gas in question.

NON-IFRS MEASURES

The selected financial information presented throughout this MD&A is prepared in accordance with IFRS, except for "EBITDAX" and "Segment EBITDAX". These non-IFRS financial measures, which have been derived from the condensed interim consolidated financial statements for the period ended June 30, 2018 and applied on a consistent basis, are used by management as measures of performance of the Company. These non-IFRS measures should not be viewed as substitutes 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 under IFRS and therefore may not be comparable to similar measures presented by other issuers. The non-IFRS measures are further defined for use throughout this MD&A as follows:

EBITDAX and Segment EBITDAX

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 is defined 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 costs, accretion expense, unfulfilled exploration commitment expense, commercial claim expense and unrealized foreign exchange gain or loss). The most directly comparable measure under IFRS presented in the audited consolidated financial statements to EBITDAX is net income (loss) on the statement of comprehensive income (loss).

FORWARD LOOKING INFORMATION STATEMENTS

Certain information in this MD&A are "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws, herein referred to as "forward-looking information". Forward-looking information is frequently characterized by words such as "may", "will", "plans", "expects", "projects", "intends", "believes", "targets", "anticipates", "estimates" "scheduled", "continues", "potential" or other similar words, or statements that certain events or conditions "may," "should" or "could" occur. Forward-looking information is based on the Company's expectations regarding its future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to it. Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information including risks discussed below. Although the forward-looking information contained in this report is based upon material factors and assumptions which the Company believes to be reasonable, it cannot assure investors that actual results will be consistent with such forward-looking information because of the risks, uncertainties and assumptions inherent in forward-looking information, readers should not place undue reliance on this forward-looking information. Previously disclosed forward looking information are updated for actual results when information is made available or when a withdrawal occurs.

Certain statements in this MD&A constitute forward-looking information. Specifically, this MD&A contains forward looking information relating to the Company's ability to fund its cash requirements over the short term, the ability of the Company to successfully complete its strategic plan on a timely basis, and the impact of Petrobangla paying funds to the operator of the Block 9 for recovery of costs incurred by the operator related to Niko Block 9's interest in Block 9. 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 short term. 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 completion of financings or monetizing of assets, future actions of the Company's lenders, non-defaulting parties not seeking or being able to require a subsidiary of the Company to withdraw from the Block 9 PSC or JOA, the ability to satisfy cash calls in respect of the D6 Block, 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 (including failure to positively enhance its cash resources by not achieving any of the three matters set out under *Liquidity and Capital Resources* above), 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 and paying funds to the operator of the Block 9 for recovery of costs, 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 AIF 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 forecasts. The forward looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. The forward looking information included herein is made as of the date of this MD&A and Niko assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (thousands of US Dollars)	As at June 30, 2018	As at March 31, 2018
Assets		
Current assets		
Cash and cash equivalents	10,204	2,809
Restricted cash	559	590
Accounts receivable	5,609	4,073
Inventories	3,977	4,136
Current portion of income tax receivable	-	13,923
	20,349	25,531
Restricted cash	1,552	1,552
Long-term accounts receivable	6,542	6,309
Exploration and evaluation assets	4,737	4,737
Property, plant and equipment (Note 5)	291,817	306,929
Income tax receivable	19,073	18,161
	344,070	363,219
Liabilities		
Current liabilities		
Trade payables	8,882	9,618
Other payables	423,442	421,667
Current portion of long-term debt	1,801	4,380
	434,125	435,665
Decommissioning obligations	45,734	44,956
Long-term debt	210,852	211,055
	690,711	691,676
Shareholders' Deficit		
Share capital	1,366,867	1,366,867
Contributed surplus	143,142	143,142
Currency translation reserve	2,147	2,147
Deficit	(1,858,797)	(1,840,613)
	(346,641)	(328,457)
	344,070	363,219

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(unaudited)	Quarter ended June 30,	
(thousands of US Dollars)	2018	2017
Oil and natural gas revenue	4,575	5,764
Production and operating expenses	(4,052)	(4,182)
General and administrative expenses	(791)	(1,719)
Finance and other income	4,761	393
Finance expense	(1,053)	(1,234)
Foreign exchange loss	(719)	(747)
Depletion and depreciation expenses (Note 5)	(20,462)	(7,169)
Exploration and evaluation expenses	-	(56)
Restructuring costs	-	(277)
Commercial claim expense	(443)	(27,604)
Loss before and after income tax from continuing operations	(18,184)	(36,831)
Net loss from continuing operations	(18,184)	(36,831)
Net loss from discontinued operations	-	180
Total net loss and comprehensive loss	(18,184)	(36,651)
Earnings (loss) per share (Note 7)		
Basic and diluted – continuing operations	(0.19)	(0.39)
Basic and diluted – discontinued operations	0.00	0.00
	(0.19)	(0.39)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(unaudited) (thousands of US Dollars, except number of common shares)	Number of Common shares	Share capital	Contributed surplus	Currency translation reserve	Deficit	Total
Balance, March 31, 2017	94,049,614	1,366,867	143,142	2,147	(1,759,342)	(247,186)
Net loss for the period	-	-	-	-	(36,651)	(36,651)
Balance, June 30, 2017	94,049,967	1,366,867	143,142	2,147	(1,795,993)	(283,837)
Net loss for the period	-	-	-	-	(44,620)	(44,620)
Balance, March 31, 2018	94,049,967	1,366,867	143,142	2,147	(1,840,613)	(328,457)
Net loss for the period	-	-	-	-	(18,184)	(18,184)
Balance, June 30, 2018	94,049,967	1,366,867	143,142	2,147	(1,858,797)	(346,641)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands of US Dollars)	Quarter ended June 30, 2018	 2017
Cash flows from operating activities:		
Net loss from continuing operations	(18,184)	(36,831)
Adjustments for:		
Depletion and depreciation expenses	20,462	7,169
Accretion expense	778	836
Unrealized foreign exchange loss	1,078	67
Finance and other income	(233)	(251)
Commercial claim expense	443	27,604
Change in non-cash working capital	11,214	84
Change in long-term accounts receivable	-	1
Cash from (used in) operating activities from continuing operations	15,558	(1,321)
Cash from operating activities from discontinued operations	-	286
Net cash (used in) from operating activities	15,558	(1,035)
Cash flows from investing activities:		
Property, plant and equipment expenditures (net)	(5,346)	(764)
Contribution of restricted cash	-	(30)
Change in non-cash working capital	(238)	(3,177)
Cash used in investing activities from continuing operations	(5,584)	(3,971)
Cash flows from financing activities:		
Repayment of long-term debt	(2,579)	(2,296)
Cash used in financing activities from continuing operations	(2,579)	(2,296)
Change in cash and cash equivalents	7,395	(7,302)
Cash and cash equivalents, beginning of year	2,809	11,394
Cash and cash equivalents, end of year	10,204	4,092

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Business

Niko Resources Ltd. (the "Company") is a company incorporated in Alberta, Canada. The address of its registered office and principal place of business is Suite 1500, 205 – 5th Avenue SW, Calgary, Alberta, T2P 2V7. The Company is engaged in the exploration, development and production of oil and natural gas primarily in India and Bangladesh. The Company's common shares are traded on the Toronto Stock Exchange under the symbol "NKO".

2. Going Concern

As at June 30, 2018, the Company`s unrestricted cash balances totalled $10 million compared to $3 million as at March 31, 2018. In May 2018, an indirect subsidiary of the Company received income tax refunds from the Government of India ("GOI") totalling the Indian Rupee equivalent of approximately $15.5 million (including interest). In the first quarter of fiscal 2019, the Company funded expenditures of approximately $6 million related to the development of the R-Cluster fields in the D6 Block in India.

Funding of Projected Future Cash Requirements of the Company
Major contracts for development of the R-Cluster fields in the D6 Block in India have been awarded and drilling commenced in early August 2018 towards a targeted start-up of production by mid-2020. In addition, field development plans for the Satellite Cluster discoveries and the MJ discovery in the D6 Block have been approved by the GOI, with start-up of these projects projected for 2021 and 2022, respectively. Based on Deloitte's reserves evaluation as at March 31, 2018, Niko's share of the funding requirement for development of these projects is estimated at approximately $200 million between mid-2018 and mid-2020, after which time the future net operating revenues from the D6 Block are forecast to be sufficient to fund the development capital expenditures to complete the projects.

The Company's cash resources, and therefore its ability to fund its operations, could be positively enhanced by various factors, including the following:

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

The Company is pursuing financing options for the R-Cluster, Satellite Cluster and MJ development projects in the D6 Block in India and is continuing its efforts to monetize its interest for the benefit of all of its stakeholders. However, the Company has not yet secured funding and, as such, in the next few months, it may not have sufficient funds available to pay cash calls under the D6 production sharing contract ("PSC"). Under the terms of the joint operating agreement ("JOA") between the participating interest holders in the D6 PSC, if a cash call is not paid, the operator of the D6 PSC could issue a default notice to the defaulting party and during the continuance of a default, the defaulting party shall not have a right to its share of 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 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.

No assurance can be made that the Company will be able to enhance the Company's cash resources on a timely basis or at all, so as to meet its funding requirements under the D6 PSC or its other obligations. 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 and will therefore have a material adverse impact on all of its stakeholders.

In November 2016, the contractor group of the D6 Block in India received a letter from the GOI, in which the GOI made claims against the contractor group in respect of gas said to have migrated from neighboring blocks to the D6 Block. Later in November 2016, the operator of the D6 Block invoked the dispute resolution mechanism in the PSC on behalf of the contractor group and issued a notice of arbitration to the GOI.

In July 2018, an international arbitral tribunal issued an award in favour of the contractor group, rejecting completely the claims of the GOI, 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 GOI have been rejected with the contractor group not liable to pay any amount to the GOI. 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] of India. Under this act, an arbitral award shall be final and binding on the parties, subject to appeal to the Indian court system by either party under limited circumstances.

Non-payments by Petrobangla of Amounts Due
From June 2016 to March 2018, Petrobangla paid reduced amounts to the operator of the Block 9 PSC for invoiced amounts due for gas and condensate supplied pursuant to the Block 9 gas and condensate sales agreements, In the first quarter of fiscal 2019, the Company was notified by the operator of the Block 9 PSC that Petrobangla had paid funds to the operator of the Block 9 for recovery of costs incurred by the operator related to Niko Block 9's interest in Block 9. The impact of Petrobangla's actions on the Company's position in Block 9 is currently under evaluation. Refer to Note 30(a)(ii) of the audited consolidated financial statements for the year ended March 31, 2018 for further details on this matter.

Contingent Liabilities
The Company and its subsidiaries are subject to various claims from other parties, as described in Note 30 of the audited consolidated financial statements for the year ended March 31, 2018 and updated in Note 9 of the condensed interim consolidated financial statements for the quarter ended June 30, 2018, 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 and contingent liabilities 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.

These condensed interim consolidated financial statements for the period ended June 30, 2018 do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realize on its assets and liabilities in other than the normal course of business and potentially at amounts significantly different from those recorded in these financial statements.

3. Basis of Presentation

Statement of compliance

These condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements and notes for the year ended March 31, 2018. The condensed interim consolidated financial statements have been prepared, for all periods presented, following the same accounting policies and methods as described in Note 4 of the audited consolidated financial statements for the year ended March 31, 2018. Certain prior period amounts have been reclassified to conform to the current presentation. These condensed interim consolidated financial statements have not been reviewed by the Company's independent external auditors.

The condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on August 13, 2018.

4. Changes in Accounting Policies

Effective April 1, 2018, the Company adopted the following new accounting standards. Also refer to the audited consolidated financial statements for the year ended March 31, 2018 for the recent accounting pronouncements issued but not yet effective.

IFRS 9 – Financial Instruments
IFRS 9 "Financial Instruments" was amended in July 2014 with respect to its classification and measurement of financial assets and introduces a new expected loss impairment model. The standard now includes three categories for financial assets, as compared to five categories under IAS 39, including amortized cost, fair value through profit or loss, and fair value through other comprehensive income. IFRS 9 removes the loans and receivables and held for trading categories previously included under IAS 39. The adoption of IFRS9 did not require any material adjustments to the Company's consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers
In May 2014, IASB issued IFRS 15 which replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfer of Assets from Customers" and SIC 31 "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 establishes revenue recognition principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. The adoption of IFRS15 did not require any material adjustments to the Company's consolidated financial statements.

5. Property, Plant and Equipment

(a) Development and producing assets

(thousands of US Dollars)	As at June 30, 2018
Cost	
Balance, March 31, 2018	1,116,593
Additions	2,388
Balance, June 30, 2018	1,118,981
Accumulated depletion	
Balance, March 31, 2018	(823,615)
Additions	(20,365)
Balance, June 30, 2018	(843,980)
Net book value, June 30, 2018	275,001

During the third and fourth quarter of fiscal 2018, the Company corrected its calculations of depletion expense for the Company's India segment for the prior quarters of fiscal 2018. In these financial statements, depletion expense for the first quarter of fiscal 2018 has been adjusted by $2.5 million.

(b) Other property, plant and equipment

(thousands of US Dollars)	Land and buildings	Vehicles, aircrafts, plant and machinery	Office equipment and furniture	Pipelines	Total
Cost					
Balance, March 31, 2018	17,533	2,765	2,791	3,691	26,780
Additions	-	-	-	4	4
Disposals / Adjustments	-	-	(1,484)	-	(1,484)
Balance, June 30, 2018	17,533	2,765	1,307	3,695	25,300
Accumulated depreciation					
Balance, March 31, 2018	(11,384)	(2,123)	(2,767)	(3,633)	(19,907)
Additions	(74)	(10)	(1)	(12)	(97)
Disposals / Adjustments	-	-	1,484	-	1,484
Balance, June 30, 2018	(11,458)	(2,133)	(1,284)	(3,645)	(18,520)
Net book value, June 30, 2018	6,075	632	23	50	6,780

(c) Capital work-in-progress

(thousands of US Dollars)	As at June 30, 2018
Balance, March 31, 2018	7,078
Additions	2,958
Balance, June 30, 2018	10,036

6. Financial Instruments

The Company's financial instruments include cash and cash equivalents, restricted cash, accounts receivable, income tax receivable, accounts payable, accrued liabilities and long-term debt. The fair values of cash and cash equivalents, restricted cash, accounts receivable, income tax receivable, accounts payable and accrued liabilities, approximate their carrying value, unless otherwise noted due to the short-term maturity of these instruments.

The Company classifies fair value measurements using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: Inputs for the asset or liability that are not based on observable market date (unobservable inputs).

As a result of the Amendments executed, the Company determined that the estimated fair value of the Company's Term Loan, Convertible Notes, deferred obligation and contract settlement obligation were substantially less than the carrying value of these obligations at that date and the difference between the fair value and the carrying value of these was recognized on the statement of comprehensive income (loss) as a gain on debt modification.

The Convertible Notes are classified as a Level 1 financial instrument on the modification date as the estimated fair value of the Convertible Notes on the date of Indenture Amendment was determined based on the quoted trading price.

The Term Loan on the modification date and subsequent thereto and the convertible note post the modification date are classified as Level 3 financial instruments and the estimated fair values are determined using estimated discount rates and the corresponding net proceeds that may be payable to the Term Loan lenders and the Noteholders under the Waterfall Distribution mechanism.

The deferred obligation and contract settlement obligation are classified as Level 3 financial instruments and the estimated fair values of these amounts were determined based on the priority of payments under the Waterfall Distribution mechanism.

The following table compares the face value and fair value of the Company's Term Loan, Convertible Notes, deferred obligation and contract settlement obligation as at June 30, 2018:

(thousands of US Dollars)	Face Value(1)	Fair Value
Term loan(2)	428,698	200,748
Convertible notes(2)	110,038	9,574
Deferred obligation(2)	6,557	-
Contract settlement obligation(2)	26,057	530
	571,350	210,852

(1) Includes accrued interest and other amounts owing as at June 30, 2018.
(2) Refer to the audited consolidated financial statements for the year-ended March 31, 2018 for discussion.

7. Per Share Amounts

(thousands of US Dollars, except number of common shares)	Quarter ended June 30, 2018	Quarter ended June 30, 2017
Continuing Operations		
Basic and Diluted		
Net loss	(18,184)	(36,831)
Weighted average number of common shares	94,049,967	94,049,967
Basic and diluted net loss per share	(0.19)	(0.39)
Discontinued Operations		
Basic and Diluted		
Net income	-	180
Weighted average number of common shares	94,049,967	94,049,967
Basic and diluted net income per share	-	0.00

(1) For the periods ended June 30, 2018 and 2017, stock options were excluded from the diluted earnings per share calculation as these options were anti-dilutive.
(2) For the periods ended June 30, 2018 and 2017, the outstanding Convertible Notes were excluded from the diluted earnings per share calculation as the Convertible Notes were anti-dilutive.

8. Segmented Information

(a) Revenues from reportable segments

(thousands of US Dollars)	Quarter ended June 30, 2018	Quarter ended June 30, 2017
Natural gas sales		
India	3,942	5,644
Oil and condensate sales		
India	1,176	828
Total oil and natural gas revenue	5,118	6,472

(b) Capital additions from reportable segments

(thousands of US Dollars)	Quarter ended June 30, 2018		Quarter ended June 30, 2017	
Continuing Segments	Exploration and evaluation assets	Property, plant and equipment	Exploration and evaluation assets	Property, plant and equipment
Bangladesh	-	-	-	430
India	-	5,346	-	(198)
Total	-	5,346	-	232

(c) Segmented assets

(thousands of US Dollars)	As at June 30, 2018			As at March 31, 2018		
Segment	Total Exploration and evaluation assets	Total Property, plant and equipment	Total Assets	Total Exploration and evaluation assets	Total Property, plant and equipment	Total Assets
Bangladesh	4,737	25,287	31,605	4,737	26,307	32,770
India	-	266,530	303,128	-	280,622	328,781
Other	-	-	9,337	-	-	1,668
Total	4,737	291,817	344,070	4,737	306,929	363,219

(d) Segment income (loss) from reportable segments

	Quarter ended June 30, 2018				Quarter ended June 30, 2017			
(thousands of US Dollar)	India	Bangladesh	Other	Total	India	Bangladesh	Other	Total
Natural gas revenue	3,942	-	-	3,942	5,644	-	-	5,644
Crude oil and condensate revenue	1,176	-	-	1,176	828	-	-	828
Royalties	(500)	-	7	(493)	(650)	-	5	(645)
Profit petroleum	(50)	-	-	(50)	(63)	-	-	(63)
Net oil and natural gas revenue	**4,568**	**-**	**7**	**4,575**	**5,759**	**-**	**5**	**5,764**
Production and operating expenses	(2,541)	(1,511)	-	(4,052)	(2,672)	(1,510)	-	(4,182)
General and administrative expenses	-	-	(791)	(791)	-	-	(1,719)	(1,719)
Finance and other income	233	-	4,528	4,761	251	-	142	393
Finance expense	(1,043)	-	(10)	(1,053)	(1,112)	(117)	(5)	(1,234)
Foreign exchange loss	-	-	(719)	(719)	-	-	(747)	(747)
Depletion and depreciation expenses	(19,442)	(1,020)	-	(20,462)	(6,098)	(1,071)	-	(7,169)
Exploration and evaluation expenses	-	-	-	-	(41)	(15)	-	(56)
Restructuring costs	-	-	-	-	-	-	(277)	(277)
Commercial claim expense	(443)	-	-	(443)	(27,604)	-	-	(27,604)
Net segment income (loss) from continuing operations	**(18,668)**	**(2,531)**	**3,015**	**(18,184)**	**(31,517)**	**(2,713)**	**(2,601)**	**(36,831)**
Net segment income from discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**	**180**	**180**
Total net income (loss) and comprehensive income (loss)	**(18,668)**	**(2,531)**	**3,015**	**(18,184)**	**(31,517)**	**(2,713)**	**(2,421)**	**(36,651)**

9. Contingent Liabilities

See Note 30 of the audited consolidated financial statements for the year ended March 31, 2018 for a description of the contingent liabilities of the Company. See below for the material updates since the issuance of those financial statements.

Alleged Migration of Natural Gas Dispute
In July 2018, an international arbitral tribunal issued an award in favour of the contractor group, rejecting completely the claims of the GOI, 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 GOI have been rejected with the contractor group not liable to pay any amount to the GOI. 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] of India. Under this act, an arbitral award shall be final and binding on the parties, subject to appeal to the Indian court system by either party under limited circumstances.