NIKO REPORTS RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

Niko Resources Ltd. ("Niko" or the "Company") is pleased to report its operating and financial results for the quarter ended June 30, 2016. The operating results are effective August 15, 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

In my first message to shareholders since my appointment as interim Chief Executive Officer in July, I am pleased to report that the Niko team continues to advance the Company's strategic plan to maintain its core assets for a period of time with the goal of enhancing value and ultimately monetizing these assets for the benefit of the Company's stakeholders.

In order to position the Company to achieve this strategic plan, it was critical that we received concessions from our key stakeholders and following a protracted negotiation, in July, we successfully reached agreement to amend the Company's term loan facilities agreement and note indenture governing the convertible notes. As a result, the Company is no longer in default of the amended facilities agreement or note indenture. In addition, the Company is no longer required to make interest payments (including interest previously owing) under the amended facilities agreement or the note indenture, other than in connection with previously disclosed waterfall distributions.

Having reached agreement on the term loan facilities agreement and note indenture, we are now focused on achieving an amicable resolution with Diamond Offshore related to the Diamond Settlement Agreement. To that end, we remain actively engaged in discussions with Diamond Offshore and believe these discussions have been productive for both parties. While we remain optimistic that a settlement will be reached, we also recognize that the failure to achieve a resolution on these matters may lead the Company to take steps (including pursuing an arrangement or reorganization proceeding) to ensure that it can continue to give effect to its strategic plan. In such circumstances, the interests of the holders of the convertible notes and the lenders under the amended facilities agreement may be prejudiced and the value of the Company's common shares may be significantly impaired or entirely eroded.

Our ongoing dispute with the Government of Bangladesh continues to adversely impact our operations in the region and overall financial condition. Despite these conditions, we remain vigilant in vigorously pursuing our legal rights related to previously disclosed disputes with the Government of Bangladesh and its subsidiary entities, Petrobangla and Bapex, including non-payments by Petrobangla of amounts due to subsidiaries of the Company. No assurance can be made that resolution of these matters can be accomplished at all or on a timely basis

While the Company continues to confront near-term challenges, I am pleased with the progress that has been made to date in positioning the Company to achieve its strategic objectives and look forward to partnering with the Company's management team and Board of Directors to advance these objectives in the months ahead.

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

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

Consolidated

	Three months ended June 30,	
($ thousands, unless otherwise indicated)	2016	2015
Sales volumes (MMcfe/d)	93	108
Net oil and natural gas revenue	16,355	26,679
EBITDAX(1)	8,820	18,358
Net loss – continuing operations	(21,651)	(29,655)
Net income – discontinued operations	8	349
Development capital expenditures	(4,554)	(11,230)
Net cash flow(2)	1,008	(20,454)

(1) Refer to "Non-IFRS Measures" for details.
(2) Net cash flow is the total change in cash and cash equivalents as started 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 and crude oil prices for the D6 Block in India contributed to lower net oil and gas revenue and lower EBITDAX for the Company in the current quarter of fiscal 2017 compared to the first quarter of fiscal 2016. Net loss in the current quarter was also negatively impacted by these factors as well as by increased interest expense, with reductions in depletion rates, accretion expenses, exploration and evaluation expenses, foreign exchange losses and restructuring costs contributing positively to net loss for the current quarter.

Development capital expenditures of $5 million in the current quarter related primarily to development well programs in the D6 Block in India and in Block 9 in Bangladesh. Development capital expenditures of $11 million in the prior year's quarter related primarily to a development well program in the D6 Block in India.

Net cash flow of $1 million in the current quarter primarily reflected the impact of EBITDAX of $9 million, development capital expenditures of $5 million, and $3 million of principal and interest payments on the finance lease related to the FPSO employed in the D6 Block in India. Net cash flow of $(20) million in the prior year's quarter primarily reflected the impact of EBITDAX of $18 million, $11 million of development capital expenditures, $3 million of principal and interest payments on the finance lease related to the FPSO employed in the D6 Block in India, $32 million of principal and interest payments on the Company's term loan facilities funded partially with $15 million released from restricted cash accounts under the terms of the term loan facility agreement, and $4 million of payments under the Company's contract settlement obligation.

India

	Three months ended June 30,	
($ thousands, unless otherwise indicated)	2016	2015
Sales volumes (MMcfe/d)	33	43
Net oil and natural gas revenue	10,029	20,272
Segment EBITDAX(1)	5,214	15,064
Segment profit (loss)	(2,853)	(441)
Development capital expenditures	(3,389)	(9,989)
Segment net cash flow(1)	195	(1,399)

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

Total sales volumes from the D6 Block in the first quarter of fiscal 2017 of 32 MMcfe/d decreased from 42 MMcfe/d in the first 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 in the first quarter of fiscal 2017 compared to the prior year period due to lower sales volumes and lower prices. The notified price for natural gas sales from the D6 Block in India for April 2016 to September 2016 is $3.06 / MMbtu based on the gross calorific value ("GCV") of the sales gas, which equates to approximately $3.40 / MMbtu based on the net calorific value ("NCV") of the sales gas, which is 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. Using benchmark prices for the period of January 2016 to December 2016, the Company estimates that the price for gas sales from the D6 Block in India for the October 2016 to March 2017 period could decrease a further 20 percent, with a potential negative impact on net cash flow of approximately $1.5 million per quarter during this period. The price for oil and condensate sales for the first quarter of fiscal 2017 decreased by approximately 25 percent compared to the first quarter of fiscal 2016 as a result of the decline in world oil prices.

Segment EBITDAX of $5 million in the first quarter of fiscal 2017 decreased by 65 percent compared to the first quarter of fiscal 2016 primarily due to lower net oil and natural gas revenues, partially offset by the impact of lower corporate costs allocated to production expense and lower insurance expense in the D6 Block.

Segment loss of $3 million in the first quarter of fiscal 2017 reflected the impact of lower segment EBITDAX and lower depletion expense. Depletion expense decreased in the current quarter compared to the prior year's quarter 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. The common facilities are now being 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.

Development capital expenditures of $3 million for the first 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 and this well is expected to be brought on-stream at the end of the second quarter of fiscal 2017. The second well is expected to commence drilling after completion of the first well.

Segment net cash flow in the first quarter of fiscal 2017 primarily reflected the impact of $5 million of segment EBITDAX partially offset by $2 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

	Three months ended June 30,	
($ millions, unless otherwise indicated)	2016	2015
Sales volumes (MMcfe/d)	60	64
Net oil and natural gas revenue	6,322	6,402
Segment EBITDAX(1)	4,282	4,096
Segment profit	2,792	2,189
Development capital expenditures	(1,165)	(1,241)
Segment net cash flow(1)	2,576	2,233

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

Total sales volumes from Block 9 in the first quarter of fiscal 2017 of 60 mmcfe/d decreased from the first quarter of fiscal 2016, primarily reflecting the impact of increased delivery pressure requirements of the sales trunkline.

Net oil and natural gas revenues remained relatively flat compared to the prior year period as the impact of lower sales volumes and lower oil prices was virtually offset by a lower government share of profit petroleum. The price for condensate sales in Block 9 for the first quarter of fiscal 2017 decreased by approximately 30 percent compared to the first quarter of fiscal 2016 as a result of the decline in world oil prices.

Segment EBITDAX of $4 million for the first quarter of fiscal 2017 increased compared to the first quarter of fiscal 2016 primarily as a result of lower production and operating expenses.

Segment profit of $3 million for the first quarter of fiscal 2017 increased compared to the first quarter of fiscal 2016 primarily as a result of increased segment EBITDAX 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 $1 million in the first quarter of fiscal 2017 related primarily to preparatory 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 is expected to commence in the second quarter of fiscal 2017 and this well is expected to be brought on-stream in the third quarter of fiscal 2017. The second well is targeted to be drilled in the fourth quarter of fiscal 2017.

Segment net cash flow of $3 million in the first quarter of fiscal 2017 primarily reflected $4 million of segment EBITDAX partially offset by $2 million of payments for development capital expenditures.

Other

($ millions, unless otherwise indicated)	Three months ended June 30, 2016	2015
Segment EBITDAX[1]	(676)	(802)
Segment loss	(21,590)	(31,403)
Net income – discontinued operations	8	349
Segment net cash flow – continuing operations[1]	(1,731)	(27,504)
Segment net cash flow – discontinued operations[1]	(32)	6,416

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

Segment loss in the first quarter of fiscal 2017 of $22 million decreased from the prior year period of $31 million, primarily resulting from reductions in accretion expenses, exploration and evaluation expenses, foreign exchange losses and restructuring costs, partially offset by increased interest expense. In the first quarter of fiscal 2016, the Company had reclassified the outstanding balance of its contract settlement obligation from long-term to current and recognized accelerated accretion expense. Exploration and evaluation expenses decreased compared to the prior year primarily due to reduced annual financial obligations under the production sharing contracts ("PSCs") in Trinidad. Unrealized foreign exchange loss in the first quarter of fiscal 2017 decreased compared to the first quarter of fiscal 2016 primarily due to the impact of the weakening of the Indian Rupee against the US Dollar on Indian Rupee denominated restricted site restoration funds and income tax receivables, partially offset by an unrealized gain from 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 in the first quarter of fiscal 2017 of $2 million primarily reflected payments for general and administrative expenses and restructuring costs. Net cash outflows related to continued operations in the first quarter of fiscal 2016 of $28 million primarily reflected $32 million of principal and interest payments on the Company's term loan facilities funded partially with $15 million released from restricted cash accounts under the terms of the term loan facilities agreement, $1 million released from restricted cash under the escrow account, $4 million of payments under the Company's contract settlement obligation and $4 million of payments for general and administrative expenses and restructuring costs.

Segment net cash flow from discontinued operations in the first quarter of fiscal 2016 in the prior year's quarter primarily reflected $6 million of net cash generated from the sale of certain subsidiaries holding interests in four Indonesian PSCs.

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

As at June 30, 2016, the Company was in default of its interest payment obligations under the facilities agreement (the "Facilities Agreement") governing its senior term loan (the "Term Loan") and the indenture (the "Indenture") governing its convertible notes (the "Convertible Notes").

In July 2016, the Company executed an amendment (the "Fourth Amendment") that amended the terms of the Facilities Agreement and executed a supplemental note indenture (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, the Company is no longer in default of the amended Facilities Agreement or Indenture. In addition, Niko is not required to make interest payments (including interest previously owing) under the Facilities Agreement or the Indenture during the term of the Amendments, other than in connection with waterfall distributions ("Waterfall Distribution").

Impact of the Amendments

Under the terms of the Amendments, in July 2016, the Company made a principal repayment of $12 million on the Term Loan, paid consent fees totalling $1.3 million to consenting noteholders, and withdrew $9.7 million from a reserve account required under the terms of the amended Facilities Agreement. As a result of the Amendments, liabilities of $421 million that were reflected as current liabilities as at June 30, 2016 will be reclassified to long-term liabilities on the Company's statement of financial position for the subsequent quarter.

The Amendments restrict the Company's ability to utilize potential proceeds from sales of assets, and settlement of insurance, 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 and the Company pursuant to the Waterfall Distribution.

Funding of Projected Capital Expenditures for Planned Drilling Programs in the Producing Fields in India and Bangladesh
After giving effect to the transactions in the Amendments, the Company's cash balances as at June 30, 2016 and its projected cash flows from operating activities for fiscal 2017 are 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 comply with the terms of the respective agreements for natural gas, crude oil and condensate sales from these producing fields (see discussion below on the Stay Order in Bangladesh).

Stay Order in Bangladesh
Two writ petitions have been filed before the Supreme Court of Bangladesh, High Court Division (the "Court") by a citizen of Bangladesh against the Government of Bangladesh (the "GOB"), Bangladesh Oil Gas & Mineral Corporation ("Petrobangla"), Bangladesh Petroleum Exploration & Production Company Limited ("Bapex"), the Company and certain subsidiaries of the Company. These writ petitions relates to i) the Feni Gas Purchase and Sales Agreement (the "Feni GPSA") and the Joint Venture Agreement (the "JVA") for the Feni and Chattak fields, and ii) the October 2004 approval by Petrobangla of the acquisition from Chevron Corporation of an entity that owned a 60 percent interest in the Block 9 PSC. Pending resolution of the writ petitions, the Court has ordered a stay (the "Stay Order") on any kind of benefit given by the GOB, Petrobangla or Bapex to Niko or any of its affiliates or subsidiaries, including payments made for gas supplied from the Block 9 PSC. Since June 2016, Petrobangla has paid reduced amounts to the operator of the Block 9 PSC for invoiced amounts due for gas and condensate supplied under the Gas Purchase and Sales Agreement of Block 9 PSC, 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"). As the cash flow generated by the Block 9 PSC is targeted to fund the 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 could significantly impact the Company's ability to fund its operating and capital budgets for fiscal 2017. Refer to Note 21(b) of the condensed interim consolidated financial statements for the three months ended June 30, 2016 for a detailed discussion.

Diamond Settlement Agreement
In May 2016, a Texas court issued a summary judgment in the amount of $20 million of unpaid obligations under the terms of the Diamond Settlement Agreement plus interest and legal costs. In July 2016, an Alberta court issued a judgement enforcing the summary judgment of the Texas court. The Company is in discussions with Diamond to seek a resolution of this matter. No assurance can be made that any resolution can be accomplished at all or on a timely basis. The failure to achieve a resolution with Diamond may lead the Company to take steps (including pursuing an arrangement or reorganization proceeding) to ensure that it can continue to give effect to its strategic plan. In such circumstances, the interests of the holders of the Convertible Notes and the lenders under the amended Facilities Agreement may be prejudiced and the value of the Company's common shares may be significantly impaired or entirely eroded.

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 June 30, 2016, with the unfulfilled commitments and PSC obligations in Trinidad backed by parent company guarantees. In August 2016, two 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 sixty days, failing which the GORTT would terminate the PSCs and exercise its rights on the parent company guarantees for unfulfilled exploration commitments of $65 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 21 of the condensed interim consolidated financial statements for the three months ended June 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 three months ended June 30, 2016 which will be available under the Company's SEDAR profile at www.sedar.com.

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 and the ability of the Company to give effect to its business plan. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. There can be no assurances that the Company will be able to 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. 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 parties to the Diamond Settlement Agreement, 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 the Stay Order, 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 (including the Stay Order), risks related to non-payments by Petrobangla of amounts due to subsidiaries of the Company, risks relating to the Company's default under the Diamond Settlement Agreement, 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.