CALGARY, AB--(Marketwired - June 28, 2016) - Niko Resources Ltd. ("Niko" or the "Company") (TSX: NKO) is pleased to report its operating and financial results for the quarter and year ended March 31, 2016. The operating results are effective June 28, 2016. All amounts are in US dollars unless otherwise indicated and all amounts are reported using International Financial Reporting Standards unless otherwise indicated.

CHAIRMAN'S MESSAGE TO THE SHAREHOLDERS

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.

To pursue this strategic plan, the Company requires concessions from its key stakeholders to significantly reduce the cash outflows to these stakeholders. The key terms of proposed amendments to the agreements governing the Company's term loan facilities and convertible notes have been negotiated with the relevant parties and the Company has executed agreements with 100% of its senior lenders in support of the proposed amendments to these agreements. The Company has also solicited and received consents from the requisite amount of noteholders to proceed with the proposed amendments to the indenture governing the convertible notes. As soon as practicable, the Company expects to enter into an amendment to the term loan facilities agreement, formally amend the indenture governing the convertible notes, and take such other steps as are necessary to give effect to the strategic plan. The implementation of the strategic plan remains subject to certain approvals, including the final approval of the Company's board of directors and the Toronto Stock Exchange. If the amendments become effective, the Company would not be required to make interest payments (including interest then owing) under the facilities agreement or the indenture during the term of the amendments, other than in connection with waterfall distributions (as defined in the proposed amendments), and would no longer be in default of the amended facilities agreement or indenture.

The Company continues to be in default of certain obligations under the terms of the settlement agreement entered into with Diamond Offshore. The Company is in discussions with Diamond to seek a resolution to allow the Company to pursue its strategic plan.

No assurance can be made that the strategic plan can be accomplished at all or on a timely basis. The failure to complete a definitive agreement to give effect to the proposed amendment to the term loan facilities or to achieve a resolution with Diamond on a timely basis could have a material adverse impact on the Company and its strategic plan.

In March 2016, the Government of India approved a proposal to grant marketing freedom to producers including pricing freedom for the gas to be produced from discoveries in high pressure-high temperature, deepwater and ultra-deepwater areas in India. The new natural gas pricing guidelines apply to future discoveries as well as existing discoveries which had yet to commence commercial production as of January 1, 2016 (such as existing undeveloped discoveries in the D6 Block in India). The contractor group of the D6 Block is taking the necessary steps towards development of the R-Cluster, Satellites and MJ discoveries in the D6 Block and the Company's oil and gas reserves as at March 31, 2016, as evaluated by an independent reserves evaluator, reflect significant undeveloped proved and probable reserves for these fields. Realizing value for these reserves could benefit the Company's stakeholders at some point in the future and the Company is evaluating its next steps towards realizing this value.

Kevin J. Clarke - Chairman and 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

As at March 31, 2016, the Company was in default of its interest payment obligations under its senior term loan facilities agreement (the "Facilities Agreement") and the indenture (the "Indenture") governing its 7 percent senior unsecured convertible notes due December 31, 2017 (the "Convertible Notes").

In March 2016, the Company executed a support agreement with institutional lenders (the "Lenders") holding more than 85 percent of its term loan and support agreements with noteholders (the "Noteholders") holding more than 60 percent of the Convertible Notes. The support agreements included a term sheet reflecting the key terms of the new interim agreement (the "Fourth Amendment") that would amend the terms of the Facilities Agreement and outlined the amendments that are required to be made to the Indenture (the "Indenture Amendments") (collectively, the "Amendments"). The key terms of the Amendments are described in Notes 16(a), 16 (c), 17(b), and 20(a) of the Company's audited consolidated financial statements for the year ended March 31, 2016 which will be available on the Company's SEDAR profile at www.sedar.com. Subsequent to March 31, 2016, the Company announced that it had received executed support agreements from 100 percent of its Lenders.

In June 2016, the Company commenced a solicitation of consents from Noteholders to amend the Indenture and subsequently received consents from holders of the requisite amount of Notes. As soon as practicable, the Company expects to enter into the Fourth Amendment, formally amend the Indenture, and take such other steps as are necessary to give effect to the strategic plan. The implementation of the strategic plan remains subject to certain approvals, including the final approval of the Company's board of directors and the Toronto Stock Exchange. On the date (the "Implementation Date") that the Amendments become effective, the Company would not be required to make interest payments (including interest then owing) under the Facilities Agreement or the Indenture during the term of the Amendments (the "Hold Period"), other than in connection with waterfall distributions ("Waterfall Distribution"), and would no longer be in default of the amended Facilities Agreement or Indenture. No assurance can be made that the strategic plan can be accomplished at all or on a timely basis. The failure to complete a definitive agreement to give effect to the proposed amendment to the term loan facilities could have a material adverse impact on the Company and its strategic plan.

Impact of the Amendments

Under the terms of the Amendments, on or prior to the Implementation Date, the Company would make a principal repayment of $12 million on the term loan, pay $1.5 million into escrow for payment of a consent fee to the Noteholders in July 2016, and withdraw $9.7 million from a reserve account required under the terms of the amended Facilities Agreement. As a result of the Amendments, liabilities of $402 million that were reflected as current liabilities as at March 31, 2016 would be reclassified to long-term liabilities on the Company's statement of financial position and $4 million of accrued default interest on the term loan and Convertible Notes as at March 31, 2016 will be recognized as a gain on the Company's statement of comprehensive income.

The Amendments would 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 would be required to be distributed amongst the Lenders, the Noteholders 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 March 31, 2016 and its projected cash flows from operating activities for fiscal 2017 would be 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) and assuming that the natural gas benchmark prices that are used in the pricing formula used to determine prices for natural gas sales from the producing fields in the D6 Block do not decline significantly from current levels.

Stay Order in Bangladesh

In May 2016, a writ petition was filed before the Supreme Court of Bangladesh, High Court Division (the "Court") by a citizen of Bangladesh against (i) the Government of Bangladesh (the "GOB"), (ii) Bangladesh Oil, Gas and Mineral Corporation ("Petrobangla"), (iii) Bangladesh Petroleum Exploration & Production Company Limited ("Bapex"), (iv) Niko Resources (Bangladesh) Ltd. ("NRBL") and (v) the Company. The writ petition relates to the Feni Gas Purchase and Sales Agreement (the "Feni GPSA") between Petrobangla and NRBL for the Feni gas field and the Joint Venture Agreement (the "JVA") between Bapex and NRBL for the Feni and Chattak fields in Bangladesh, which agreements are, as disclosed in Note 33(a) of the Company's audited consolidated financial statements for the year ended March 31, 2016, currently the subject of arbitration disputes to be decided upon by tribunal panels (the "Tribunals') constituted under the rules of the International Centre for Settlement of Investment Disputes ("ICSID"). Pending resolution of the writ petition, the Court ordered a stay (the "Stay Order") for a period of one month on any kind of benefit given by the GOB, Petrobangla or Bapex to NRBL or Niko or any of its affiliates or subsidiaries, including payments made for gas supplied from the Block 9 PSC. The Court subsequently extended the Stay Order until September 2016. In June 2016, Petrobangla 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 in March 2006, with the approximately $2 million withheld by Petrobangla equivalent to the 60 percent share in the Block 9 PSC held by Niko Exploration (Block 9) Limited ("Niko Block 9"), a separate indirect subsidiary of the Company. 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 PSC in fiscal 2017 as well as other cash requirements of the Company, further 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.

Funding of Projected Capital Expenditures for Future Development of Undeveloped Discoveries in the D6 Block in India

In March 2016, the Government of India (the "GOI") approved a proposal (the "New Guidelines") to grant marketing freedom to producers including pricing freedom for the gas to be produced from discoveries in high pressure-high temperature, deepwater and ultra-deepwater areas in India. The New Guidelines apply to future discoveries as well as existing discoveries which had yet to commence commercial production as of January 1, 2016 (such as existing undeveloped discoveries in the D6 Block in India). The contractor group of the D6 Block is taking the necessary steps towards development of the R-Cluster, Satellites and MJ discoveries in the D6 Block and the Company's oil and gas reserves as at March 31, 2016, as evaluated by an independent reserves evaluator, reflect significant undeveloped proved and probable reserves for these fields. The projected capital expenditures for the future development of these discoveries will likely require additional sources of funding, such as future equity or debt issuances. In addition, a decision prior to the second anniversary of the Implementation Date by the D6 contractor group to commit to the development of one or more of these projects would trigger the option of the Lenders to require the Company to commence a marketing and sale process for the Company's interest in the D6 PSC. There is uncertainty whether the Company will be able to fund the development of undeveloped discoveries in the D6 Block.

Diamond Settlement Agreement

In complying with a previous amendment to the Facilities Agreement, the Company was restricted from making any payments under the terms of the Diamond Settlement Agreement and, as such, continues to be in default of certain obligations under the Diamond Settlement Agreement.

Commencing on June 30, 2015, the Company has not made scheduled payments under the terms of the Diamond Settlement Agreement, with unpaid amounts totalling $20 million as at March 31, 2016. In July 2015, Diamond filed a lawsuit in a court in Texas seeking to enforce certain obligations. In May 2016, the Texas court issued a summary judgment in the amount of $20 million plus interest and legal costs, and, in June 2016, Diamond filed a lawsuit in a court in Alberta seeking to enforce the summary judgment of the Texas court. Under the terms of the Diamond Settlement Agreement, Diamond may still have the option to terminate the agreement and revert to the original drilling contracts that include termination provisions. To date, Diamond has not taken any steps to terminate the Diamond Settlement Agreement. In the event that Diamond was able to successfully terminate the agreement and revert to the original drilling contracts, the Company has estimated the maximum potential unsecured termination claim could range from $100 million to $220 million.

The Company is in discussions with Diamond to seek a resolution to allow the Company to pursue its strategic plan. This resolution will likely be subject to the approval of the Lenders and could have a negative impact on shareholders. 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 on a timely basis could prove to be unsatisfactory for stakeholders, and this is likely to have a material adverse impact on the value of stakeholders' interests in the Company.

Exploration Subsidiaries

As at March 31 2016, the Company's exploration subsidiaries in Trinidad had $22 million of accounts payable and accrued liabilities (including PSC obligations), and $129 million of recorded liabilities for unfulfilled exploration work commitments with the unfulfilled commitments and PSC obligations backed by parent company guarantees.

In the second quarter of fiscal 2016, the Company closed its Indonesian office and discontinued operating activities related to its remaining Indonesia PSCs. As at March 31, 2016, the Company's exploration subsidiaries that previously held interests in Indonesian PSCs had $62 million of accounts payable and accrued liabilities and $139 million of recorded liabilities for unfulfilled exploration work commitments.

There is significant uncertainty regarding whether certain of the Company's exploration subsidiaries will be able to meet existing and future obligations and continue activities in the future.

Contingent Liabilities

The Company and its subsidiaries are subject to various claims from other parties, as described in Notes 33 and 34 of the audited consolidated financial statements for the year ended March 31, 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.

BUSINESS HIGHLIGHTS

The significant business highlights of the fiscal 2016 are as follows:

Sales Volumes	Three months ended March 31,		Year ended March 31,	
(mmcfe/d)	2016	2015	2016	2015
D6 Block, India	37	43	41	47

Block 9, Bangladesh	61	66	62	65
Hazira, India	1	2	1	2
Total	99	111	104	114

India

- Total sales volumes from the D6 Block in fiscal 2016 of 41 mmcfe/d decreased from fiscal 2015 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.
- The notified price for natural gas sales from the D6 Block in India was $4.66 / MMbtu GCV ($5.18 / MMbtu NCV) for April 1, 2015 to September 30, 2015 and $3.82 / MMbtu GCV ($4.24 / MMbtu NCV) for October 1, 2015 to March 31, 2016. For the D1 D3 in the D6 Block where a dispute between the contractor group and the GOI on the cost recovery of certain costs is under arbitration, the Guidelines indicate that the contractor group would be paid the earlier price of $4.20 / MMbtu NCV and the difference between the revised price and $4.20 / MMbtu NCV would be credited to a gas pool account and "whether the amount so collected is payable or not to the contractors of this block would be dependent on the outcome of the award of the pending arbitration and any attendant legal proceedings". The notified price for natural gas sales from the D6 Block in India for April 1, 2016 to September 30, 2016 is $3.06 / MMbtu GCV ($3.40 / MMbtu NCV), approximately 20 percent lower than the earlier price before adoption of the New Domestic Natural Gas Guidelines, effective November 1, 2014.
- The average price for oil and condensate sales from the D6 Block for fiscal 2016 decreased by approximately 45 percent compared to fiscal 2015 as a result of the decline in world oil prices.
- In March 2016, the GOI approved a proposal to grant marketing freedom to producers including pricing freedom for the gas to be produced from discoveries in high pressure-high temperature, deepwater and ultra-deepwater areas. The new guidelines apply to future discoveries as well as existing discoveries which had yet to commence commercial production as of January 1, 2016 (such as existing undeveloped discoveries in the D6 Block in India). The marketing freedom so granted would be capped by a ceiling price arrived at on the basis of landed price of alternative fuels. The landed price â,¬based ceiling will be calculated every six months and applied prospectively for the next six months. The price data used for the calculation of the ceiling price shall be the trailing four quarters data with one quarter lag. The notified ceiling price for the period of April 1, 2016 to September 30, 2016 for gas produced from discoveries in high temperature-high pressure, deepwater, and ultra-deepwater areas that had not commenced production as of January 1, 2016 is $6.61 / MMbtu GCV.
- The operating committee of the D6 Block approved the submissions of declaration of commerciality reports for each of the MJ and Other Satellites discoveries for the review of the management committee of the D6 Block.
- In September 2015, the Company relinquished its interest in the NEC-25 block to the remaining interest holders.
- As at March 31, 2016, the site restoration program for the Surat block in India has been substantially completed.

Block 9, Bangladesh

- Total sales volumes from Block 9 in fiscal 2016 of 62 mmcfe/d decreased from fiscal 2015, primarily reflecting the impact of increased delivery pressure requirements of the sales trunkline.

CAPITAL AND EXPLORATION EXPENDITURES

For the year ended March 31, 2016:

(millions of US Dollars)	Development capital(1)	Exploration and evaluation capital(1)	Directly expensed exploration and evaluatio
India and Bangladesh	23	6	-
Other	-	-	7
Total	23	6	7

(1) Share-based compensation and other non-cash items are excluded.

India and Bangladesh
Capital and exploration expenditures in India and Bangladesh totaled $29 million for the year ended March 31, 2016. Development capital of $23 million related primarily to the completion and sidetrack of development wells in the D6 Block in India along with preparatory costs for the fiscal 2017 drilling programs in the D6 Block and in Block 9 in Bangladesh. Exploration and evaluation capital of $6 million related primarily to the cost of the DST programs on two discoveries in the D6 Block.

Other Countries
Capital and exploration expenditures outside of India and Bangladesh totaled $7 million for the year ended March 31, 2016, primarily related to fees due under the PSCs in Trinidad.

ESTIMATED RESERVES and ESTIMATED AFTER-TAX NET PRESENT VALUE OF FUTURE NET REVENUE

Estimated Reserves
As at March 31,

Gross(1) (Bcfe)	2016	2015
Proved	390	218
Proved plus Probable	548	546

(1) 'Gross' reserves are defined as those accruing to the Company's working interest share before deduction of royalties and government share of profit petroleum, and are reflected on a gas equivalent basis.

Deloitte LLP ("Deloitte"), an independent petroleum engineering firm, has prepared its reserves evaluations for the Company's interests in the D6 Block in India and Block 9 in Bangladesh. These evaluations have been prepared in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* and the Canadian Oil and Gas Evaluation Handbook, with an effective date of March 31, 2016.

Deloitte has evaluated the reserves for the Company's assets in India using its forecast of commodity price inputs into the Indian natural gas pricing formulas under the Guidelines for producing fields and under the New Guidelines for undeveloped discoveries.

India
Proved reserves and proved plus probable reserves of 265 Bcfe and 406 Bcfe, respectively, for the D6 Block in India as at March 31, 2016 reflect the reclassification of reserves for the R-Cluster and Satellites undeveloped discoveries from probable reserves to proved reserves and the addition of reserves for the MJ and Other Satellites undeveloped discoveries due to the economic viability of the development of these discoveries at the prices assumed in the reserve evaluations of these fields.

Bangladesh
Proved reserves for Block 9 in Bangladesh decreased to 125 Bcfe, as at March 31, 2016, primarily reflecting production of 23 Bcfe. Proved plus probable reserves for Block 9 decreased to 142 Bcfe.

Estimated After-tax Net Present Value of Future Net Revenue (discounted at 10%)

As at March 31,		
(millions of U.S. dollars)	2016	2015
Proved	274	128
Proved plus Probable	547	235

Complete details of the Company's reserves and future net revenues attributable thereto are contained in its Annual Information Form for the year ended March 31, 2016, which will be available on the Company's SEDAR profile at www.sedar.com.

FINANCIAL RESULTS

	Three months ended March 31,		Year ended March 31,	
(millions of US dollars)	2016	2015	2016	2015
EBITDAX from continuing operations(1)	11	18	57	81
Net income (loss) from continuing operations	78	(334)	(56)	(545)
Net loss from discontinued operations	-	(112)	(30)	(128)

(1) EBITDAX from continuing operations is a non-IFRS measure as defined by the Company in its filings of its Management's Discussion and Analysis on SEDAR at www.sedar.com. The most comparable IFRS measure is net loss from continuing operations and a reconciliation of EBITDAX from continuing operations to net loss from continuing operations is contained in the Company's Management's Discussion and Analysis.

EBITDAX from continuing operations for the fourth quarter of fiscal 2016 was $11 million compared to $18 million in the fourth quarter of fiscal 2015, primarily due to lower natural gas and oil prices and lower sales volumes.

Net income from continuing operations for the fourth quarter of fiscal 2016 reflects the impact of increases in forecasted future natural gas and oil reserves and the new pricing guidelines for undeveloped discoveries on the carrying value of the Company's assets in the D6 Block in India.

Complete details of the Company's financial results are contained in its audited consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2016 which will be available on the Company's SEDAR profile at www.sedar.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 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, risks related to obtaining consents, 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". The Company utilizes EBITDAX to assess performance and to help determine its ability to fund future capital projects and to repay debt. 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). EBITDAX 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. This non-IFRS measure do not have any standardized meaning prescribed by IFRS and is therefore unlikely to 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.

Contact

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