

Niko Provides Corporate Update

CALGARY, ALBERTA (May 16, 2016) – Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) announces that a writ petition has been filed before the Supreme Court of Bangladesh, High Court Division (the “Court”) in Dhaka 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”), the Company’s indirect subsidiary, and (v) Niko. 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 previously disclosed, currently the subject of arbitration disputes to be decided upon by a tribunal panel constituted under the rules of the International Centre for Settlement of Investment Disputes (“ICSID”).

Pending resolution of the writ petition, the Court has stayed for a period of one month (ending June 9th, 2016) any kind of benefit given by the GOB, Petrobangla or Bapex to NRBL or Niko or any of their affiliates or subsidiaries, including payments made for gas supplied from the Block 9 PSC in which a separate indirect subsidiary of the Company owns a 60 percent interest. This decision of the Court was granted without any notice to NRBL or Niko.

Niko intends to respond to the writ petition and stay and believes that ICSID has exclusive jurisdiction to decide all disputes relating to the Feni GPSA and the JVA. Niko will therefore vigorously pursue its rights in this matter.

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 Company’s view of ICSID’s jurisdiction in respect of disputes concerning the GPSA and the JVA. 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 pursue its rights in respect of the writ petition. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to the Company. This forward-looking information is based on certain key expectations and assumptions, many of which are not within the control of the Company. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to, the process and future determinations of the Court, and the risks discussed under the heading "Risk Factors" in the Company's Annual Information Form for the year-ended March 31, 2015 and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. Niko makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.

The forward-looking information included in this press release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date of this press release and Niko assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.