

## **Niko Provides Update on Settlement of Arbitration Case related to Interest in D6 Block in India**

CALGARY, ALBERTA (December 27, 2019) – Niko Resources Ltd. (“Niko” or the “Company”) announces that an amendment to the production sharing contract for the D6 Block (“D6 PSC”) in India has been executed, reflecting the assignment of the 10 percent interest previously held by the Company’s indirect subsidiary, Niko (NECO) Ltd. (“Niko NECO”), to the remaining interest holders in the block, Reliance Industries Limited (“Reliance”) and BP Exploration (Alpha) Limited (“BPEAL”).

Niko NECO had entered into a settlement agreement with Reliance and BPEAL under which it agreed to withdraw from D6 PSC and settle its arbitration case filed under the rules of the London Court of International Arbitration in December 2017 in exchange for a settlement amount of \$36 million, subject to adjustment prior to closing. The settlement agreement is subject to certain conditions precedent including the execution of the amendment to the D6 PSC referred to above.

Pursuant to the Waterfall Distribution mechanism defined in the Company’s Amended and Restated Facilities Agreement dated July 18, 2016 with its senior lenders (“Lenders”) and in the amended indenture governing the convertible notes of the Company, the net proceeds from the transaction are to be distributed solely to the Lenders.

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](http://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 payment of the amounts pursuant to the settlement agreement and satisfaction of the obligations to the Lenders under the Waterfall Distribution. 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. 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 and assumptions include, but are not limited to, the very limited liquidity of the Company, risks related to the Company meeting its obligations under the Amended and Restated Facilities Agreement, risks related to the various legal claims against the Company or its subsidiaries and the fact that the obligations under the Waterfall Distribution mechanism limits the ability of the Company to distribute funds and other risks discussed 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.