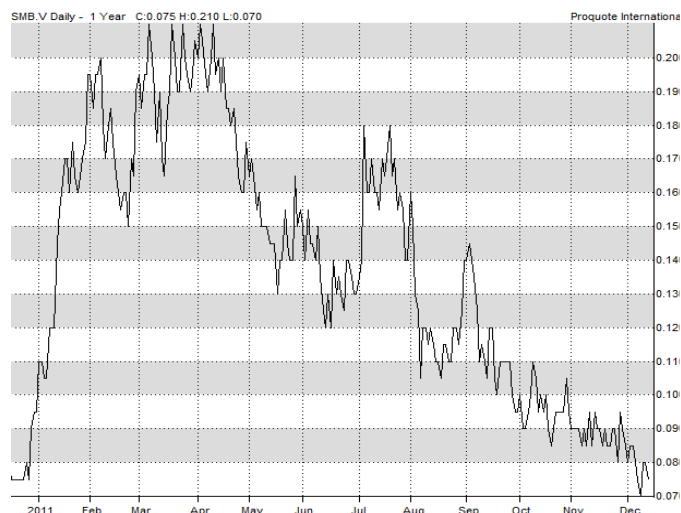


## SIMBA ENERGY INC.

C\$0.08

Kenya update

14 December 2011



### Recommendation

Sector:  
Exchange & Ticker:  
Shares in issue:  
Fully diluted equity:  
Market cap:

### BUY

Oil & Gas  
TSX.V: SMB  
140.6m  
211.9m  
C\$11.2m

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**Simba has provided an update on its activities on Block 2A (Simba: 100%) in Kenya. In particular, the company's work programme for year one has been approved by the Kenyan Ministry of Energy. Environmental baseline and survey work has already commenced and Simba has also engaged a geophysical consultant with extensive experience of the region.**

- Simba was granted a Production Sharing Contract (PSC) for Block 2A by the Ministry of Energy in August 2011. Block 2A covers over 7,800 km<sup>2</sup> in the northeast of the country. The acreage overlies the southern tip of the highly prospective Mendera Basin while the southwest corner of the block extends into the promising Anza Basin. Consequently, Simba believes that Block 2A has excellent potential for large oil and gas discoveries.
- Simba's year one work programme for Block 2A has been submitted to and approved by the Ministry of Energy. The company commenced environmental baseline and survey work on 6 December and anticipates completion of these initial studies by mid-January 2012. Simba has also engaged a geophysical consultant with extensive experience on Block 2A and the surrounding acreage.
- Simba has obtained the existing gravity and magnetic data for Block 2A and this information is being processed and reinterpreted. In addition, the reprocessing of selected 2D seismic lines is also underway. The company has also acquired copies of all (800km) existing 2D seismic survey lines conducted by Chevron and Amoco in the 1980s.
- In a separate matter, the company announced that Dr Karim Akrawi has resigned from the board with immediate effect in order to concentrate on his consulting business. Dr Akrawi was Simba's VP of Exploration and a Director of the company.

**Simba is making excellent progress in Kenya and we believe that additional seismic reprocessing on Block 2A has the potential to generate several leads amounting to hundreds of millions of barrels of oil. We believe that Kenya represents an increasingly prospective hydrocarbon province and the work carried out over the next twelve months will enable Simba to attract a major farm in partner in order to fund a wider exploration programme.**

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The recommendation system used for this research is as follows. We expect the indicated target price relative to the FT All Share Index to be achieved with 12 months on the date of this publication. A 'Hold' indicates expected performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance of >10% and a 'Sell' indicates underperformance of >10%.

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