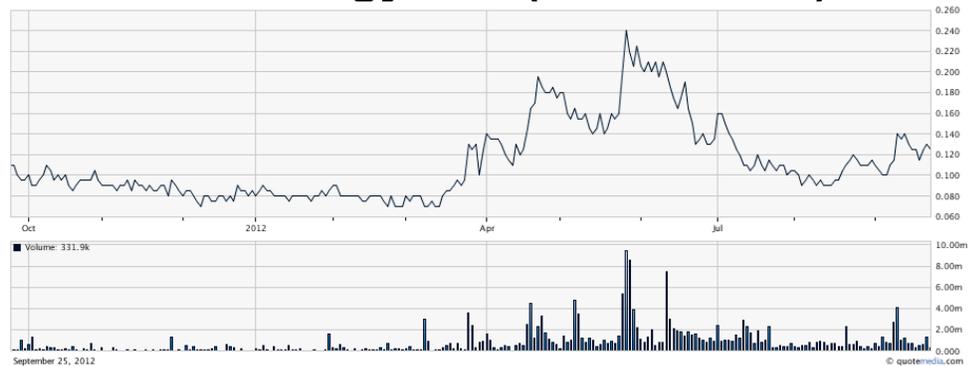


## Simba Energy Inc. (TSXV: SMB)

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### Simba Marches Forward In Africa, Secures Three New Oil Blocks In Chad

On September 24<sup>th</sup>, 2012, Simba Energy announced that it signed a deal with the Republic of Chad to secure Production Sharing Contracts (PSCs) on three prospective oil and gas concessions. The Company expects to finalize and execute the PSC by October 20<sup>th</sup>, 2012. These are highly prospective blocks, two of which lie directly to the south of the blocks held by Griffith Energy International.

**Symbol:**

TSX-V: SMB  
 OTCQX: SMBZF

**Ubika Model Price**  
 (UMP): \$0.81

**Ubika Rating**  
 Undervalued

**Risk**  
 High

**Price (Sep 25, 2012)**  
 \$0.125

**Gap to UMP**  
 523%

**52 Week Range**  
 \$0.06 - \$0.265

**Share O/S**  
 194.9 Million Shares

**Market Capitalization**  
 \$25 Million

- ❖ **An entry into Chad is a big step forward for Simba:** With current proven reserves of over 1.5 billion barrels of oil, Chad is one of the most promising countries in Africa for the new discoveries of convention oil assets. The country has produced and shipped close to 400 million barrels of oil from the famous Doba basin. The country has attracted immense attention from majors and emerging oil companies alike. Griffiths Energy International Inc., a Canadian based Oil & gas exploration and development company active in chad, just announced last week that Glencore International PLC, will invest up to \$300 million over the next three years to early 25% interest in its Mangara and Badila oilfiled projects. This strongly demonstrates the interest in Chad's oil assets.
- ❖ **Continued success with securing new PSCs diversifies portfolio:** The successful securing of PSCs in one of the most sought after countries in Africa further confirms our belief in Simba's ability to do what it does best-acquire highly prospective oil and gas assets in different countries in Africa and do that at a fraction of the price that majors and other more high profile companies pay. Simba's success in identifying countries that have billion barrel plus potential and then in securing such PSCs is highly impressive and a testimonial to their team's strong on the ground work in Africa. We find that to be a real competitive advantage for SMB.
- ❖ **Opportunity in Kenya is near-term and real:** Simba owns a very prospective land package in Kenya that is surrounded by blocks owned by Africa Oil (TSXV: AOI) and Afren Oil, with known prospective resources. Simba's Kenyan project came into focus earlier this year as Tullow Oil (in a JV with Africa Oil Corp) made the country's first significant onshore oil discovery. It recently released a technical NI 51-101 report on that project and is currently actively seeking Joint Venture partners to advance this project.
- ❖ **Strong short-term catalysts:** We continue to believe that the Company is well positioned to advance its flagship project in Kenya and is also working to solidify other PSCs in different countries. The success with new PSCs in Chad is very good sign for things to come. We expect the Company to work simultaneously on securing right partnerships, while continuing to announce initiatives on exploration and development fronts. This could lead to several short term catalysts for the stock.

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***Note: Ubika Research has NOT visited various mining sites to do any independent physical assessment of Simba Energy Inc.***

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**Undervalued:** Current share price is at least 40% below the Ubika Model Price as estimated by Ubika Research using general valuation methodologies.

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**Over Valued:** Current share price is at least 20% higher than Ubika Model Price as estimated by Ubika Research using general valuation methodologies.

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### **Ubika Risk Rating System**

**A company may have some, but not necessarily all, of the following characteristics of a specific risk rating to qualify for that rating:**

#### **High Risk**

Financial - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, weak cash reserve, poor working capital solvency, no dividends.

Operational - Weak competitive market position, very early stage of development, unproven operating plan, high cost structure relative to the industry, industry consolidating, business model/technology unproven or out-of-date.

#### **Moderate Risk**

Financial – History of revenue and earnings, balance sheet in line with industry average, good cash position, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.

Operational - Competitive market position and cost structure, industry stable, stable competitive position within the industry, business model/technology is well established and consistent with current state of industry, good cash reserve.

#### **Low Risk**

Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong cash position, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends.

Operational – Strong player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

### **Analyst Disclosure**

	Common Stock/Options Ownership in Simba Energy Inc.
Analyst(s)	Yes
Analyst's family members	No
Analyst's firm, their affiliates and/or subsidiaries	Yes