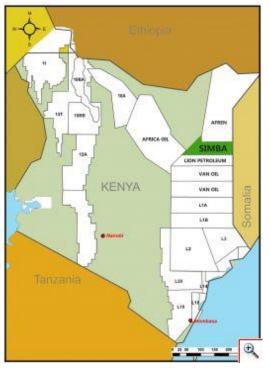


September 15, 2014

Simba Energy reopens data room with new technical data as its seek partners for Kenyan exploration push



<u>Simba Energy</u> has spent the summer crunching through newly acquired technical data over its Block 2A in Kenya and late last month reopened its data room to include the latest Full Tensor Gradiometry survey.

The TSX Venture-quoted company is being advised by Ernst & Young's Corporate Finance Oil & Gas division in London, as it seeks to bring in partners for the next round of exploration across the block. Vancouver-based Simba currently has 100 per cent of the block, which is neighboured by some serious explorers including Africa oil, Marathon Oil, Premier Oil and Afren.

The high res FTG survey has identified five structural features with independent closures that range from 30

sq km to more than 100 sq km in both the Mandera and Anza basins. The company says these structures compare favourably with other discoveries in the region. Simba's CEO Robert Dinning said the "very encouraging" FTG results had "increased the level of interest in Block 2A considerably".

The next step in the campaign will be a focused 2D seismic survey to delineate drilling locations. The company, which recently raised C\$3.24 million in a private placing to help fund exploration activities in Kenya, is keen for a partner to come on board to help shoulder the costs of the seismic work, which it would like to get underway this year. This will then help firm up prospects for drilling.

Drilling activity is already hotting up in this part of Kenya, which lies some way to the east of the main <u>Tullow Oil</u>/Africa complex of discoveries. Three wells are scheduled to be drilled and completed in the Anza/Mandera basin region before year-end. These include the Africa Oil Sala-2 well now drilling, which is an updip follow-up to Sala-1 in Block 9.

That well, which was tested in May, flowed 6 million cf/d of gas from a 25 metre net pay interval in an upper gas sand while a deep sand tested low rates of dry gas from a 50 metre net pay interval. Africa Oil, already engaged in pre-Feed studies for the giant oil deposits it has unearthed alongside Tullow to the north-west, believes there's a strong market for gas in Kenya and is already in talks with the Government about a fast-track gas-to-power development.

Other wells to watch in the region will include Khorof-1 in Block 1 on the western margin of the Mandera-Lugh basin. <u>Afren</u> has an 80 per cent stake in this well, which will test a large four-way dip-closure down-dip of an oil seep.

Also hotly anticipated will be the first well by the Premier Oil/<u>Taipan Resources</u> joint venture, which will drill the Badada-1 well in Block 2B, which lies in the Southern Anza basin. The prospect was selected from a 2014 100 km 2D seismic survey and is reckoned to host an estimated gross prospective resource of 100 million barrels of oil.

Premier paid Taipan back costs of US\$1 million and agreed to carry the smaller company through the drilling and testing of Badada up to a cap of US\$13.75 million to earn a 55 per cent stake in the project, a useful read across for Simba's planned farm-out.

All of this activity is good news for Simba, as it indicates its acreage sits in an active exploration hotspot where serious players are prepared to commit serious money to move in rigs and drill wells. Although none of the wells will have a direct read-through for Simba's portfolio, a discovery by any of its neighbouring operators would certainly be a boost to sentiment as potential partners mull the technical data and weigh the prospectivity.