

Drilling activity is already hotting up in this part of Kenya, which lies some way to the east of the main [Tullow Oil](#)/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. [Afren](#) 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/[Taipan Resources](#) 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.