



simba energy INC

## SIMBA ENERGY SHARES TO RESUME TRADING

**December 15, 2016, Vancouver, British Columbia - Simba Energy Inc.** (the “**Company**” or “**Simba**”) (TSX Venture: SMB) (Frankfurt: GDA) (CQX: SMBZF) announces that its common shares will resume trading on December 16, 2016 following a suspension of trading of its common shares since November 3, 2016 when the British Columbia Securities Commission (the “**BCSC**”) issued a Cease Trade Order (the “**CTO**”) as a result of the Company not having filed its audited annual financial statements for the year ended June 30, 2016 (the “**Financial Statements**”) and associated Management’s Discussion and Analysis.

After the Company filed the Financial Statements, the BCSC revoked the CTO on November 8, 2016, but the TSX Venture Exchange (the “**TSXV**”) maintained the trading suspension to require the Company to satisfactorily address and disclose identified instances of non-compliance with TSXV policies. This review process was part of the TSXV’s customary review of listed issuers that have been the subject of a CTO.

The Company advises that \$405,000 of the \$2,100,749 that the Company disclosed as having been raised pursuant to a non-brokered private placement of units that closed on January 21, 2016 was in fact a settlement of outstanding debts with creditors, 4 of whom were directors or officers of the Company at the time. The TSXV advised the Company that it was required to comply with the TSXV’s Shares for Debt policy in respect of the settlement of these outstanding debts. That policy does not allow for non-arm’s length parties to receive units in respect of the settlement of outstanding debts. Consequently, the 4 directors or officers of the Company that received an aggregate of 2,950,000 share purchase warrants as part of the units issued to them have returned such warrants to the Company for cancellation.

In addition, the Company advises that the 34 million units issued to Essel Group Middle East DMCC (“**Essel Group**”) at a price of \$0.05 per unit on May 31, 2016 (the “**Essel Group Units**”) were issued in connection with Essel Group’s agreement to pay certain creditors and to provide working capital in respect of the Company’s operations, and not for cash paid to Simba’s treasury. The TSXV advised the Company that it should also have applied for approval of this transaction under the TSXV’s Shares for Debt policy and that the Company was not permitted to issue units to Essel Group as Essel Group is not considered to be an arm’s length to Simba.

In addition, further to Simba’s news release of October 11, 2016 in respect of the exercise of 17 million share purchase warrants issued on May 31, 2016 to Essel Group as part of the Essel Group Units (the “**Essel Group Warrants**”), the Company advises that it did not receive the \$1,275,000 aggregate exercise price for the warrants in cash but rather issued the common shares (the “**Warrant Shares**”) to Essel Group on Essel Group’s agreement to continue to pay the Company’s creditors and to provide funding for the Company’s operations. Essel Group has, to date, paid more than \$1,275,000 to Simba’s creditors and on account of Simba’s operations (in addition to \$1.7 million of debt and operational expenses incurred in consideration of the 34 million Essel Group Units), In light of the TSXV’s decision to require Simba to cancel the Essel Group Warrants, the Company is in the process of having the Essel Group Warrant Shares returned to treasury and having the Essel Group Warrants cancelled.

The Company's Board of Directors has implemented a procedure going forward to ensure compliance with TSXV policies. The Company and the Essel Group are both well intentioned and are committed to meeting the highest global standards of compliance and governance.

## **ON BEHALF OF THE BOARD**

*"Robert Dinning"*

President & Director

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*This release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than the statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "could" or "should" occur. Forward looking information in this news release includes, without limitation, all statements regarding the use of proceeds. Although the Company believes that the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that cause the actual results to differ materially from those in forward-looking statements include: results of exploration and development activities, regulatory changes, defects in title, availability of materials and equipment, timeliness in government approvals, continued availability of capital and financing and general economic, market and business conditions. The Company cautions the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Please see the public filings of the Company at [www.sedar.com](http://www.sedar.com) for further information.*