



INVICTUS
ENERGY LIMITED

Sept 2021 Quarterly Activities Report

DATE: 27 OCTOBER 2021

HIGHLIGHTS

- **CB21 Seismic Survey commenced**
- **Seismic data processing Contract awarded to Earth Signal**
- **Drilling long lead items tender completed**
- **Rig selection process nearing finalisation for 1H 2022 drilling campaign**
- **Corporate Social Responsibility Program Expanded**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update of its activities of its 80% owned and operated Cabora Bassa Project in Zimbabwe for the quarter ending September 2021.

Comments from Managing Director & CEO Scott Macmillan

"This has been an excellent quarter for the Company which has seen us advance our exploration program with the commencement of the CB21 Seismic Survey campaign by Polaris which has produced a step change in data quality compared to the previous Mobil survey acquired in 1990. The HSE performance during seismic survey has been outstanding with >100,000 hours LTI and incident free completed by mid-October which is a testament to Polaris and Invictus teams during the campaign."

The Company also advanced its drilling plans for 1H 2022 basin opening drilling program with completion of the tender for long lead items, well services, and rig selection. The Company ended the quarter with a strong cash balance of \$7.3 million.

The Company is also finalising its US based OTCQB listing following significant investor interest from North America and will trade under the ticker symbol "IVCTF".

The Company has an exciting and transformative period ahead as we work towards the 1H 2022 drilling campaign."

About Invictus Energy

Invictus Energy Ltd is an independent oil and gas exploration company focused on high impact energy resources in sub-Saharan Africa. Our asset portfolio consists of a highly prospective 250,000 acres within the Cabora Bassa Basin in Zimbabwe. Special Grant 4571 contains the world class multi-TCF Mzarabani and Msasa conventional gas-condensate prospects.

Board & Management

Dr Stuart Lake

NON-EXECUTIVE CHAIRMAN

Joe Mutizwa

NON-EXECUTIVE & DEPUTY CHAIRMAN

Scott Macmillan

MANAGING DIRECTOR

Gabriel Chiappini

NON-EXECUTIVE DIRECTOR &
COMPANY SECRETARY

Brent Barber

COUNTRY MANAGER

Invictus Commences CB21 Seismic Survey

During the quarter the Company commenced the CB21 Seismic Survey through contractor Polaris Natural Resources to acquire a minimum of 400 line kilometres of 2D seismic data. Subsequent to the end of the quarter the Company had acquired 467km of 2D seismic data within SG 4571 and commenced the restoration of completed lines.

The CB21 survey utilised the latest generation STRYDE wireless nodes which are less than 25% the weight of comparable systems and provided the ability to utilise a swath shot methodology due to easier deployment and retrieval of the wireless node system. This shooting methodology enabled the Company to double the seismic data coverage by providing an effective line spacing of 800-900m and provide a high resolution subsurface dataset at minimal incremental cost.

The Company will process and interpret the new 2D seismic data in order to refine the Muzarabani-1 drilling location and well path and identify any additional prospectivity for the upcoming drilling campaign.



Figure 1- Vibroseis units in the field acquiring data during the CB21 Seismic Survey

The CB21 Seismic Survey enjoyed excellent HSE performance and the project surpassed 100,000 hours LTI and incident free operations which is a testament to the Polaris and Invictus teams during the campaign.

The CB21 Seismic Survey has resulted in the employment of >180 personnel, the vast majority from the Mbire and Muzarabani local communities in keeping with Invictus' strong local content policy and support of local job creation.

Seismic Processing Update

Subsequent to the end of the quarter, Earth Signal commenced the processing of the CB21 survey data. The preliminary processing of test Line 05 by Earth Signal is demonstrating promising results in comparison to the 2019 fully re-processed vintage data from the 1990 Mobil survey. **Figure 2** shows a substantial difference in quality between the datasets even at this early stage of processing of the current survey which is extremely encouraging. This very early stage data from Earth Signal is already providing Invictus with improved seismic resolution, good fault definition and sharper delineation. The final seismic products will determine the optimum well locations for the high impact basin opening drilling campaign scheduled for 1H 2022.

Early Look – 2021 Cabora Bassa Survey Data Processing

Comparison to 2019 Reprocessing of 1990 Mobil vintage data

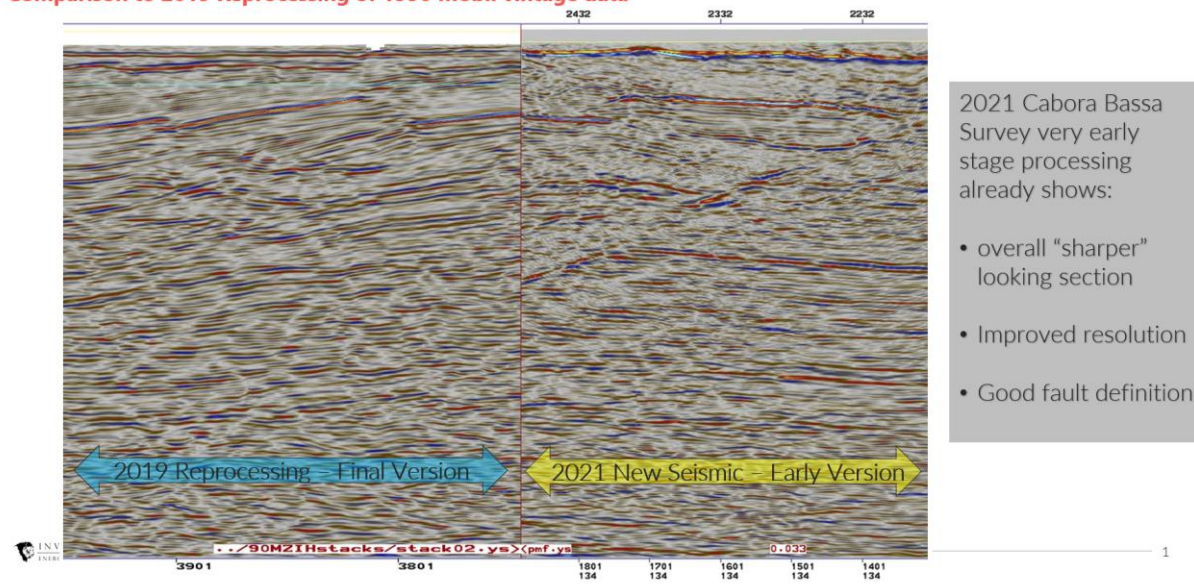


Figure 2 - Comparison between 1990 Mobil Survey fully reprocessed & Invictus CB21 Survey early-stage processing

Drilling Program Update

During the quarter the Company completed the tendering process for long lead drilling items (wellheads and casing) which is awaiting formal award. The rig selection process is advancing, and the Company is in discussions with shortlisted rig providers as well as drilling services providers and advancing towards securing a rig and services contract for a planned 1H 2022 basin opening drilling campaign.

Corporate Social Responsibility program expanded

In line with the progression of our exploration campaign, the Company commenced the second phase of our CSR program for the remainder of 2021 which focuses on the provision of water to communities. The Company is taking cognisance of the submissions from the Environmental Impact Assessment and feedback to our Community Liaison Officers (CLOs) from ongoing consultations with the local community during the current seismic survey program. Water, besides being the most sort after community request, is a key enabler to other CSR initiatives the Company wishes to initiate in the future and is the key to life in remote communities.

Information Required Under ASX Listing Rules

1. ASX LR 5.3.5

During the quarter \$122,000 was paid to related parties of the Company relating to executive director salary, non- executive director fees and company secretary fee.

2. ASX LR 5.3.1

The exploration and evaluation activity spend for the quarter consisted of:

Category	Amount (\$AUD'000)
Consultancy	89
Legal	34
Other	5
Seismic Survey	1,034
Total	1,162

3. ASX LR 5.3.3

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 September 2020

Tenement	Opening	Disposed	Acquired	Closing
SG 4571*	80%	-	-	80%

*Located within the Cabora Bassa Basin in Zimbabwe. No binding farm-in or farm-out agreements were entered into during the quarter.

Authorised for release by the Board

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For further information on Invictus Energy, please visit the Company's website at www.invictusenergy.com



About the Cabora Bassa Project

The Cabora Bassa Project encompasses the Muzarabani Prospect, a multi-TCF and liquids rich conventional gas-condensate target, which is potentially the largest, undrilled seismically defined structure onshore Africa. The prospect is defined by a robust dataset acquired by Mobil in the early 1990s that includes seismic, gravity, aeromagnetic and geochemical data. Invictus is undertaking a high impact basin opening exploration program consisting of infill 2D seismic data and a planned drilling campaign in 1H2022.

#Cautionary Statement: *The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.*

The Company is not aware of any new information and that all material assumptions and technical parameters underpinning prospective resource estimate continue to apply and have not materially changed.

***Giant fields** are conventional oil or gas fields with a recoverable reserve of 500 MMboe or more as defined by the American Association of Petroleum Geologists (AAPG)

***Elephant fields** are conventional oil or gas fields with a recoverable reserve of 1 Billion boe (1,000 MMboe) or more as defined by the American Association of Petroleum Geologists (AAPG)

SG 4571 - Special Grant Permit 4571 was granted in August 2017, the first exploration work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

For further information, please contact:

Scott Macmillan

Managing Director

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Invictus Energy Ltd

ABN

21 150 956 773

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(94)	(94)
	(e) administration and corporate costs	(332)	(332)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other:		
	- Office recharges	30	30
1.9	Net cash from / (used in) operating activities	(396)	(396)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(301)	(301)
	(d) exploration & evaluation (if capitalised)	(1,162)	(1,162)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,463)	(1,463)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,135	9,135
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(396)	(396)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,463)	(1,463)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	23	23
4.6	Cash and cash equivalents at end of period	7,299	7,299

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	865	865
5.2	Call deposits	6,434	6,434
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,299	7,299

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
122 ¹
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

¹ Payments relate to executive director salary, non- executive director fees and company secretary fee

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	417 ^	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 ^The Company has a share placement agreement with Mangwana Opportunities Fund for an additional 2 tranches of funding which may be called on over the next 12-24 months as announced on 30 April 2020. USD300k using an exchange rate of 0.72 at 30 September 2021.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)a	(396)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,162)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,558)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	7,299
8.5 Unused finance facilities available at quarter end (Item 7.5)	417
8.6 Total available funding (Item 8.4 + Item 8.5)	7,716
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	5.0
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	

9. Tenement Summary

In accordance with ASX Listing Rule 5.3.3 below is the Company's tenement holdings at quarter end.

Tenement	Opening	Disposed	Acquired	Closing
SG 4571 *	80%	-	-	80%

* Located within the Cabora Bassa Basin in Zimbabwe. No farm-in or farm-out agreements were entered into during the quarter.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2021

Authorised by: Authorised by the board of directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.