



INVICTUS

ENERGY LIMITED

Target Market Determination

DATE: 17 JANUARY 2022

Made by: **Invictus Energy Ltd** (ACN 150 956 773) of level 1, 10 Outram Street, West Perth, Western Australia (**Company**)

Product: Free options in connection with a security purchase plan to raise \$4,000,000 and free options to specified participants in a placement of fully paid ordinary shares, each under a prospectus dated 10 January 2022 (Options)

Effective date: 17 January 2022

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue the Options made by the Company under a prospectus dated 10 January 2022 (**Prospectus**). A copy of the Prospectus is available on the Company's website, www.invictusenergy.com.

The offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options under the offer will need to complete the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Options. This TMD is not a disclosure document for the purposes of the Corporations Act 2001 (Cth), and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (ASIC).

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

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 Muzarabani 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

1. Target Market

| Factor | Target market |
|-----------------------------|---|
| Investment Objective | The Company expects that an investment in Options will be suitable to eligible Shareholders (the “investors”) who wish to increase their exposure to equities in a small-cap oil and gas exploration company listed on the Australian Securities Exchange (ASX). Particularly, it will be those existing Shareholders of the Company who are registered as holders of Shares at 5.00pm (WST) on 24 December 2021 and whose registered address is in Australia being, those Shareholders who are eligible to participate in the Company’s security purchase plan to raise \$4,000,000 or who participated in the placement of fully paid ordinary shares announced by the Company on 29 December 2021, to which the issue of Options relates. |
| Investment Timeframe | <p>The target market of investors will take a short to medium term outlook on their investment. Investors with a short-term outlook for their investment will benefit from an ability to exercise Options and trade the underlying Shares issued on exercise should the Option exercise price of the Options be lower than the trading price of Shares. Investors with a medium-term outlook will benefit from an ability to exercise Options within the two-year term of the Options and increase their shareholding and exposure to the potential upside in the Company’s Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire shares, Investors in the target market are in a financial position that is sufficient for them to invest their funds on exercise the Options over a one-year timehorizon, during which their ability to liquidate their Options in the Company may be limited by a lack of liquidity in the Options and by the trading price of shares.</p> |
| Investment Metrics | While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment. The Options offer no guaranteed income or capital protection. |
| Risk | The Company considers that an investment in the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment. Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in Options as an asset class generally and the more specific risks of investing in an Australian listed software solutions company. |

2. Distribution Conditions

The offer of Options under the Prospectus is being made to those Shareholders of the Company registered as holding Shares at 5.00pm (WST) on 24 December 2021 and whose registered address is in Australia as further specified in the Prospectus or who participated in the placement of Shares announced by the Company on 29 December 2021 and issued on 6 January 2022 date (**Eligible Shareholders**).

The Prospectus includes jurisdictional conditions on eligibility. The Company will also include on its web landing page for the offer of Options a copy of this TMD and require that retail clients confirm that they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for Options.

The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

3. Review Triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options and the issue of the Options shortly after the close of the relevant offer (Offer Period).

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply for the Offer Period:

- a. a new offer of Options that requires preparation of a disclosure document is made after completion of the Offer Period;
- b. any event or circumstance that would materially change a factor taken into account in making this TMD;
- c. the existence of a significant dealing of the Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;
- d. ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- e. material changes to the regulatory environment that applies to an investment in the Options.

4. Review Period

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the Offer.

5. Information Reporting

The reporting requirements of all distributors is set out in the table below.

| Reporting requirement | Period for reporting to the Company by the distributor | Information to be provided |
|--|--|--|
| Whether the distributor received complaints about the Options. | <ul style="list-style-type: none"> For such time as the Offer Period remains open, within 10 business days after the end of each quarter. Within 10 business days after the end of the Offer Period. | <ul style="list-style-type: none"> The number of complaints received. A summary of the nature of each complaint or a copy of each complaint. |
| A significant dealing of the Options that is not consistent with this TMD | As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs. | <ul style="list-style-type: none"> Details of the significant dealing. Reasons why the distributor considers that the significant dealing is not consistent with this TMD. |
| A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD. | Within 10 business days after the end of the close of the offer of Shares in accordance with the Prospectus. | A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD. |

6. Contact details

Contact details in respect of this TMD for the Company are:

Gabriel Chiappini
 Director & Company Secretary
 Phone: +61 8 6102 5055
 Email: gabriel@laurus.net.au

Authorised for release by the Board

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, an 8.2 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. The Company is advancing the current exploration program with the acquisition of infill seismic data for a planned 1H 2022 basin opening drilling campaign.

#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. For further details on the Prospective Resource refer to the 1 July 2019 ASX announcement.

***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 Company entered into the second exploration period in August 2020 which runs until June 2024. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

For further information, please contact:

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