



March 2022 quarterly activities report

28 April 2022

HIGHLIGHTS

- **SG 4571 acreage increased seven-fold**
- **Substantial new shallow target identified in Mukuyu Prospect (Muzarabani)**
- **Binding drilling rig contract signed for two-well campaign**
- **Well services contract awarded**
- **Funding completed for mobilisation of drilling rig and long lead items**
- **New Country Manager appointed**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update on its financial and operational performance for the quarter ended 31st March 2021.

Commercial update

Funding completed

On 10 January, Invictus launched a Securities Purchase Plan (SPP) to raise up to \$2 million, however, overwhelming demand saw the SSP doubled to \$4 million.

The SPP was supported and oversubscribed by Invictus shareholders with a total of 39,999,775 SPP shares issued.

Together with the \$4 million Placement carried out in the December quarter, Invictus has raised a combined \$8 million.

The funds will be used for the mobilisation of the Exalo #202 drilling rig and long lead items for the two-well drilling campaign at the Cabora Bassa Project in Zimbabwe. A portion of the funds raised were also used for finalisation of CB21 Seismic Survey data processing, as well as for general working capital.

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

Cabora Bassa Project

Acreage increases

During the quarter Invictus' 80% owned subsidiary Geo Associates (Pvt) Ltd ("Geo Associates") executed a Heads of Agreement with the Sovereign Wealth Fund of Zimbabwe to increase the Special Grant 4571 ("SG 4571") licence area from 100,000 hectares to 709,300 hectares. The award is awaiting customary government gazettal.



Caption: HOA Signing Ceremony with Hon. Mthuli Ncube Minister for Finance, Planning and Economic Development & Planning with Mr Paul Chimbodza, Managing Director Geo Associates

The Company also agreed to increase the minimum work program obligation for the current second exploration period to drill two exploration wells, including the Mukuyu-1 prospect (previously named Muzarabani) and one exploration well in the expanded area.

Rig contract

Invictus executed a binding drilling rig contract with Exalo Drilling SA to drill the Mukuyu-1 exploration well, with an option for an additional exploration well.

The Exalo #202 rig is expected to mobilise from Tanzania to the Cabora Bassa Project in May, with the potentially basin opening drilling campaign currently scheduled to start in June.

The necessary casing, wellheads and ancillary long lead items for the two-well drilling campaign have already been secured.



Caption: The Exalo rig #202 in action.

Integrated well services contract awarded

In February, Invictus awarded Baker Hughes the integrated well services contract following completion of a competitive tender and evaluation process.

The contract is for services including cementing, mudlogging, drilling fluids, tubular running, directional drilling and logging, installation of wellhead equipment and project management.

Seismic analysis

Mukuyu prospectivity confirmed

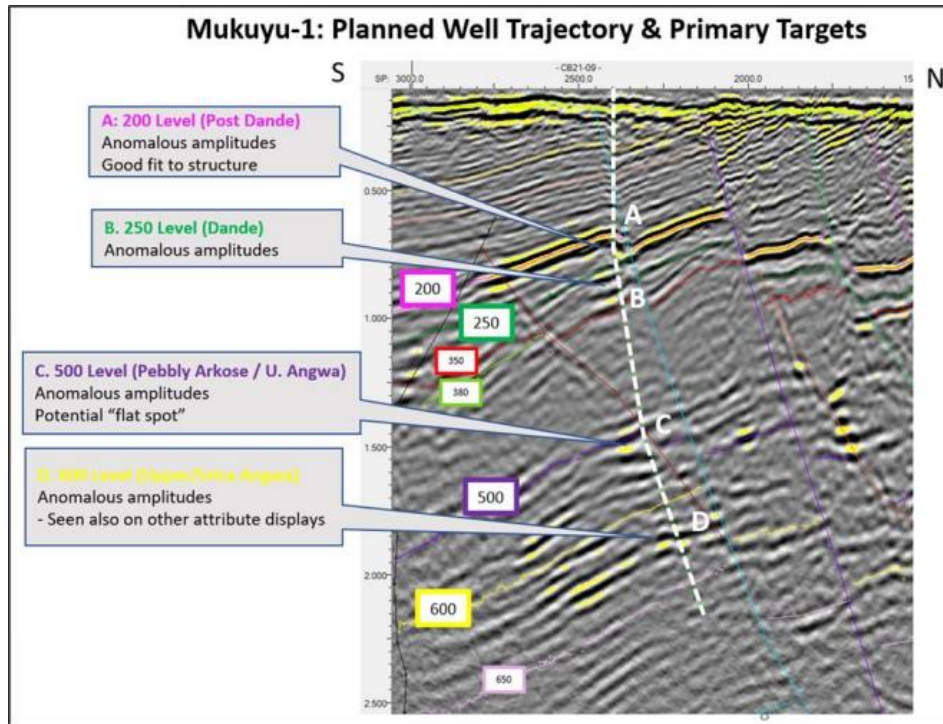
During the quarter, Invictus largely completed its interpretation of the newly acquired seismic data of the 2021 Cabora Bassa 2D Seismic Survey ("CB21 survey"), as well the concurrently reprocessed data of the 1990 legacy Mobil dataset.

The Mukuyu Prospect has now been clearly delineated as a large, robust, 4-way dip anticline, with the seismic data confirming prospectivity, including extensive seismic anomalies identified at multiple levels.

The previously identified Post Dande Lead A has now been extensively covered by multiple lines from the CB21 Survey and revealed an additional and material shallower target in the Mukuyu Prospect at the Horizon 200 Level (Post Dande) which will be tested in the Mukuyu-1

well in the upcoming drilling campaign. This new shallower target has a strong fit to structure, which is regarded as a potential Direct Hydrocarbon Indicator (DHI).

Following interpretation of the seismic data, a well trajectory has been developed that will test all key horizons in the Mukuyu prospect.



Caption: Mukuyu-1 planned well trajectory and primary targets

ERC Equipoise engaged to provide independent prospective resource update

In February, Invictus appointed ERC Equipoise Pte Ltd ("ERCE") to conduct an independent prospective resource update for the Cabora Bassa Project.

The review will incorporate the newly acquired and processed high resolution 2D seismic data from the CB21 Seismic Survey and the concurrently reprocessed 1990 vintage Mobil 2D seismic survey.

Other items

Farm-in process progresses

Following the seven-fold increase in the SG 4571 licence area, Invictus granted Cluff Energy Africa's (CEA) request to extend its farm-in option expiry from 31 March to 30 April 2022.

Subsequent to the end of the March quarter, Invictus announced on 27 April that it had received three farm-in bids, including an updated bid from CEA.

Additional parties are also carrying out ongoing due diligence and internal approvals, which may result in further bids being received.

New Country Manager appointed

During the quarter, Invictus appointed Barry Meikle as Country Manager of the Company. Mr Meikle brings significant operational and HSE experience throughout Africa and Oceania to the role.



Management trip to Zimbabwe

In March, the Invictus Board travelled to Zimbabwe for a series of on-the-ground engagements ahead of the upcoming drilling campaign. Together with our Joint Venture partner One-Gas, presentations and meetings were held with the local community leaders and senior government ministers as well as tours of Community Social Responsibility projects being implemented in the Muzarabani and Mbire districts



Caption: *Invictus management on a site visit in Zimbabwe with local chiefs and ministers*

Invictus Energy Chairman Stuart Lake and Non-Executive Director Gabriel Chiappini met with His Excellency President E.D. Mnangagwa, Minister of Finance Hon Mthuli Ncube and Minister of Home Affairs in Zimbabwe to provide an update on the Cabora Bassa project.



Caption: Chairman Stuart Lake and NED Gabriel Chiappini meeting with H.E President Mnangagwa, Minister of Finance Hon. Mthuli Ncube and Minister of Home Affairs Hon. Kazembe Kazembe

Information Required Under ASX Listing Rules

1. ASX LR 5.3.5

During the quarter \$187,000 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)
Exploration & Evaluation	1,085

3. ASX LR 5.3.3

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 31 December 2021:

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.

-Ends-

Approved for release by the Board

Questions and enquiries

Investors

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About Invictus Energy Ltd (ASX: IVZ)

Invictus Energy Ltd is an independent upstream oil and gas company listed on the Australian Securities Exchange (ASX: IVZ). The Company is headquartered in Perth, Australia and has offices in Harare, Zimbabwe. Invictus is opening one of the last untested large frontier rift basins in onshore Africa – the Cabora Bassa Basin – in northern Zimbabwe through a high impact exploration program.

The Company's principal asset is SG 4571 located in the Cabora Bassa Basin in Zimbabwe which contains the world class Mzarabani prospect – the largest undrilled prospect onshore Africa independently estimated to contain 8.2 Tcf and 247 million barrels of conventional gas condensate (gross mean unrisksed basis).

Invictus Energy is committed to operating in a safe, ethical and responsible manner, respecting the environment, our staff, contractors and the communities in which we work.

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")

31 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(176)	(372)
(e) administration and corporate costs	(492)	(1,257)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
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	86	170
- Restricted cash returned	-	96
1.9 Net cash from / (used in) operating activities	(582)	(1,359)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) Entities	-	-
(b) Tenements	-	-
(c) property, plant and equipment	-	(377)
(d) exploration & evaluation (if capitalised)	(1,085)	(7,932)
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(1,085)	(8,309)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,971	7,971
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	281	321
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(233)	(233)
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	8,019	8,059
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,209	9,135
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(582)	(1,359)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,085)	(8,309)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,019	8,059

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(210)	(175)
4.6	Cash and cash equivalents at end of period	7,351	7,351

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	3,889	434
5.2	Call deposits	3,462	775
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)	7,351	1,209

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
187 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 31 March 2022.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(582)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(1,085)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,667)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	7,351
8.5 Unused finance facilities available at quarter end (Item 7.5)	417
8.6 Total available funding (Item 8.4 + Item 8.5)	1,626
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.3
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

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

Date: 28 April 2022

Authorised by: Authorised by the: Audit & Risk Committee

Notes

- 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.
- 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.
- 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.
- 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".
- 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.