

Invictus Energy Ltd

ACN 21 150 956 773

Half-Year Financial Report

31 December 2023

Table of Contents

Corporate directory	1
Directors' report	2
Auditor's Independence Declaration.....	4
Auditor's Review Report	5
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity.....	9
Consolidated statement of cash flows	11
Notes to the financial statements.....	12
Director's Declaration	19

Corporate directory

Directors	Mr John Bentley <i>Non-executive Chairman</i>
	Mr Joseph Mutizwa <i>Non-Executive Deputy Chairman</i>
	Mr Scott Macmillan <i>Managing Director</i>
	Mr Robin Sutherland <i>Non-executive Director</i>
	Mr Gabriel Chiappini <i>Non-executive Director</i>
Company Secretary	Mr Gabriel Chiappini
Registered Office	Level 1, 10 Outram Street West Perth WA 6005 Tel: +618 6102 5055
Share Register	Link Market Services Limited Ground Floor Level 4 Central Park 152 St Georges Terrace Perth WA 6000
Stock Exchange Listing	Australian Securities Exchange (ASX: IVZ)
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin 16 Milligan St, Perth WA 6000
Website	www.invictusenergy.com

Directors' report

The Directors present their report together with the financial statements for the half-year period ending on 31 December 2023.

Directors

The Directors of Invictus Energy Ltd (hereafter "Invictus" or "the Company") and the entities it controls are as set out above in the Corporate Directory. The Directors held their position for the full reporting period unless otherwise stated.

Principal Activities

The principal activities of the consolidated entity carried out during the financial year consisted of the exploration and appraisal of the Cabora Bassa Project.

Results of Operations and Dividends

The net loss from continuing operations for the half-year period to 31 December 2023 was \$4,149,060 (31 December 2022: \$2,062,623).

No dividends have been paid or declared by the Company during the period ended 31 December 2023 (31 December 2022: nil).

Review of Operations

A summary of the Review of Operations during the reporting period is provided below.

- Mukuyu-2 appraisal well location was selected, the well pad construction was completed and spud achieved
- CB23 Seismic Survey was completed which provided new high resolution 2D coverage to the east of the Cabora Bassa Basin project area
- Additional Mukuyu-1 mudgas sample analysis was undertaken which reaffirmed the presence of light oil, gas, condensate and helium in the Mukuyu reservoir
- A successful placement was completed and secured AUD\$15 million (gross) to support ongoing Mukuyu-2 exploration, evaluation and contingency
- Two gas discoveries were made from Mukuyu-2 in the Upper and Lower Angwa formations
- Mukuyu-1 well from CY22 was classified as a gas discovery in the Upper Angwa
- The Mukuyu-2 well operations were completed and prepared for future flow test
- Gas sales MOU was signed with Mbuyu Energy for 500MW gas to power project
- Significant inbound interest for partnering and gas offtakes were evaluated
- Exalo Rig 202 contract was extended to allow for future drilling campaigns
- The Mukuyu project area was estimated to be second largest discovery made in Sub-Saharan Africa in 2023 by Wood Mackenzie
- Invictus' substantial portfolio of drill ready prospects and leads in Cabora Bassa basin were de-risked, providing ability to deliver further discoveries

Subsequent Events

On 3 January 2024 the Company applied for the quotation of 57,692,308 Listed Options expiring 7 June 2026 and 115,384,616 Shares.

On 9 January 2024 the Company applied for the quotation 103,771 Shares.

On 23 January 2024 the Company launched a pro-rata non-renounceable entitlement issue of one Share for every 12 Shares held by Shareholders registered at the Record Date at an issue price of \$0.13 per Share together with one Listed Option for every two Shares subscribed for and issued. Based on the capital structure of the Company approximately 117,204,164 Shares and 58,602,082 Listed Options may be issued under the Offer to raise up to \$15,236,541 (before costs).

On 13 February 2024 that Company announced that Mukuyu-2 gas samples were due to arrive in the USA for laboratory analysis with results anticipated within 2 weeks from date of arrival.

On 14 February the Company announced that the pro-rata non-renounceable entitlement issue was extended until the 6 March 2024.

On 4 March 2024 the Company announced that preliminary compositional analysis of downhole fluid samples confirmed a rich gas condensate discovery in the Mukuyu reservoir.

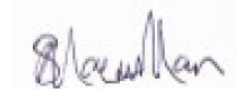
On 13 March 2024 the Company applied for the quotation of 5,722,896 Listed Options expiring 7 June 2026 and 11,445,580 Shares.

Other than the above, no matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial periods which have not been disclosed publicly at the date of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this report.

This report is made in accordance with a resolution of directors.



Scott Macmillan

Director

13 March 2024

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF INVICTUS ENERGY LTD

As lead auditor for the review of Invictus Energy Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Invictus Energy Ltd and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Prue'.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
13 March 2024

Auditor's Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Invictus Energy Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Invictus Energy Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Auditor's Review Report



Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink that reads 'J Prue'.

Jarrad Prue

Director

Perth, 13 March 2024

Consolidated statement of profit or loss and other comprehensive income
For the half year ended 31 December 2023

	Note	31-Dec-23 A\$	31-Dec-22 A\$
Interest revenue		46,919	36,446
Corporate costs	2	(1,162,208)	(1,052,369)
Professional fees		(886,780)	(291,359)
Director fees		(334,661)	(214,404)
Share based payments	9	(1,413,005)	(403,000)
Other expenses		(176,697)	(110,582)
Depreciation		(128,648)	(121,531)
Finance costs		(16,204)	(22,499)
Foreign currency loss		(77,776)	116,675
Loss before income tax		(4,149,060)	(2,062,623)
Income tax expense		-	-
Loss after income tax		(4,149,060)	(2,062,623)
Loss for the period attributable to:			
Members of the parent entity		(3,973,258)	(1,901,598)
Non- controlling interest		(175,802)	(161,025)
Loss for the period		(4,149,060)	(2,062,623)
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation – members of the parent entity		(88,365)	(82,084)
Foreign currency translation – non- controlling interest		(20,368)	(20,513)
Total other comprehensive (loss) for the period		(108,733)	(102,597)
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(4,061,623)	(1,983,682)
Non- controlling interest		(196,170)	(181,538)
Total comprehensive loss for the period		(4,257,793)	(2,165,220)
Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company	6	(0.32)	(0.23)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2023

	Note	31-Dec-23 A\$	30-Jun-23 A\$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		4,723,322	22,931,927
Trade and other receivables		293,154	344,486
Other current assets		39,941	82,747
Total current assets		5,056,417	23,359,160
<i>Non-current assets</i>			
Exploration and evaluation expenditure	5	115,198,321	74,256,799
Leasehold acquisition costs for Carbon Credits		765,340	732,588
Property, plant and equipment		119,542	174,828
Other financial assets		120,771	120,771
Right of use – asset		235,047	309,273
Total non-current assets		116,439,021	75,594,259
Total assets		121,495,438	98,953,419
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	4	12,048,634	2,445,746
Provisions		92,774	92,774
Right of use – liability		156,135	145,906
Total current liabilities		12,297,543	2,684,426
<i>Non-current liabilities</i>			
Right of use – liability		137,964	219,157
Total non-current liabilities		137,964	219,157
Total liabilities		12,435,507	2,903,583
Net assets		109,059,931	96,049,836
EQUITY			
Share capital	7	133,120,588	117,371,778
Reserves		8,606,017	7,175,304
Accumulated losses		(33,203,323)	(29,230,065)
Total equity attributable to owners of Invictus Energy Ltd		108,523,282	95,317,017
Non- controlling interest		536,649	732,819
Total equity		109,059,931	96,049,836

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Invictus Energy Ltd

Half-year financial report 31 December 2023

Consolidated statement of changes in equity

For the half year ended 31 December 2022

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the group	Non- controlling interest	Total equity
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
Balance at 1 July 2022	58,926,088	379,439	2,764,668	3,144,107	(24,592,086)	37,478,109	1,035,794	38,513,903
Loss for the period	-	-	-	-	(1,901,598)	(1,901,598)	(161,025)	(2,062,623)
Foreign currency translation	-	(82,084)	-	(82,084)	-	(82,084)	(20,513)	(102,597)
Total comprehensive loss for the period	-	(82,084)	-	(82,084)	(1,901,598)	(1,983,682)	(181,538)	(2,165,220)
Issue of shares	25,654,641	-	-	-	-	25,654,641	-	25,654,641
Issue of shares – options exercised	3,809,335	-	-	-	-	3,809,335	-	3,809,335
Issue of shares – share based payments	403,000	-	-	-	-	403,000	-	403,000
Share issuance costs	(1,592,972)	-	-	-	-	(1,592,972)	-	(1,592,972)
Share issuance costs – options issued	(2,196,044)	-	2,196,044	2,196,044	-	-	-	-
Total distributions to owners of Company recognised directly through equity	26,077,960	-	2,196,044	2,196,044	-	28,274,004	-	28,274,004
Balance at 31 December 2022	85,004,048	297,355	4,960,712	5,258,067	(26,493,684)	63,768,431	854,256	64,622,687

Invictus Energy Ltd

Half-year financial report 31 December 2023

Consolidated statement of changes in equity

For the half year ended 31 December 2023

	Share capital	Foreign currency translation reserve	Share-based payment reserve	Total reserves	Accumulated loss	Total attributable to equity holders of the group	Non- controlling interest	Total equity
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	A\$
Balance at 1 July 2023	117,371,778	337,074	6,838,230	7,175,304	(29,230,065)	95,317,017	732,819	96,049,836
Loss for the period	-	-	-	-	(3,973,258)	(3,973,258)	(175,802)	(4,149,060)
Foreign currency translation	-	(88,365)	-	(88,365)	-	(88,365)	(20,368)	(108,733)
Total comprehensive loss for the period	-	(88,365)	-	(88,365)	(3,973,258)	(4,061,623)	(196,170)	(4,257,793)
Issue of shares	16,291,708	-	-	-	-	16,291,708	-	16,291,708
Issue of shares – options exercised	165,660	-	-	-	-	165,660	-	165,660
Issue of shares – share based payments	310,000	-	-	-	-	310,000	-	310,000
Share issuance costs	(1,018,558)	-	-	-	-	(1,018,558)	-	(1,018,558)
Share based payments – performance rights issued	-	-	106,876	106,876	-	106,876	-	106,876
Share based payments – options issued	-	-	1,412,202	1,412,202	-	1,412,202	-	1,412,202
Total distributions to owners of Company recognised directly through equity	15,748,810	-	1,519,078	1,519,078	-	17,267,888	-	17,267,888
Balance at 31 December 2023	133,120,588	248,709	8,357,308	8,606,017	(33,203,323)	108,523,282	536,649	109,059,931

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
For the half year ended 31 December 2023

	31-Dec-23	31-Dec-22
	A\$	A\$
<i>Cash flows from operating activities</i>		
Interest received	46,919	36,446
Payments to suppliers and employees	(2,880,031)	(1,826,432)
Net cash used in operating activities	(2,833,112)	(1,789,986)
<i>Cash flows from investing activities</i>		
Exploration payments	(30,144,875)	(26,524,798)
Leasehold acquisition costs for Carbon Credits	(32,752)	(726,630)
Increase in restricted cash	-	(57,545)
Net cash used in investing activities	(30,177,627)	(27,308,973)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	15,833,372	25,654,641
Proceeds from issue of shares – options exercised	165,660	3,809,335
Share issue costs	(1,018,558)	(1,592,972)
Net cash provided by financing activities	14,980,474	27,871,004
Total cash movement for the period	(18,030,265)	(1,227,955)
Cash and Cash Equivalents at 1 July	22,931,927	13,718,461
Exchange rate adjustment	(178,340)	139,916
Total cash at end of the period	4,723,322	12,630,422

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

1. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Invictus Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for those detailed below.

New accounting standards and interpretations

For the half-year ended 31 December 2023, the Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

The going concern concept relates to the assessment of the Company’s ability to continue its operations for the next 12 months from the date when the Directors sign the interim financial report without the need to raise money from issuing shares or increasing the current level of its borrowings. The interim financial report has been prepared on a going concern basis.

For the half year ended 31 December 2023 the Group incurred a loss after tax of \$4,149,060 (2022: \$2,062,623) and had total net cash outflows from operating and investing activities of \$33,010,739 (2022: \$29,098,959). Additionally, as at 31 December 2023 the Group has a significant working capital deficiency of \$7,241,126 compared to 30 June 2023 where the Company had a working capital surplus of \$20,674,734.

The Directors have prepared an estimated cash flow forecast and have determined that the group would be required to secure additional funds through equity or debt in order to pay its debts as and when they fall due and continue its cash expenditure on operating activities and at the Cabora Bassa Project. These conditions indicate a material uncertainty that may cast a significant doubt over the Company’s ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and discharge of liabilities in the ordinary course of business for the following reasons:

- The Directors are of the opinion that the Group’s exploration and development assets will attract further capital investment when required; and
- The Directors expect the Group to be successful in securing additional funding through debt or equity issues, when and if required.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2023.

2. Corporate costs

	31-Dec-23	31-Dec-22
	A\$	A\$
Corporate costs	881,138	257,278
Corporate costs – foreign subsidiaries	281,070	795,091
	1,162,208	1,052,369

3. Segment information

Description of segments

The Directors have determined the Group has one reportable segment, being exploration of oil and gas in Zimbabwe. As the Group is focused on hydrocarbon exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

4. Trade and other payables

	31-Dec-23	30-Jun-23
	A\$	A\$
Trade payables	8,208,372	1,379,801
Accrued expenses	3,840,262	1,065,945
	12,048,634	2,445,746

5. Exploration and evaluation expenditure

As at 31 December 2023, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was \$115,198,321 (June 2023: \$74,256,799); the carrying amount of the project is per the reconciliation of movement in exploration and evaluation property below.

	31-Dec-23 A\$	30-Jun-23 A\$
<i>Cabora Bassa Project</i>		
Project carrying value – opening	74,256,799	28,228,960
Costs incurred during the period	41,046,573	47,656,386
Effect of translation to presentation currency	(105,051)	(1,628,547)
Project carrying value – closing	115,198,321	74,256,799

The total recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

6. Earnings per share

The calculation of basic and diluted earnings (loss) per share at 31 December 2023 was calculated as follows:

	31-Dec-23 A\$	31-Dec-22 A\$
<i>Loss attributable to ordinary shareholders for the period</i>	(3,973,258)	(1,901,598)
<i>Number of ordinary shares</i>		
Issued ordinary shares at the beginning of the period	1,178,116,846	746,732,948
Effect of shares issued during the period	112,948,506	141,286,869
Number of ordinary shares at 31 December	1,291,065,352	585,077,387
Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted loss per share	1,226,936,385	832,991,012
<i>Loss per share</i>		
Basic and diluted loss per share attributable to the ordinary equity holders of the Company (cents per share)	(0.32)	(0.23)

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

7. Contributed equity

	31-Dec-23 A\$	30-Jun-23 A\$
Shares on issue	146,348,549	129,581,181
Issuance costs	(13,227,961)	(12,209,403)
	133,120,588	117,371,778

<i>Reconciliation of movement in share capital</i>	Number of shares	A\$
Balance at 1 July 2022	746,732,948	58,926,088
Shares issued	111,974,222	25,654,641
Shares issued – options exercised	28,012,647	3,809,335
Share issuance costs	-	(1,592,972)
Share issuance costs – options issued	-	(2,196,044)
Share based payments	1,300,000	403,000
Balance at 31 December 2022	888,019,817	85,004,048

Balance at 1 July 2023	1,178,116,846	117,371,778
Shares issued ¹	5,833,333	652,373
Shares issued ²	3,657,654	458,336
Shares issued ³	100,000,000	15,000,000
Shares issued ⁴	-	181,000
Shares issued – options exercised	1,067,813	165,660
Share issuance costs	-	(1,018,559)
Share based payments ⁵	306,373	60,000
Share based payments ⁶	2,083,333	250,000
Balance at 31 December 2023	1,291,065,352	133,120,588

¹ On 24 August 2023 the Company raised \$652,373 by issuing 5,833,333 ordinary shares and 2,916,667 free-attaching unlisted options (one-for-two basis). The unlisted options are exercisable at \$0.145 with a two-year term.

² On 24 August 2023 the Company settled \$458,336 owed to suppliers by issuing 3,657,654 ordinary shares.

³ On 2 November 2023 the Company raised \$15,000,00 by issuing 100,000,000 ordinary shares and 33,333,333 free-attaching unlisted options (one-for-three basis). The unlisted options are exercisable at \$0.145 with a two-year term.

⁴ \$181,000 in placement funds were received prior to 31 December 2023, with the shares not being issued until 3 January 2024.

⁵ On 21 July 2023 306,373 ordinary shares were issued to Non-Executive Director, Mr Joseph Mutizwa in lieu of Director fees owed, valued at \$60,000.

⁶ On 21 July 2023 2,083,333 ordinary shares were issued to the Company's investor relations firm in lieu of amounts owed, valued at \$250,000.

8. Related party transactions

During the reporting period, 9,430,000 unlisted options were issued to Directors, Key Management Personnel and other employees of the Company. Refer to note 9 for terms and conditions of the options.

During the reporting period 1,540,000 Performance Rights were issued to Key Management Personnel and other employees of the Company. Refer to note 9 for terms and conditions of the Performance Rights.

During the period the Company paid \$60,000 to Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, for the provision of non- executive director and company secretarial services, on normal commercial terms and conditions and at market rates (period ended 31 December 2022: \$30,000).

All transactions were made on normal commercial terms and conditions and at “market rates”.

9. Share based payments

Unlisted options

On 21 July 2023, 1,041,667 unlisted options, valued at \$106,073 were issued to the Company’s Investor relations company. The options have an exercise price of \$0.20 and an expiry date of 7 June 2026. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 21 July 2023
- Expiry date: 7 June 2026
- Risk free rate: 3.60%
- Stock volatility: 117.57%
- Share price at grant date: \$0.1550
- Exercise price: \$0.20

\$106,073 has been recognised as Share based payments, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current period.

On 19 September 2023, 4,135,000 unlisted options, valued at \$536,289 were issued to the Company’s staff and consultants.

The options have an exercise price of \$0.29 and an expiry date of 15 October 2026. The fair value per option is \$0.13. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 19 September 2023
- Expiry date: 15 October 2026
- Risk free rate: 3.74%
- Stock volatility: 115.74%
- Share price at grant date: \$0.20
- Exercise price: \$0.29

\$536,289 has been recognised as Share based payments, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current period.

On 27 October 2023, 5,295,000 unlisted options, valued at \$769,840 were issued to the Directors. The options were awarded to the following recipients:

- Mr Scott Macmillan received 2,515,000 unlisted options, valued at \$365,655
- Mr Joseph Mutizwa received 600,000 unlisted options, valued at \$87,233
- Mr John Bentley received 980,000 unlisted options, valued at \$142,486

Invictus Energy Ltd

Half-year financial report 31 December 2023

- Mr Robin Sutherland received 600,000 unlisted options, valued at \$87,233
- Mr Gabriel Chiappini received 600,000 unlisted options, valued at \$87,233

The options have an exercise price of \$0.29, and an expiry date of 15 October 2026. The fair value per option is \$0.15. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 27 October 2023
- Expiry date: 15 October 2026
- Risk free rate: 4.34%
- Stock volatility: 116.55%
- Share price at grant date: \$0.22
- Exercise price: \$0.29

\$769,840 has been recognised as Share based payments, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current period.

Performance rights

On 20 October 2023, 1,540,000 Performance Rights were issued to Key Management Personnel and other employees of the Company. The Performance Rights will convert to ordinary shares upon the following milestone being achieved:

- 20 Day VWAP of \$0.30 or higher

Set out below are the assumptions used in assessing the indicative fair value of the Performance Rights:

Assumptions	Performance Rights
Valuation Date	20 October 2023
Spot Price (\$)	\$0.15
Exercise Price (\$)	Nil
Issue Date	20 October 2023
Expiry Date	15 October 2024
Expected future volatility (%)	92%
Risk free rate (%)	4.29%
Dividend yield (%)	0%
Vesting Date	-
Provision for Employee Exit (%)	-
Performance Hurdle	20 Day VWAP of \$0.30 or higher
Probability of success (%)	100%
Valuation	\$106,876

\$106,876 has been recognised as Share based payments, within the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current period.

10. Contingencies

No contingent liabilities exist at the December 2023 half year ended (June 2023: Nil)

11. Commitments

Renewal application

Geo Associates (Pvt) Ltd is the holder of Special Grant 4571 (SG4571) and is required to pay a renewal fee of US\$31,800 during the 30 June 2024 financial year.

Exploration and evaluation commitments

Exploration and evaluation expenditure contractually committed to as at 31 December 2023 is as follows:

	31-Dec-23	30-Jun-23
	A\$	A\$
Not later than 1 year	2,922,173	9,027,476
Later than 1 year but not later than 2 years	-	-
Later than 2 years but not later than 5 years	-	-
	2,922,173	9,027,476

12. Dividends

No dividends were paid by the Group during the half year ended 31 December 2023 (2022: nil).

13. Events occurring after the reporting period

On 3 January 2024 the Company applied for the quotation of 57,692,308 Listed Options expiring 7 June 2026 and 115,384,616 Shares.

On 9 January 2024 the Company applied for the quotation 103,771 Shares.

On 23 January 2024 the Company launched a pro-rata non-renounceable entitlement issue of one Share for every 12 Shares held by Shareholders registered at the Record Date at an issue price of \$0.13 per Share together with one Listed Option for every two Shares subscribed for and issued. Based on the capital structure of the Company approximately 117,204,164 Shares and 58,602,082 Listed Options may be issued under the Offer to raise up to \$15,236,541 (before costs).

On 13 February 2024 that Company announced that Mukuyu-2 gas samples were due to arrive in the USA for laboratory analysis with results anticipated within 2 weeks from date of arrival.

On 14 February the Company announced that the pro-rata non-renounceable entitlement issue was extended until the 6 March 2024.

On 4 March 2024 the Company announced that preliminary compositional analysis of downhole fluid samples confirmed a rich gas condensate discovery in the Mukuyu reservoir.

On 13 March 2024 the Company applied for the quotation of 5,722,896 Listed Options expiring 7 June 2026 and 11,445,580 Shares.

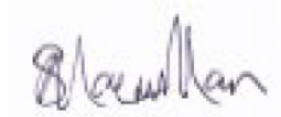
Other than the above, no matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial periods which have not been disclosed publicly at the date of this report.

Director's Declaration

In the Directors' opinion:

- (a) The financial statements and notes, as set out on pages 7 to 18, are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards 134; and
 - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that Invictus Energy Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Scott Macmillan
Managing Director
Perth
13 March 2024