



Interpose Holdings Limited  
(ASX: IHS)

INVICTUS  

---

ENERGY RESOURCES

**ASSET SUMMARY**  
**Special Grant 4571**  
Conventional Oil and Gas  
April 2018

[invictusenergy.com](http://invictusenergy.com)

This document is for information purposes only. It is not a prospectus, disclosure document or offering document under Australian law or under any other law and does not constitute an offer or invitation to apply for securities. In particular, this document is not an offer of securities for subscription or sale in the United States of America or any other jurisdiction in which such an offer or solicitation is not authorized or to any other person to whom it is unlawful to make such an offer or solicitation. The information in this document is an overview and does not contain all the information necessary to make an investment decision. To the extent permitted by law, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this document, any of which may change without notice. Neither Interpose Holdings Limited (Interpose), nor any other person warrants the future performance of Interpose or any return on any investment made in Interpose. Some of the information contained in this document constitutes forward-looking statements that are subject to various risks and uncertainties, not all of which may be disclosed. These statements discuss future objectives or expectations concerning results of operations or financial condition or provide other forward-looking information. Interpose's actual results, performances or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. Prospective investors should make their own independent evaluation of an investment in any securities. The material contained in this document does not take into account the investment objectives, financial situation or particular needs of any individual investor. Interpose does not make any recommendation to investors regarding the suitability of any securities and the recipient must make its own assessment and/or seek independent advice on financial, legal, tax and other matters, including the merits and risks involved, before making any investments.

**COMPETENT PERSON'S STATEMENT** The information in this document relating to petroleum resources and exploration results is based on information compiled by Mr Scott Macmillan. Mr Macmillan is a Reservoir Engineer and has a Bachelor of Chemical Engineering and an MSc in Petroleum Engineering from Curtin University. He is a member of the Society of Petroleum Engineers (SPE) and has over 12 years experience in the industry in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development. Estimated resources are un-risked and it is not certain that these resources will be commercially viable to produce.

## Invictus is the first mover in one of the largest under-explored interior rift basins in Africa

Interpose to acquire an 80% interest and operatorship of Special Grant 4571\* which covers **250,00 acres** in Zimbabwe over the **most prospective part of the Cabora Bassa Basin** through Invictus acquisition

### **Contains potentially the largest, seismically defined, undrilled structure onshore Africa**

- Mzarabani prospect is a TCF+ conventional gas-condensate target
- Simple 4 way dip anticline mapped on multiple seismic lines over a large area

Acreage formerly held by Mobil in early 1990s and has an **extensive legacy dataset**

- ~US\$30m spent on 2D seismic, gravity, aeromagnetic and geochemical data
- Studies demonstrated that all required elements for a working petroleum system are present
- Data not previously available or seen in the public domain until now

**Displays similar characteristics to prolific interior rift basin petroleum systems** in Uganda, Kenya, South Sudan, Perth and Cooper-Eromanga basins

### **Low cost** work program required to **mature prospect to farm-out / drill ready**

- First 6 month work program already completed
- Reprocess legacy data and independently evaluate SG 4571 and Mzarabani Prospect
- Multiple regional players to be targeted for farm-out in 2019

# Regional Activity Map

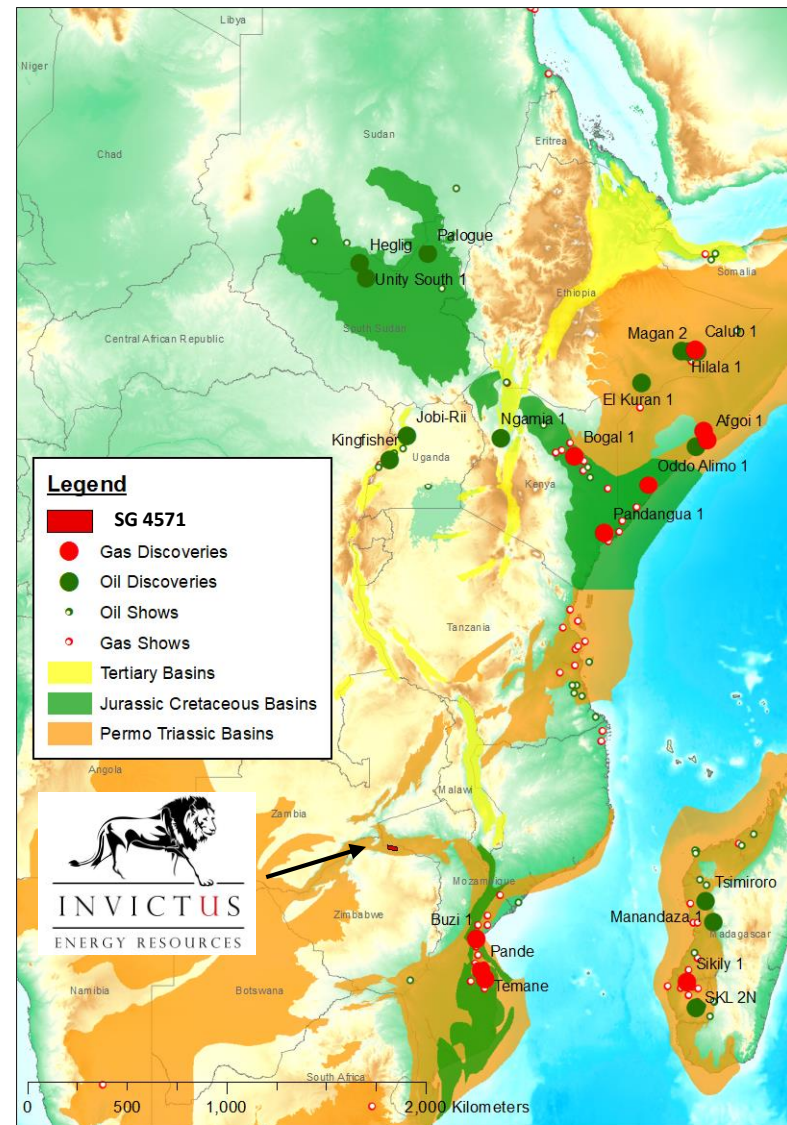
## Significant regional activity underway

- Karoo aged rift plays gaining attention
- Regional license rounds have attracted established East African Rift players to Karoo rift basins
- Near term activity and news flow from neighbours will enhance the value of SG 4571
- Invictus is the first mover into Cabora Bassa portion of the greater Zambezi Valley rift play that extends from Namibia, through Botswana, Zambia and Zimbabwe, into Mozambique
- Invictus has secured the most prospective acreage in the basin, as well as an extensive legacy data set



# Regional Karoo Hydrocarbon Discoveries

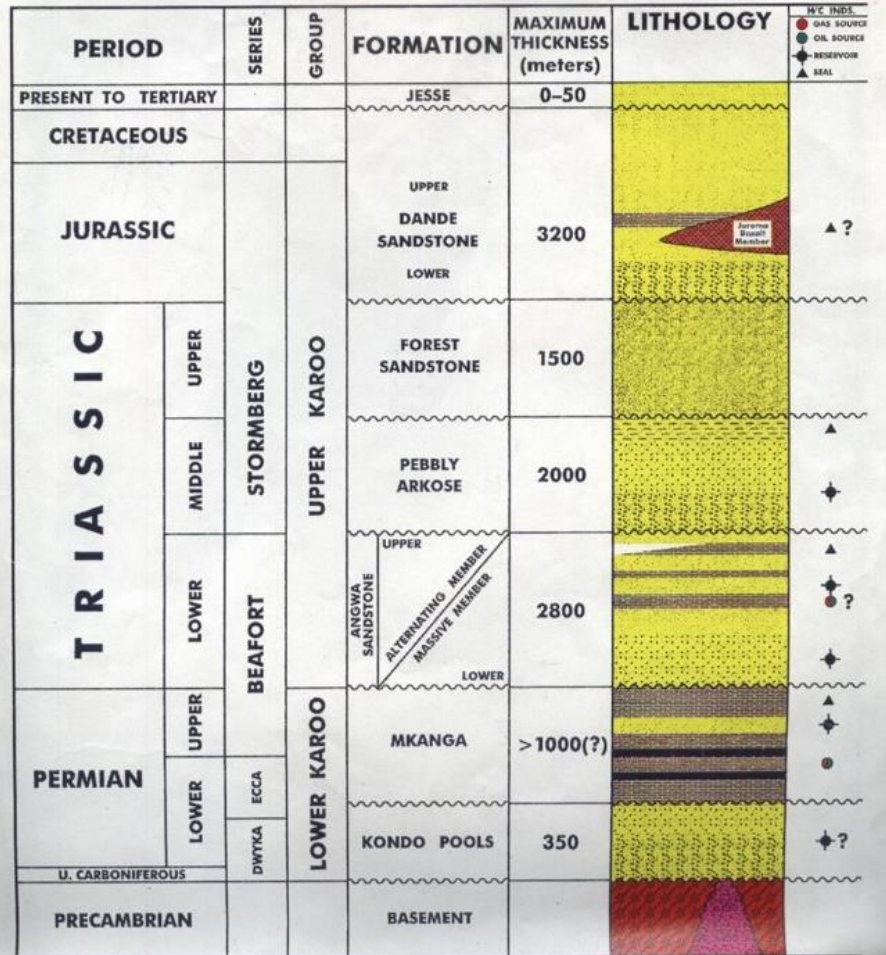
| Country    | Discovery   | HC Type  | Estimated Ultimate Recovery (2P/2C) |
|------------|-------------|----------|-------------------------------------|
| Ethiopia   | El Kuran    | Oil      | 155 million bbl                     |
| Ethiopia   | Calub South | Oil      | -                                   |
| Ethiopia   | Magan       | Oil      | -                                   |
| Madagascar | Manadaza    | Oil      | -                                   |
| Madagascar | Tsimiroro   | Oil      | 675 million bbl                     |
| Madagascar | Belemologa  | Tar Sand | 22 billion bbl                      |
| Somalia    | Coriole     | Oil      | -                                   |
| Ethiopia   | Calub       | Gas      | 2.2 Tcf + 128 million bbl           |
| Ethiopia   | Genale      | Gas      | 460 Bcf + 78 million bbl            |
| Ethiopia   | Hilala      | Gas      | 311 Bcf                             |
| Kenya      | Bogal       | Gas      | 60 Bcf                              |
| Madagascar | Sikhily     | Gas      | -                                   |
| Somalia    | Afgoi       | Gas      | 200 Bcf                             |





# Cabora Bassa Basin Stratigraphy

## STRATIGRAPHIC COLUMN OF THE MID-ZAMBEZI VALLEY CABORA BASSA BASIN, ZIMBABWE



Thick sedimentary sequences set up multiple targets

Dande Sandstone – tertiary target

Forest Sandstone – secondary target

Pebbly Arkose – tertiary target

Upper Angwa Sandstone – primary target  
Alterations Member – source rock

Mkanga Formation – source rock

Kondo Pools Formation – tertiary target

# Cabora Bassa Basin Play Elements

## Source ✓

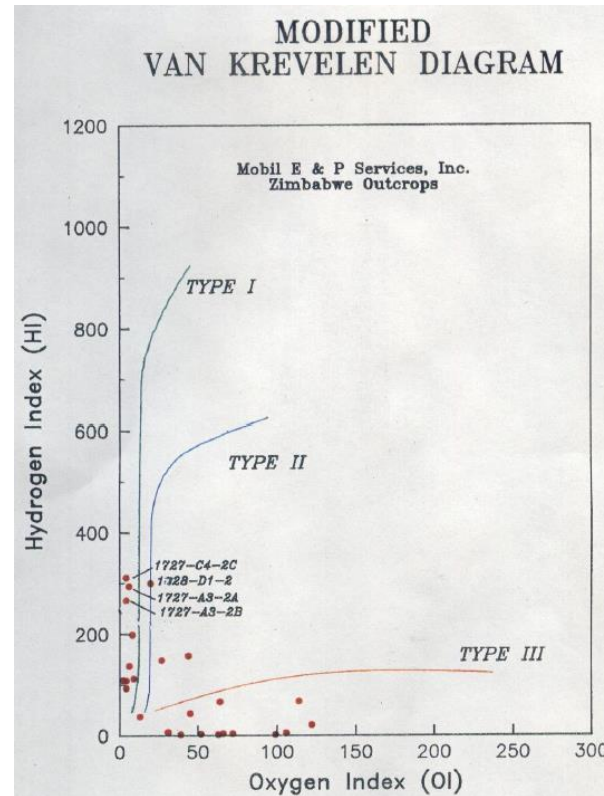
46m thick outcrop of Angwa source rock



Plate 4 Oil-prone Shales of Upper Alternations Member, Angwa Sandstone Formation; Manyima River-Cabora Bassa Basin

## Maturity ✓

Type I / Type III mixture capable of generating low sulphur waxy crude or rich gas condensate depending on maturity.



## Seal ✓

Mudstone and siltstones capable of 1000m oil column heights

Table 1  
Mercury and Oil/Brine Breakthrough Pressures  
with Corresponding Maximum Oil Column Heights

| Sample       | Lithology | Porosity | P(bt) Hg | P(bt) oil | Height (ft) |
|--------------|-----------|----------|----------|-----------|-------------|
| 90/1630A2-1a | Mst       |          | 2,500    | 170       | 1,308       |
| 90/1630A2-2  | Sst       | 13.3     | 3,000    | 204       | 1,570       |
| 90/1630A2-3a | Mst       |          | 1,000    | 68        | 523         |
| 90/1630B1-1  | Slst      |          | 100      | 7         | 52          |
| 91/1529D2-3  | Mst       |          | 6,000    | 408       | 3,140       |
| 91/1529D2-11 | Sst       | 11.7     | 2,500    | 170       | 1,308       |
| 91/1529D4-3  | Mst       |          | 75       | 5         | 39          |
| 91/1530C3-3  | Sst       | 10.2     | 1,000    | 68        | 523         |
| 91/1530C3-9  | Sst       | 18.1     | 2,000    | 136       | 1,047       |
| Z69/2        | Mst       |          | 500      | 34        | 262         |

Lighter, more gas-rich oils would have greater buoyancy and therefore reduced maximum oil column heights. Heavier oils could accumulate in taller columns. Due to compaction, the sealing capacities of fine-grained sediments tend to increase with depth. Since the Angwa samples were obtained from outcrops, it is likely that their subsurface equivalents are better seals.



# Cabora Bassa Basin Play Elements (continued)



## Reservoir ✓

Angwa Sandstone primary target has conventional reservoir properties with excellent porosity around 20% and permeability in 100-1000+ mD range.



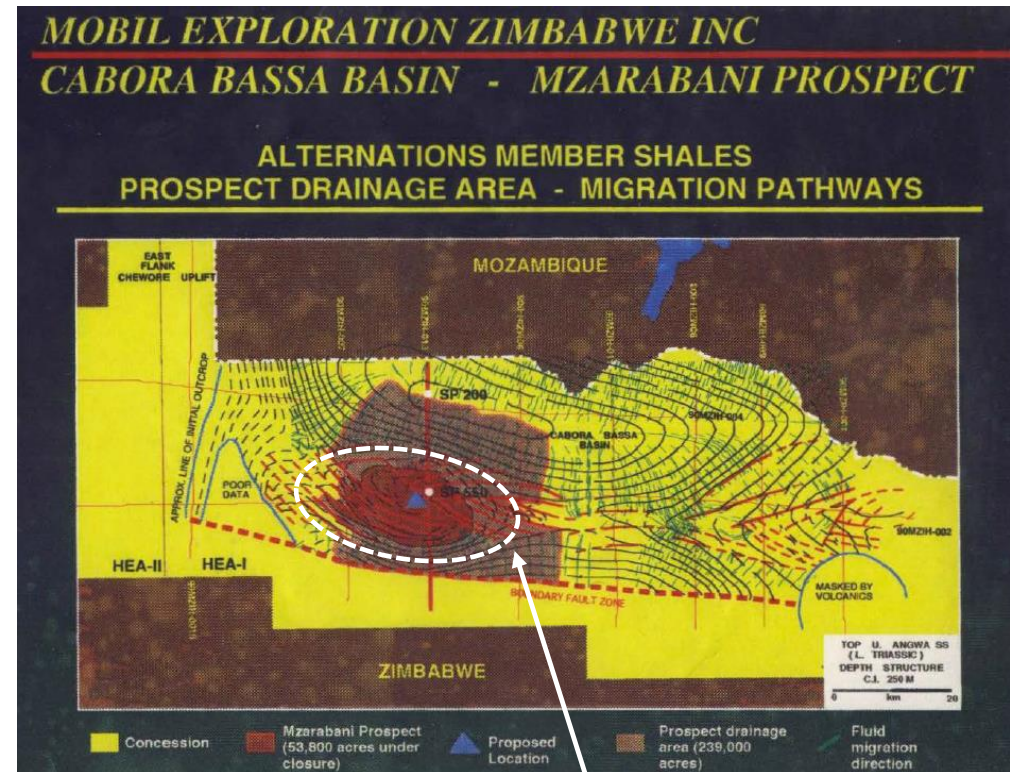
The Angwa Sandstones - braided stream sands, meandering river sands, flood plain sands - have good porosities (around 20%) and permeabilities up to 1200 md. Thus, the thick Angwa Formation offers a good reservoir potential which is close to underlying Mukanga Formation source rocks and intercalated source rocks. Mudstones within the Angwa Formation can provide efficient seals.

## Trap ✓

Massive 4 way Mzarabani anticline provides structural closure with >500m vertical relief

## Migration ✓

Proximity to kitchen immediately north as well as underlying source rocks allows for lateral and vertical migration relief

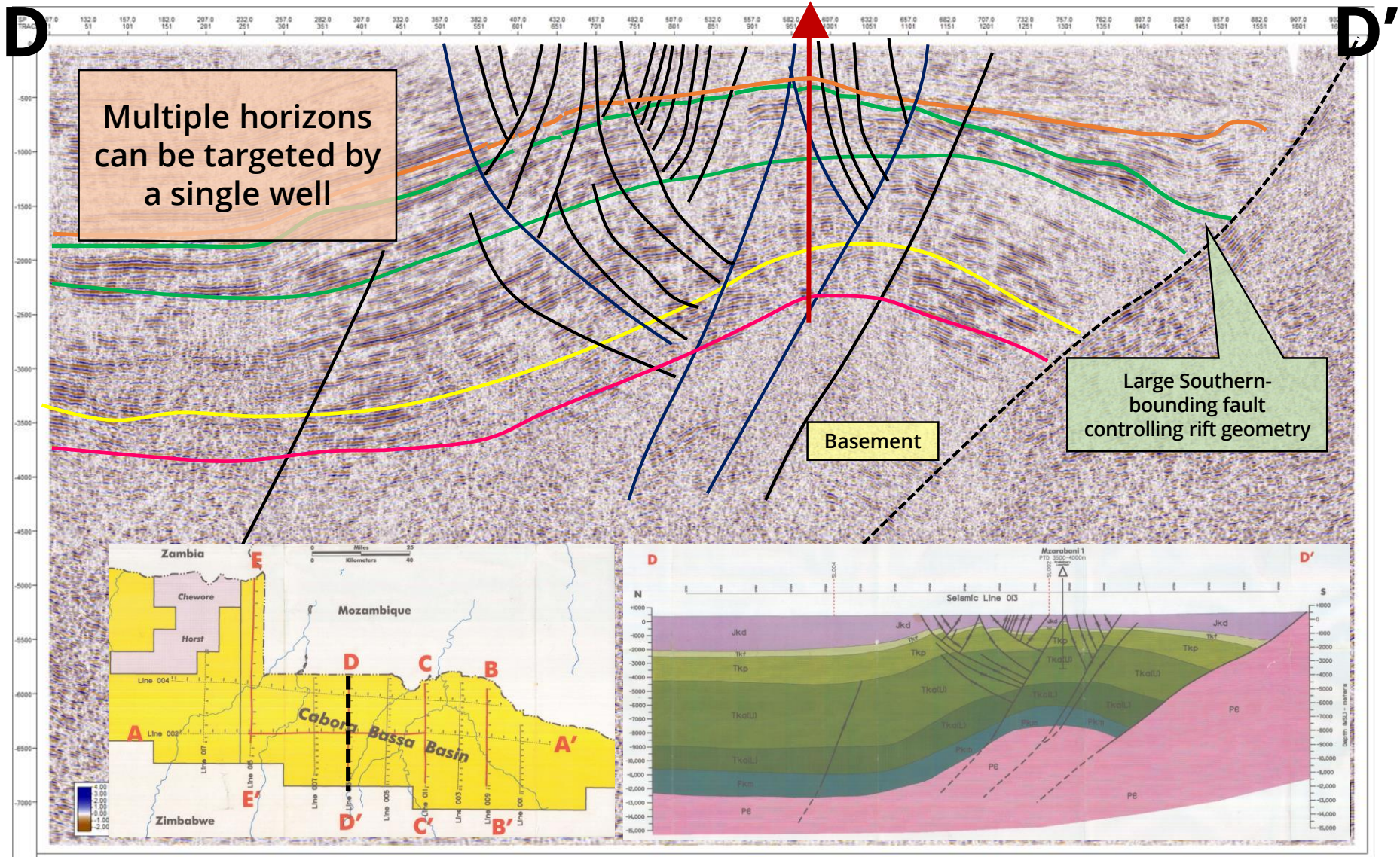


Mzarabani closure at Upper Angwa. Large fetch area with extensive fluid migration pathways into the trap



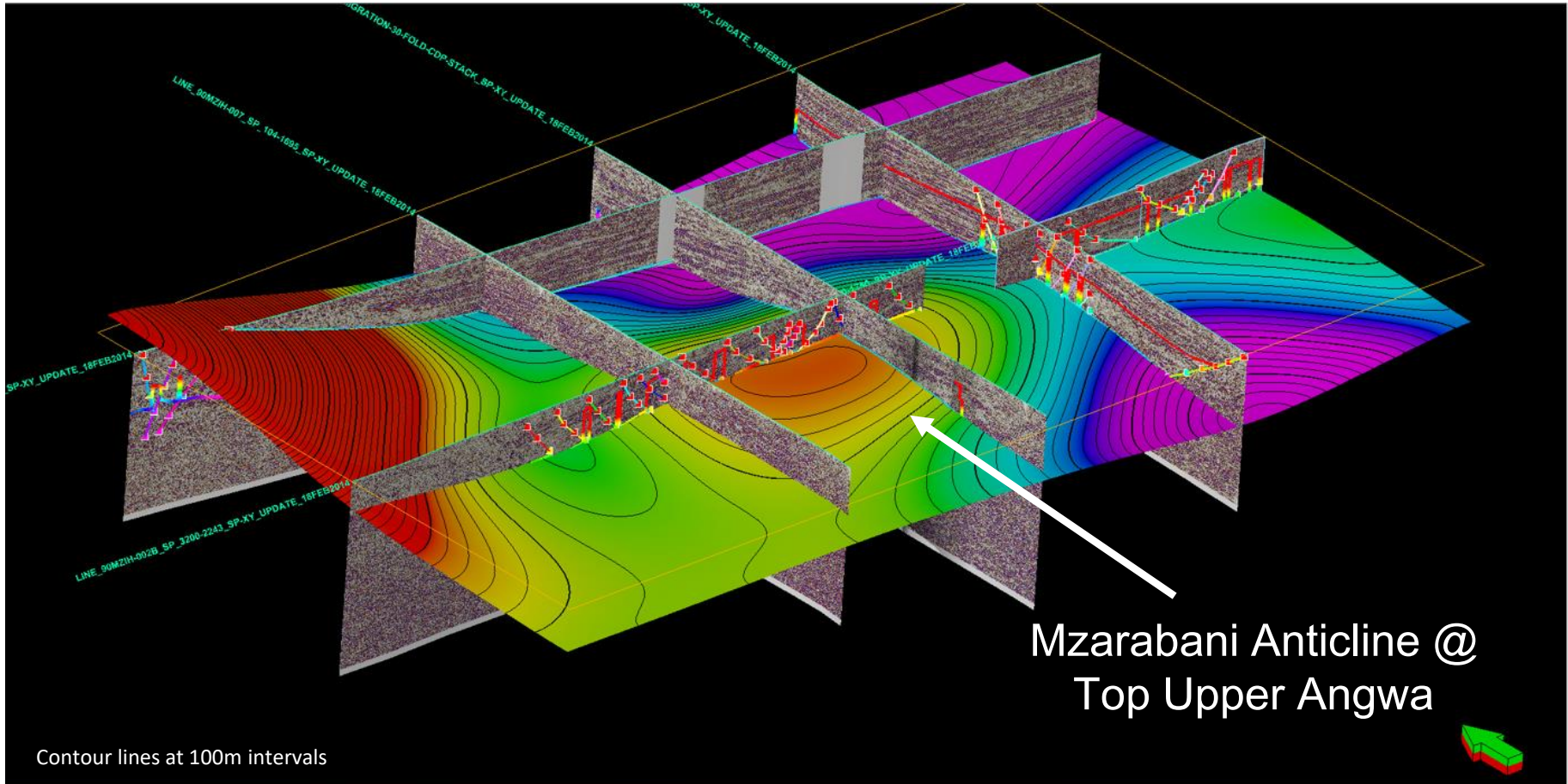
# Mzarabani Prospect - Seismic Line 13

## Proposed Mzarabani-1 Well





# Mzarabani Prospect – Top Upper Angwa Horizon



Vectorised 2D seismic lines showing Mzarabani structural closure

## ***MOBIL EXPLORATION ZIMBABWE INC*** ***CABORA BASSA BASIN - MZARABANI PROSPECT***

### **SUMMARY - GAS CONDENSATE CASE** **MONTE CARLO SIMULATION - 5,000 PASSES**

#### **INPUT PARAMETERS - CALCULATED MEAN VALUES**

Reservoir Rock Volume = 3.15 Million AF (Avg. Net Pay of 46 m.)

Porosity = 18%

Gas Saturation = 78%

Reservoir Pressure = 4900 psi

Reservoir Temperature = 244 Deg. F (118 Deg C)

Gas Deviation Factor (Z) = 0.99

Gas Recovery Factor = 70%

Condensate Yield = 112 Bbl. Cond. / Million CF Gas

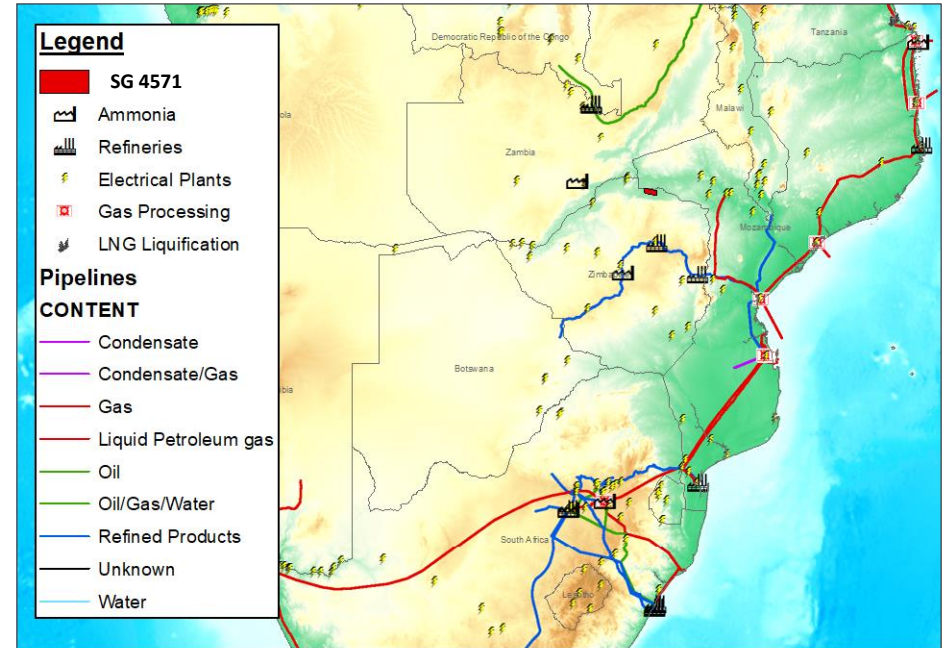
Condensate Recovery Factor = 48%

**Mobil studies concluded that the Mzarabani Prospect contains conventional gas-condensate reservoir properties**



# Infrastructure & Markets

- SG 4571 proximal to existing and future pipeline infrastructure for the domestic and export markets
- Excellent access – dual lane tarmac all the way to the permit. 2 hours from Harare by road
- Located in a non-farming area on State Land with extremely low number of inhabitants and wildlife
- Numerous regional markets exist to monetise oil and gas in a starved market
- Southern Africa power crisis affecting growth in the region amidst a huge push to adopt gas as an alternate energy source to coal



## Markets identified:

- Hwange power station
- Pande-Temane gas pipeline to South Africa
- Feruka and Harare refineries
- Sable ammonia plant (Kwekwe)
- Rovuma basin LNG plants
- Industrial customers
- Independent Power Plant construction will allow electricity exports to any country within Southern Africa through the Southern Africa Power Pool

# Zimbabwe: Open for Business

**New Zimbabwe President Emmerson Mnangagwa has declared that “Zimbabwe is open for business”**



Invictus Energy & One-Gas site visit to Dande Formation outcrop near SG 4571

**Significant new investment activity is underway**

New government has implemented **investor friendly economic reforms**

**Experienced mining industry executive appointed as Minister of Mines**

**Amended Indigenization and Empowerment Act**

- **100% foreign ownership of assets**
- **Guarantee of investor rights**
- **100% remittance of earnings**

**Special Economic Zones**

- **5 year tax holiday**
- **15% corporate tax rate thereafter**

# Forward Work Plan

**Build a quality portfolio of high potential assets with low cost entry that can be de-risked through technical work and farmed out on good terms**



Mobil seismic field tapes stored at the Zimbabwe Geological Survey

Conclude **transaction** and government **approvals**

**Re-evaluate** existing legacy data

- 2D seismic data reprocessing and interpretation
- Aeromagnetic and gravity data integration
- Geochemical data

**Geological studies**

Prospect generation and **prospective resource determination**

**Farm out process**



# Summary



Invictus Energy will acquire an **80% equity stake in SG 4571\*** containing the **Mzarabani gas-condensate prospect**. TCF+ potential

**SG 4571** granted in August 2017 with **initial 6 month work program already completed**

Partnered with a highly regarded local company in the resources sector with **extensive in-country relationships with government and industry**

**Access** to existing and future local and regional markets and infrastructure

**Extensive legacy dataset** that will utilise a modest work program to progress to farm-out / drill ready

**Near term activity is low risk, low cost, but high value add**



INVICTUS

---

ENERGY RESOURCES

APPENDIX

[invictusenergy.com](http://invictusenergy.com)

# Proposed use of funds



| YEAR 1   |                |
|--|----------------|
| Transaction Completion                               | \$0.75m        |
| Working Capital                                      | \$0.50m        |
| Gravity/Aeromag Data Processing                      | \$0.05m        |
| Seismic Re-Processing (800km) and G&G Interpretation | \$0.50m        |
| Environmental Impact Assessment                      | \$0.05m        |
| <b>Total</b>   | <b>\$1.85m</b> |

| YEAR 2                    |                |
|---------------------------|----------------|
| Working Capital           | \$0.50m        |
| G&G Studies               | \$0.10m        |
| Third Party Certification | \$0.10m        |
| Farm Out Process          | \$0.20m        |
| <b>Total</b>              | <b>\$0.90m</b> |

*This is an estimate of the proposed use of funds and is subject to change*

## Low cost work program to advance to farm out



## **Scott Macmillan – Managing Director**

Mr Macmillan is a Reservoir Engineer and founder of Invictus Energy Resources. He has a Bachelor of Chemical Engineering and an MSc in Petroleum Engineering from Curtin University. He is a member of the Society of Petroleum Engineers (SPE) and has over 12 years experience in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development. He also has extensive business experience in Zimbabwe.

## **Brent Barber – Country Manager**

Mr. Barber is an exploration geologist with over forty years applied experience. He is the Technical Director of Invictus Energy Resources and Managing Director of Geological Organisation Logistics and Design (GOLD). He has been involved in the exploration and evaluation of mineral prospects and mining venture throughout Africa and in South America and SE Asia. When employed by Mobil Exploration he headed the hydrocarbon exploration undertaken along the Zambezi Valley in both Zambia and Zimbabwe. Mr. Barber is based in Harare and currently focuses on the acquisition, assessment and design and management of exploration prospects.

## **Barnarby Egerton-Warburton – Non Executive Director**

Mr Egerton-Warburton holds a Bachelor of Economics and is a graduate of the Australian Institute of Company Directors and a member of the American Association of Petroleum Geologists. Mr Egerton-Warburton is currently Managing Director of Eneabba Gas Limited (ASX: ENB) and Non-Executive Director of iSignthis Limited (ASX: ISX). Mr Egerton-Warburton has over 20 years investment banking experience with a focus on the energy sector.

## **Eric de Mori – Non Executive Director**

Mr de Mori has over 15 years investment banking experience in ASX listed companies spanning natural resources, biotechnology and technology. Mr de Mori has held several major shareholder positions with ASX listed companies and is currently a Director and co-founder of ASX listed Adriatic Metals Ltd. (ASX: ADT).

## **Gabriel Chiappini – Non Executive Director and Company Secretary**

Mr Chiappini is an experienced ASX director and has been active in the capital markets for 17 years. He has assisted in raising \$AUD450m and has provided investment and divestment guidance to a number of companies and has been involved with 10 ASX IPO's in the last 12 years. He is a member of the AICD and CA ANZ. Mr Chiappini is a director of Black Rock Mining, Eneabba Gas Limited and Fastbrick Robotics Limited.

# Investing in Zimbabwe – Perception vs. Reality



| Perception   | Reality   |
|--|---|
| Security of mining and resources tenure in Zimbabwe is high risk                                   | Zimbabwe has well developed mining laws based on its long history as a mining jurisdiction. It has over 100 years of history in mining with a legislative framework that works well and an administrative function that understands and supports the needs of the resources industry. Several CSG/CBM companies active in Zimbabwe were recently granted 25 year production leases.   |
| The Mines and Minerals Act is not credible   | Mining legislation is based on a combination of Roman-Dutch and English law and is based on equivalent South African legislation.   |
| The Indigenisation Act forces companies to cede a 51% equity stake in all foreign owned businesses | The Indigenisation Act has recently been amended to allow 100% foreign ownership of assets.   |
| No major international companies operate in the resources sector in Zimbabwe                       | Zimbabwe has internationally recognised companies operating in the country such as Rio Tinto, Anglo American, Implats (JSE: ZAC), Caledonia Mining (TSX: CAL), Prospect Resources (ASX: PSC)  |
| Zimbabwe is a hostile investment destination for foreign owned companies                           | The new Zimbabwe Government and Ministry of Mines and Mining Development has recently signalled its desire to attract new foreign direct investment to the country spearheaded by resources. Favourable investment terms for special mining leases have been introduced including 15% flat tax rate, 100% remittance on earnings, no restriction on carry over tax losses, full write off on capital expenditure including exploration, development and operating expenses. Special Economic Zones (SEZ) are available for projects of significance which affords even more favourable investment terms.                      |
| Foreign companies face a high risk of asset nationalisation in Zimbabwe                            | The Zimbabwean Government recently amended the Indigenisation Act to allow 100% foreign ownership of assets and guarantee property rights and investment. In addition, Zimbabwe has several Bilateral Investment Treaties that allow for international arbitration and protection of foreign interests. Zimbabwe is also a signatory to the Multilateral Investment Guarantee Agency, Overseas Private Investment Corporation, International Convention on Settlement of Investment Disputes, New York Convention on the enforcement of Foreign Arbitral Awards and the United Nations Convention on International Trade Law. |
| There is a significant foreign exchange risk when dealing in Zimbabwe Dollars                      | The Zimbabwe Dollar was officially abandoned in 2009 and no longer exists. Zimbabwe has adopted a basket of currencies to trade in, principally the USD but also accepts AUD, GBP, CYN, ZAR and EUR.  |

# Regional Corporate Activity Snapshot



| Year | Country              | Block                          | Buyer            | Seller              | Transaction Type | Asset Stage     | Equity Acquired | Equity Value US\$(M) | Total Value US\$(M) |
|------|----------------------|--------------------------------|------------------|---------------------|------------------|-----------------|-----------------|----------------------|---------------------|
| 2017 | Kenya, Ethiopia      | Various                        | Maersk           | Africa Oil          | Farm in          | Pre-Development | 25%             | ~500                 | 2,000               |
| 2014 | Zambia, South Africa | Block 40 & 41; Algoa-Gamtoos   | Tower Resources  | Rift Petroleum      | Corporate        | Exploration     | 100%            | 32                   | 32                  |
| 2013 | Mozambique           | Buzi                           | PT EnergiMega    | ENH                 | Farm in          | Post Discovery  | 75%             | 175                  | 233                 |
| 2013 | Kenya                | Block 2B                       | Premier Oil      | Taipan Resources    | Farm in          | Pre Drill       | 55%             | 14                   | 25                  |
| 2013 | Kenya                | Block 2A                       | Ajax Exploration | Simba Energy        | Farm in          | Exploration     | 66%             | 16                   | 24                  |
| 2012 | Kenya                | Block 9, Block 12A             | Marathon Oil     | Africa Oil          | Farm in          | Exploration     | 50% + 15%       | 57                   | ~100                |
| 2012 | Ethiopia             | South Omo                      | Marathon Oil     | Agiteria Ltd        | Asset Sale       | Exploration     | 20%             | 40 + 10              | 200                 |
| 2012 | Kenya                | 11B                            | Bowleven         | Adamantine Energy   | Farm in          | Exploration     | 50%             | 10                   | 20                  |
| 2012 | Madagascar           | Morovoay                       | Octant Energy    | Ophir               | Farm in          | Exploration     | 50%             | 40                   | 80                  |
| 2012 | Somaliland           | Odewayne                       | Genel            | Jacka Resources     | Farm in          | Exploration     | 50%             | 26                   | 52                  |
| 2011 | Tanzania, Kenya      | Block 7, Block L-9, Block L-15 | Ophir            | Dominion            | Corporate        | Exploration     | 100%            | 175                  | 175                 |
| 2011 | Kenya, Somalia       | Various                        | Africa Oil       | Lion Energy         | Corporate        | Exploration     | Various         | 36                   | 36                  |
| 2010 | Kenya, Mali          | Block 10BA, Block 7, Block 11  | Africa Oil       | Centric Energy      | Corporate        | Exploration     | 100%            | 55                   | 55                  |
| 2010 | Kenya                | Block 10BA                     | Tullow Oil       | Centric Energy      | Farm in          | Exploration     | 50%             | 25                   | 50                  |
| 2010 | Various              | Various                        | Afren            | Black Marlin Energy | Corporate        | Exploration     | 100%            | 103                  | 103                 |

Source: Various