



#### ABOUT INVICTUS ENERGY LTD

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

Stuart Lake  
Non-Executive Chairman

Scott Macmillan  
Managing Director

Brent Barber  
Country Manager

Barnaby Egerton-Warburton  
Non-Executive Director

Eric de Mori  
Non-Executive Director

Gabriel Chiappini  
Non-Executive Director and  
Company Secretary

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

31 OCTOBER 2019

## SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update of its activities for the quarter ending September 2019.

### SG 4571: Zimbabwe Gas-Condensate Exploration Project

During the quarter, the Company made significant progress in our 80% owned and operated Cabora Bassa Project.

#### September 2019 Quarter Highlights

- **Total Prospective Resource of 9.25 Tcf + 294 million barrels# of conventional gas- condensate (gross mean unrisks) across SG 4571 in Mzarabani and Msasa prospects**
- **Appointment of Dr Stuart Lake as Non-Executive Chairman**
- **Commenced farm out process for Cabora Bassa Project**
- **Approval of Environmental Impact Assessment Prospectus & Commencement of Survey**
- **Completed work program obligations for first exploration period**

### SG 4571 Prospective Resource Update – 9.25 Tcf + 294 mmbbls

During the quarter the Company received an updated independent prospective resource estimate provided by Getech Group plc (Getech). The gross unrisks estimated prospective resource increased to a total of 9.25 Tcf (trillion cubic feet) + 294 mmbbls (million barrels) of conventional gas-condensate within Special Grant 4571 for the Mzarabani plus Msasa Prospects.

*#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 Mzarabani Prospect has grown significantly in its scale and represents one of the largest conventional exploration targets globally estimated to contain 8.2 Tcf + 250 million barrels of condensate (gross mean unrisks).

In addition, the newly identified Msasa Prospect, a new substantial structural prospect within SG 4571 which is also a stacked anticline feature, is estimated to contain 1.05 Tcf and 44 million barrels of conventional gas-condensate on a total gross mean unrisks basis.



| SG 4571              |                             | Gross Unrisked Estimated Prospective Resources <sup>#</sup> |              |               |              |                                 |            |            |            |
|----------------------|-----------------------------|---|--------------|---------------|--------------|---------------------------------|------------|------------|------------|
| Cabora Bassa Project |                             | Source: Getech Group plc as at 26 June 2019                 |              |               |              |                                 |            |            |            |
| Prospect             |                             | Gas (Bcf) – 100% Gross                                      |              |               |              | Condensate (mmbbl) – 100% Gross |            |            |            |
| Stratigraphic Level  |                             | Low   | Best         | High          | Mean         | Low                             | Best       | High       | Mean       |
| Mzarabani            | Dande                       | 51  | 230          | 950           | 411          | -                               | -          | -          | -          |
|                      | Forest                      | 301   | 1,215        | 3,359         | 1,584        | -                               | -          | -          | -          |
|                      | Pebbly Arkose               | 271   | 1,037        | 2,973         | 1,404        | 7                               | 38         | 136        | 60         |
|                      | Upper Angwa                 | 721   | 2,902        | 9,657         | 4,414        | 18                              | 107        | 434        | 187        |
|                      | Lower Angwa                 | 95  | 317          | 775           | 391          | 0                               | 2          | 6          | 3          |
|                      | <b>Total*</b>               | <b>1,439</b>  | <b>5,701</b> | <b>17,714</b> | <b>8,204</b> | <b>26</b>                       | <b>147</b> | <b>576</b> | <b>249</b> |
| Msasa                | Pebbly Arkose               | 49  | 93           | 156           | 99           | 1                               | 4          | 8          | 4          |
|                      | Upper Angwa                 | 107   | 198          | 327           | 210          | 2                               | 8          | 17         | 9          |
|                      | Lower Angwa                 | 71  | 351          | 1,738         | 743          | 2                               | 13         | 74         | 31         |
|                      | <b>Total*</b>               | <b>228</b>  | <b>642</b>   | <b>2,221</b>  | <b>1,052</b> | <b>5</b>                        | <b>24</b>  | <b>99</b>  | <b>44</b>  |
| SG 4571 Licence      | <b>Total* Gross (100%)</b>  | <b>1,666</b>  | <b>6,343</b> | <b>19,935</b> | <b>9,256</b> | <b>31</b>                       | <b>171</b> | <b>676</b> | <b>294</b> |
| SG 4571 Licence      | <b>Total* Net IVZ (80%)</b> | <b>1,333</b>  | <b>5,074</b> | <b>15,948</b> | <b>7,405</b> | <b>25</b>                       | <b>137</b> | <b>541</b> | <b>235</b> |

Table 1: SG4571 Licence Area Prospective Resource Estimate Summary - Getech Group plc. (\*Note: Total figures are the arithmetic sum of the individual horizons for each respective prospect)

This updated estimate is the culmination of the excellent work from the Invictus and Getech technical teams over the last 12 months to deliver this result and it is a significant achievement for the Company. Please see announcement on 1 July 2019 for full details of the update prospective resource estimate.

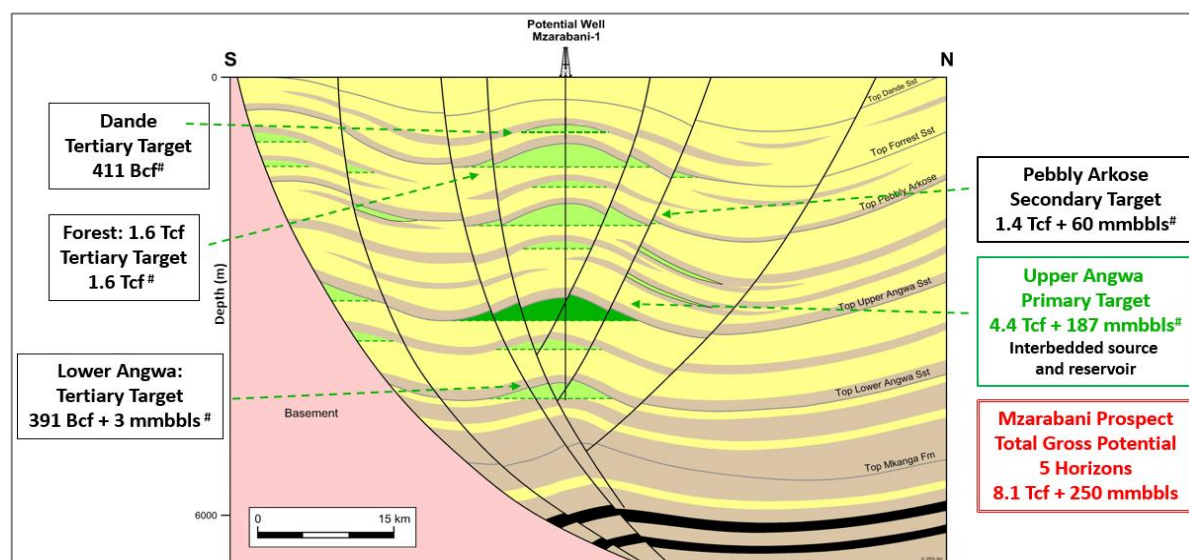


Figure 1: Mzarabani Prospect Cross Section Schematic – Preliminary interpretation only and subject to change

## Appointment of Dr Stuart Lake as Non-Executive Chairman

During the quarter the Company announced the appointment of Dr Stuart Lake as Non-Executive Chairman of the Company, effective 1 August 2019.

Dr Lake has over 34 years of global experience in the petroleum industry and significant expertise having operated assets in 20 countries worldwide, including over ten African countries. Dr Lake



brings a combination of in-depth technical knowledge, a world class track record as an oil and gas finder, leading many teams in maintaining a 90% exploration success rate (from over 300 wells in 11 countries including deep-water and new plays) over his career.

Dr Lake has provided an immediate impact since his appointment and is making a valuable contribution in bringing his vast experience and leveraging his strong industry relationships during this intensive farm out period.

### **Commencement of Farm Out Process of Cabora Bassa Project**

During the quarter the Company commenced the formal farm out process for the Cabora Bassa Project and opened the physical data room in London. The process has garnered interest from a wide variety of Exploration and Production (E&P) companies as well as Private Equity companies focused on upstream investments. The Company has received strong interest from these parties to partner with Invictus for the Company's forward work program. To date no formal agreements have been entered into as the farm out process is still ongoing with additional companies currently evaluating the opportunity. The Company is seeking to create the greatest shareholder value through this competitive process and deliver our forward work program including a high impact basin opening well. The Company will provide further information through the ASX platform as per its continuous disclosure obligations.

### **Approval of Environmental Impact Assessment Prospectus & Commencement of Survey**

During the quarter the Company received approval for its Environmental Impact Assessment and commenced the EIA survey in the project area. The Scientific and Industrial Research and Development Centre have completed the fieldwork in the Mbire and Muzarabani Districts including soil surveys, hydrology, ecology, environmental, archaeological, hydrogeological and socioeconomic and community consultations. The community information sessions were well attended with up to 1,000 participants at some meetings. The local communities, Mzarabani and Mbire Districts and Mashonaland Central Province have expressed their full support for the project. The public EIA consultation process also allowed the local community to outline the needs in those areas. The feedback from this process will be used to develop the Company's CSR plan in the short, medium, and long-term horizons in order to provide support and make long lasting positive contributions to the communities that we are working in.

Subsequent to the end of the quarter, the EIA field work, studies and consultations were completed. The full EIA report is being compiled expected to be completed in November. The completion and approval of the EIA study will fulfil the environmental approvals required for future exploration drilling and development of any resources by the regulator EMA.

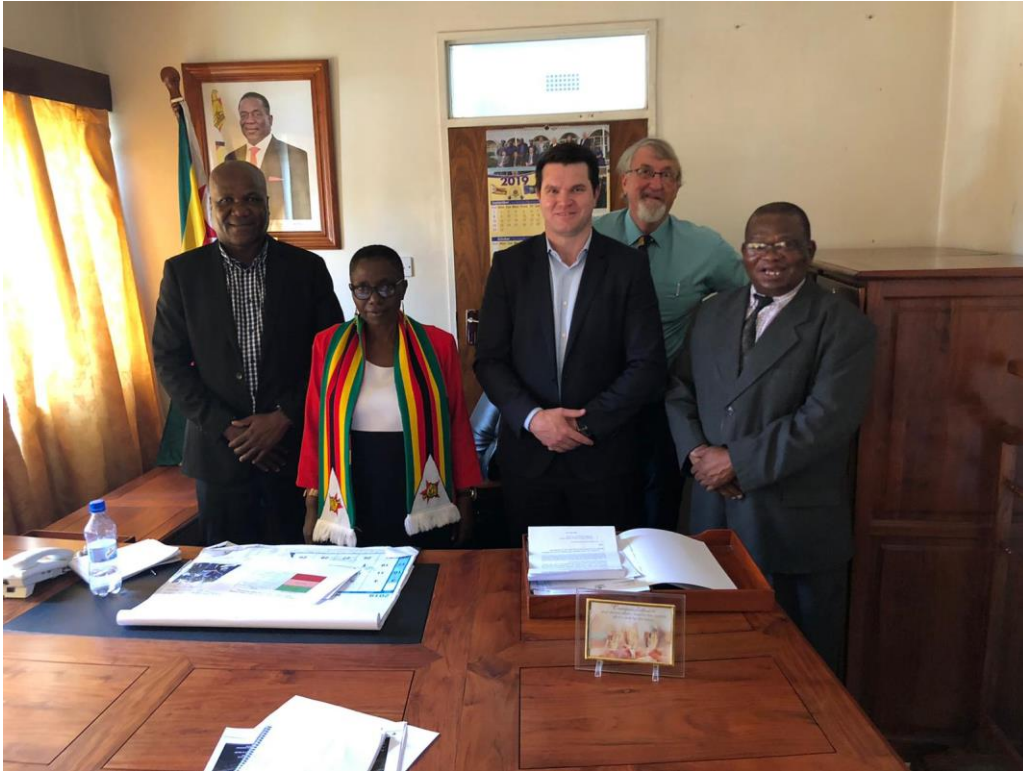
### **Completed work program obligations for first exploration period**

The Company has been able to mature the acreage and prospectivity in approximately 12 months since the acquisition of the project and complete the work program obligations ahead of schedule. The technical work for this phase of project has been completed and the Company is focused on completing the farm out process in progress. The next phase of the exploration program will include the drilling of a high impact basin opening well in the Cabora Bassa Basin.





INVICTUS  
ENERGY LIMITED



*Figure 2: Invictus and One Gas Resources meeting to discuss EIA study findings with Minister for State Provincial Affairs, Mashonaland Central, Hon Monicah Mavhunga*



*Figure 3 Invictus Country Manager Brent Barber at EIA consultation meeting in Centenary with local and regional authorities and traditional leaders*



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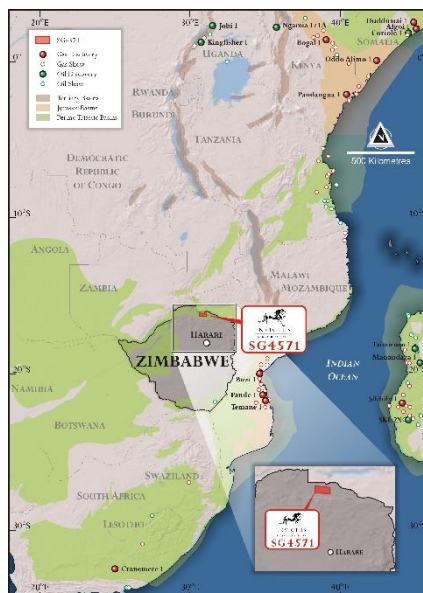
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**Corporate Advisor and Lead Manager**

## About the Cabora Bassa Project

The Cabora Bassa Project encompasses the Mzarabani 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.



**\*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 18-month work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited



#### Abbreviations

**mmbbls** – millions of barrels of oil or condensate  
**mmboe** – millions of barrels of oil equivalent  
**scf** – standard cubic foot  
**mscf** – thousands of standard cubic feet  
**mmscf** – millions of standard cubic feet  
**mmscf/d** – millions of standard cubic feet per day  
**Bcf** – billion standard cubic feet  
**Tcf** – trillion standard cubic feet  
**PRMS** – Petroleum Resource Management System  
**SPE** – Society of Petroleum Engineers  
**SG** – Special Grant

#### Conversions

1 BOE = 5,800 scf natural gas  
1 mmboe = 5.6 Bcf  
1 Tcf = 1,000 Bcf  
1 mmscf/d = 1.06 TJ/d  
1 Bcf = 1.06 PJ

#### Disclaimer

**\*Cautionary Statement for Prospective Resource Estimates** - With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal may be required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

**Hydrocarbon Resource Estimates** – The Prospective Resource estimates for Invictus' SG 4571 permit presented in this report are prepared as at 26 June 2019. The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic methods. The Prospective Resource estimates are unrisks and have not been adjusted for both an associated chance of discovery and a chance of development.

**No New Information or Change in Assumptions** – Since the date of completion of this hydrocarbon resource study, 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

**Competent Person Statement Information** – In this report information relating to hydrocarbon resource estimates has been compiled Getech Group plc. under the supervision of Mr Scott Macmillan, the Invictus Energy Ltd Managing Director. Mr Macmillan has over 12 years' experience in the oil and gas industry in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development and is a member of the Society of Petroleum Engineers. Mr Macmillan consents to the inclusion of the information in this report relating to hydrocarbon Prospective Resources in the form and context in which it appears.

**Forward looking statements** – This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Invictus' planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Invictus Energy Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Name of entity

Invictus Energy Ltd

#### ABN

21 150 956 773

#### Quarter ended ("current quarter")

30 September 2019

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | -                          | -                                     |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | (114)                      | (114)                                 |
| (e) administration and corporate costs                    | (365)                      | (365)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 4                          | 4                                     |
| 1.5 Interest and other costs of finance paid              | -                          | -                                     |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Research and development refunds                      | -                          | -                                     |
| 1.8 Other (provide details if material)                   |                            |                                       |
| (a) Office rental recharges                               | 20                         | 20                                    |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(455)</b>               | <b>(455)</b>                          |

|  |      |      |
|--|------|------|
| <b>2. Cash flows from investing activities</b> |      |      |
| 2.1 Payments to acquire:                       |      |      |
| (a) property, plant and equipment              | (18) | (18) |
| (b) tenements (see item 10)                    | -    | -    |
| (c) investments                                | -    | -    |
| (d) other non-current assets                   | -    | -    |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) property, plant and equipment                     | -                                  | -  |
|   | (b) tenements (see item 10)                           | -                                  | -  |
|   | (c) investments                                       | -                                  | -  |
|   | (d) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | -  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Exploration and Evaluation expenditure                | (286)                              | (286)  |
| 2.6   | (Payments of)/ proceeds from security bonds           | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>(304)</b>                       | <b>(304)</b>                                   |

|             |   |            |            |
|-------------|---|------------|------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |            |            |
| 3.1         | Proceeds from issues of shares  | -          | -          |
| 3.2         | Proceeds from issue of convertible notes                                    | -          | -          |
| 3.3         | Proceeds from exercise of share options                                     | -          | -          |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | (2)        | (2)        |
| 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 (provide details if material)   | -          | -          |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>(2)</b> | <b>(2)</b> |



| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| <b>4.</b>                                   | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                                    |  |
| 4.1   | Cash and cash equivalents at beginning of period (note 1)                    | 2,214                              | 2,214  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)              | (455)                              | (455)  |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)              | (304)                              | (304)  |
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above)             | (2)                                | (2)  |
| 4.5   | Effect of movement in exchange rates on cash held                            | -                                  | -  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                            | <b>1,453</b>                       | <b>1,453</b>                                   |

|            |   |                                    |                                     |
|------------|---|------------------------------------|-------------------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
| 5.1        | Bank balances   | 30                                 | 30                                  |
| 5.2        | Call deposits   | 1,423                              | 1,423                               |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>1,453</b>                       | <b>1,453</b>                        |

**6. Payments to directors of the entity and their associates**

|     |  | <b>Current quarter<br/>\$A'000</b> |
|-----|--|------------------------------------|
| 6.1 | Aggregate amount of payments to these parties included in item 1.2                                   | 129                                |
| 6.2 | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | -                                  |
| 6.3 | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                                    |

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

**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Not applicable

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Not applicable

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Exploration and evaluation

144

9.2 Development

-

9.3 Production

-

9.4 Staff costs

124

9.5 Administration and corporate costs

165

9.6 Other

-

**9.7 Total estimated cash outflows**

**433**

| 10.  | Changes in tenements (items 2.1(b) and 2.2(b) above)                                  | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|------|---|---------------------------------|--------------------|----------------------------------|----------------------------|
| 10.1 | Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | -                               | -                  | -                                | -                          |
| 10.2 | Interests in mining tenements and petroleum tenements acquired or increased           | -                               | -                  | -                                | -                          |

## 11. Performance securities

| 11.1 Unlisted Performance Shares |            |             |             |  |
|----------------------------------|------------|-------------|-------------|--|
| Tranche                          | Number     | Issue date  | Expiry date | Vesting condition  |
| Class B                          | 31,587,822 | 22-Jun-2018 | 20-Jun-20   | A farmout which includes a commitment to drill a well to a minimum planned depth of 3,000 metres with respect to the Cabora Bassa Project.   |
| Class C                          | 44,179,281 | 22-Jun-2018 | 20-Dec-21   | Drilling of an exploration well upon the Cabora Bassa Project that results in the maiden booking of Contingent Resources or Reserves (as those terms are defined in the Guidelines for Application of the Petroleum Resources Management System (2011 Edition)). |

Upon achievement of each milestone, each unlisted performance share converts to one (1) ordinary share in Invictus Energy Ltd.

| 11.2 Unlisted Options |            |             |                   |                   |
|-----------------------|------------|-------------|-------------------|-------------------|
| Tranche               | Number     | Issue date  | Exercise price    | Vesting condition |
| Expiry 25 June 2021   | 35,000,000 | 22-Jun-2018 | \$0.06 per option | Nil               |
| Expiry 31 July 2022   | 3,000,000  | 31-Jul-19   | \$0.06 per option | Nil               |
| Expiry 31 July 2022   | 3,000,000  | 31-Jul-19   | \$0.09 per option | Nil               |
| Expiry 31 July 2022   | 3,000,000  | 31-Jul-19   | \$0.12 per option | Nil               |

Upon exercise, each unlisted option converts to one (1) ordinary share in Invictus Energy Ltd.

## **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.

Print name: Gabriel Chiappini (Non- executive Director and Company Secretary)

Date: 31 October 2019

## **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.