



March 2021 Quarterly Activities Report

DATE: 29 APRIL 2021

HIGHLIGHTS

- **Petroleum Exploration Development and Production Agreement (PEDPA) signed with Republic of Zimbabwe**
- **PEDPA provides the licence holder the right to enter into a 25 year production licence following exploration periods**
- **Completed capital raise of \$8m via Private Placement to sophisticated and institutional investors**
- **Proceeds from the capital raising to be applied to SG 4571 seismic acquisition campaign and ordering of long lead drilling items for Mzarabani-1 exploration well**
- **Funds will provide capital for Invictus to accelerate the Company's exploration campaign throughout the remainder of CY21**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update of its activities of its 80% owned and operated Cabora Bassa Project in Zimbabwe for the quarter ending March 2021.

Comments from Managing Director & CEO Scott Macmillan

"This has been an excellent quarter for the Company which has seen us complete several significant milestones and build on our strong foundations. The completion of a strongly supported capital raise has put the Company in an excellent position to complete our upcoming seismic acquisition program which will commence in Q2 and then lead to an eagerly awaited high impact basin opening drilling campaign. The execution of the PEDPA with the Republic of Zimbabwe puts in place the necessary framework to rapidly develop the Cabora Bassa Project on exploration success and provide a 25 year production licence. We look forward to commencing the seismic acquisition campaign in the coming quarter which will unlock additional value for the Company and delineate the optimal drilling location to test the world class Mzarabani prospect."

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

Scott Macmillan
MANAGING DIRECTOR

Brent Barber
COUNTRY MANAGER

Barnaby Egerton-Warburton
NON-EXECUTIVE DIRECTOR

Gabriel Chiappini
NON-EXECUTIVE DIRECTOR &
COMPANY SECRETARY

Petroleum Exploration Development and Production Agreement (PEDPA) Executed

Following approval from His Excellency President E.D. Mnangagwa, the PEDPA between Invictus's 80% owned subsidiary, Geo Associates and the Republic of Zimbabwe was executed. The agreement was signed on behalf of the Government of the Republic of Zimbabwe by the Minister for Mines and Mining Development, Hon. Winston Chitando at a signing ceremony at State House in Harare on Friday 26 March 2021.

The PEDPA provides the framework for progression of the Cabora Bassa Project through the exploration, appraisal, development and production phases, the obligations and rights of each party, the minimum work program obligations to maintain the licence in good standing, and the security of tenure for the project duration. The PEDPA provides the licence holder the right to enter into a 25 year production licence following the exploration periods. The Company is currently in the 2nd exploration period.

The PEDPA also provides for Special Economic Zone (SEZ) status for the Cabora Bassa Project which will facilitate a host of fiscal and non-fiscal incentives over the life of the project including legal and fiscal stability, offshore banking, zero capital gains tax, tax holiday periods and 15% corporate rate thereafter.

Completion of \$8m Capital Raise

During the quarter, the Company completed a significantly oversubscribed A\$8 million capital raise via a share placement ("Placement") to new and existing institutional and sophisticated investors. The A\$8m capital raise before costs through the issue of 72.7 million new ordinary shares at an issue price of \$0.11 and an attaching 1 for 2 option at a strike price of \$0.17 with an expiry of 3 years.

Proceeds of the Placement will be applied towards:

- The upcoming 2D seismic campaign in SG 4571;
- Basis of well design;
- Long lead drilling items for the Mzarabani-1 exploration well;
- Drilling rig tender preparation; and
- General working capital

Award of Seismic Acquisition Contract to Polaris Natural Resources

Subsequent to the end of the quarter, the Company awarded a seismic acquisition contract to Polaris Natural Resources Inc. for the Company's 2D seismic program in the Cabora Bassa Basin. The Company intends to conduct, process, and interpret a minimum of 400 line kms of 2D seismic in order to refine the Mzarabani-1 drilling location and well path and identify additional prospectivity for the upcoming drilling campaign.

The Company is also pleased to have Barry Meikle join the team as Seismic Project Manager. Barry is based in Zimbabwe and has extensive experience in onshore seismic acquisition projects in PNG with Total and InterOil, and project management expertise with oil field service companies in East Africa and is a valuable addition to the Invictus team.

Polaris will begin mobilising the seismic equipment and personnel to Harare in the coming weeks to undergo preparation for the acquisition before deploying to the field and commencing the data acquisition in Q2 CY2021.

Information Required Under ASX Listing Rules

1. ASX LR 5.3.5

During the quarter \$77,000 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)
CSR	25
Consultancy	30
Legal	7
Other	1
Total	62

3. ASX LR 5.3.3

In accordance with ASX Listing Rule 5.3.3 please find below the Company's tenements as at 30 April 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.

Authorised for release by the Board

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For further information on Invictus Energy, please visit the Company's website at www.invictusenergy.com



About the Cabora Bassa Project

The Cabora Bassa Project encompasses the 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 exploration work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

For further information, please contact:

Scott Macmillan

Managing Director

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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 2021

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	(86)	(279)
(e) administration and corporate costs	(188)	(554)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
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	45	77
1.9 Net cash from / (used in) operating activities	(229)	(755)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(62)	(269)
(e) investments	-	-
(f) other non-current assets	-	-

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	(62)	(269)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	8,198	8,198
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	490	490
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(507)	(507)
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 – Receipt of cash from Mangwana Pension Fund for ordinary shares in IVZ. Shares were yet to be issued at quarter end	-	219
3.10 Net cash from / (used in) financing activities	8,181	8,400

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	941	1,497
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(229)	(755)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(62)	(269)

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
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,181	8,400
4.5	Effect of movement in exchange rates on cash held	(14)	(56)
4.6	Cash and cash equivalents at end of period	8,817	8,817

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	838	145
5.2	Call deposits	7,979	796
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)	8,817	941

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**

77¹

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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)	395 ^	-
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 0.76 at 31 March 2021.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)a	(229)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(62)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(291)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	8,817
8.5 Unused finance facilities available at quarter end (Item 7.5)	395
8.6 Total available funding (Item 8.4 + Item 8.5)	9,212
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	30.3
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

- 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.

Authorised by: The Board of Directors, 29 April 2021

Notes

1. 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.
2. 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.
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.
4. 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".
5. 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.