

Invictus Energy Ltd

ACN 21 150 956 773

Half-Year Financial Report

31 December 2021

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Corporate directory

Directors	<p>Dr Stuart Lake <i>Non-executive Chairman</i></p> <p>Mr Joseph Mutizwa <i>Non-Executive Deputy Chairman</i></p> <p>Mr Scott Macmillan <i>Managing director</i></p> <p>Mr Barnaby Egerton-Warburton (resigned 25 October 2021) <i>Non-executive director</i></p> <p>Mr Gabriel Chiappini <i>Non-executive director</i></p>
Company Secretary	Mr Gabriel Chiappini
Registered Office	24 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 Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Palisade Corporate 24/44 St Georges Terrace 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 2021.

Directors

The names of the Directors of Invictus Energy Limited (hereafter "Invictus" or "the Company") and the entities it controls throughout the reporting period and at the date of this report are as set out above in the Corporate Directory.

Principal Activities

The principal activities of the consolidated entity carried out during the period consisted of:

- Progressing the development of the Cabora Bassa Project in Zimbabwe that encompasses the Mzarabani Prospect, a multi-TCF 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, and
- Ongoing evaluation of additional hydrocarbon projects to compliment the company's activities

Results of Operations and Dividends

The net loss from continuing operations for the half-year period to 31 December 2021 was \$2,625,363 (31 December 2020: \$993,755).

No dividends have been paid or declared by the Company during the period ended 31 December 2021 (31 December 2020: nil).

Review of Operations

During the reporting period, the Cabora Bassa 2021 seismic survey (CB21 Survey) was completed with a total of 864km of high resolution 2D seismic data acquired. A total of 424km of data was acquired in SG 4571 (including a 24km test line). Following approvals, a further 440km of contiguous data was acquired in an existing application area. The CB21 Survey significantly exceeded the Company's minimum work program obligations of 300km of 2D seismic data for the current licence period, which runs to June 2024.

The HSE performance throughout the program was exceptional, and the project has now exceeded 142,000 hours without a Lost Time Injury (LTI) or recordable incident.

The Company commenced the processing of the CB21 Survey data which produced some encouraging early results, particularly the strong amplitude anomalies and potential Direct Hydrocarbon Indicators observed in the Muzarabani structure and along the basin margin fault. The initial processing results has revealed a variety of structural and stratigraphic features providing for a target rich environment for the upcoming drilling program. In addition, the previous survey acquired by Mobil will be reprocessed by EarthSignal in conjunction with the CB21 Survey to integrate the legacy dataset and apply insights to the entire Cabora Bassa Basin.

The Company executed a farm in option agreement with Cluff Energy Africa Limited (“CEA”) for a 2 well exploration drilling campaign in the Cabora Bassa Project. CEA will fund 33.33% of the costs for a 25% interest (excluding additional back costs) in the Cabora Bassa Project and Invictus will remain as operator.

Under the terms of the non-binding agreement, CEA must exercise the option by 31 March 2022 to enter into a binding Farm in Agreement and a Joint Operating Agreement, obtaining the necessary funding to meet the Farm in Commitment for 2 wells. Invictus and CEA will also investigate the options for mitigating carbon emissions from the project including Carbon Capture and Storage (CCS) or similar solutions to align with Zimbabwe’s strategic objectives.

Invictus executed a MOU with EXALO Drilling SA to drill the Muzarabani-1 exploration well. The Company also executed an option for an additional exploration well for the basin opening drilling campaign, scheduled to commence in June 2022.

Following extensive evaluation of several suitable rig options, on both a technical and commercial basis, the Company has selected the Exalo #202 Rig for the upcoming drilling program. A binding rig agreement is anticipated to be signed in the March 2022 quarter. Exalo personnel visited Zimbabwe to review the potential drilling locations and logistics options. The #202 Rig is currently engaged in drilling operations in Tanzania and will be mobilised to the project once that program has been completed.

During the reporting period, Mr Barnaby Egerton-Warburton resigned from the board of Invictus due to the increasing demands of his other current board roles.

The Company completed a capital raise by way of placement to sophisticated and institutional investors. Invictus issued 35,000,000 new fully paid ordinary shares (New Shares) at an issue price of \$0.10 per New Share for a total of \$3.5m before costs. Subsequent to the end of the reporting period the Company also executed a placement for \$0.5m with existing large institutional shareholder Mangwana Opportunities Fund on the same terms.

In concert with the Placement, the Company announced a Share Purchase Plan (SPP) for eligible shareholders to raise up to \$2m with the ability to purchase up to \$30,000 of new shares. The issue price under the SPP of \$0.10 was equal to that of the New Shares issued under the Placement, with SPP participants also receiving attaching option on a 1-for-2 basis, at a strike price of \$0.14, with a 3-year term.

Subsequently, due to overwhelming demand, the Company increased the SPP to a total of \$4m, closing the offer 10 days ahead of schedule. The Company received a total of \$9.4m in applications which resulted in a pro-rata scale back of allocation to ~42%.

Subsequent Events

- On 5 January 2022 the Company announced that it had secured the necessary casing, wellheads and ancillary long lead items for a 2-well drilling program expected to commence in May 2022.
- On 10 January 2022 the Company announced a Securities Purchase Plan (SPP) to raise up to \$2m, with the SPP being open to all eligible shareholders per the record date of 24 December 2021.
- On 12 January 2022 the Company announced to accept SPP oversubscriptions for an additional \$1m, bringing the revised SPP total to \$3m.
- On 17 January 2022 the Company announced it had increased the SPP to \$4m.
- On 11 February 2022 the Company announced Baker Hughes had been awarded the integrated well services contract following completion of the tender and evaluation process.

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

14 March 2022

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

As lead auditor for the review of Invictus Energy Limited for the half-year ended 31 December 2021, 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 Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 14 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Invictus Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Invictus Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021 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.

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 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 2021 and its 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

The image shows a handwritten signature in black ink. The signature appears to be 'J Prue' written in a cursive style. Above the signature, the letters 'BDO' are written in a simple, blocky font.

Jarrad Prue

Director

Perth, 14 March 2022

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2021

	Note	31-Dec-21 A\$	31-Dec-20 A\$
Interest revenue		4,098	504
Other revenue		-	100,000
Corporate costs		(360,100)	(170,206)
Professional fees		(182,229)	(348,439)
Director fees		(286,657)	(175,125)
Share based payments	8	(1,519,358)	(224,523)
Other expenses		(101,151)	(85,718)
Depreciation		(119,457)	(72,414)
Finance costs		(25,680)	(17,834)
Foreign currency loss		(34,829)	-
Loss before income tax		(2,625,363)	(993,755)
Income tax expense		-	-
Loss after income tax		(2,625,363)	(993,755)
Loss for the period attributable to:			
Members of the parent entity		(2,586,203)	(962,336)
Non- controlling interest		(39,160)	(31,419)
Loss for the period		(2,625,363)	(993,755)
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation – members of the parent entity		46,695	(577,227)
Foreign currency translation – non- controlling interest		11,630	(144,242)
Total other comprehensive profit/ (loss) for the period		58,325	(721,469)
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(2,539,508)	(1,539,563)
Non- controlling interest		(27,530)	(175,661)
Total comprehensive loss for the period		(2,567,038)	(1,715,224)
Basic and diluted loss per share (cents) attributable to the ordinary equity holders of the Company	5	(0.44)	(0.21)

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 2021

	Note	31-Dec-21 A\$	30-Jun-21 A\$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		1,020,694	9,135,271
Trade and other receivables		101,440	48,224
Other current assets		24,590	52,014
Total current assets		1,146,724	9,235,509
<i>Non-current assets</i>			
Exploration and evaluation expenditure	4	15,701,494	8,821,190
Property, plant and equipment		359,719	168,814
Other financial assets		120,771	96,143
Right of use – asset		531,950	64,489
Total non-current assets		16,713,934	9,150,636
Total assets		17,860,658	18,386,145
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	3	295,931	291,556
Provisions		65,206	40,873
Right of use – liability		118,340	95,189
Total current liabilities		479,477	427,618
<i>Non-current liabilities</i>			
Right of use – liability		430,334	-
Total non-current liabilities		430,334	-
Total liabilities		909,811	427,618
Net assets		16,950,847	17,958,527
EQUITY			
Share capital	6	37,417,600	38,354,367
Reserves		2,361,184	492,458
Accumulated losses		(23,838,296)	(21,926,187)
Total equity attributable to owners of Invictus Energy Limited		15,940,488	16,920,638
Non- controlling interest		1,010,359	1,037,889
Total equity		16,950,847	17,958,527

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

Invictus Energy Limited

Half-year financial report 31 December 2021

Consolidated statement of changes in equity

For the half year ended 31 December 2021

	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 2020	27,911,659	281,148	662,841	943,989	(20,707,541)	8,148,107	1,189,799	9,337,906
Loss for the period	-	-	-	-	(962,336)	(962,336)	(31,419)	(993,755)
Foreign currency translation	-	(577,227)	-	(577,227)	-	(577,227)	(144,242)	(721,469)
Total comprehensive loss for the period	-	(577,227)	-	(577,227)	(962,336)	(1,539,563)	(175,661)	(1,715,224)
Issue of shares – Mangwana	224,676	-	-	-	-	224,676	-	224,676
Issue of shares – Key management personnel	165,685	-	-	-	-	165,685	-	165,685
Issue of shares – Consultants	238,290	-	-	-	-	238,290	-	238,290
Share based payments – Performance rights vested	-	-	47,584	47,584	-	47,584	-	47,584
Share based payments – Options vested	-	-	11,254	11,254	-	11,254	-	11,254
Share issuance costs	(340)	-	-	-	-	(340)	-	(340)
Total distributions to owners of Company recognised directly through equity	628,311	-	58,838	58,838	-	687,149	-	687,149
Balance at 31 December 2020	28,539,970	(296,079)	721,679	425,600	(21,669,877)	7,295,693	1,014,138	8,309,831
Balance at 1 July 2021	38,354,367	(181,637)	674,095	492,458	(21,926,187)	16,920,638	1,037,889	17,958,527
Loss for the period	-	-	-	-	(2,586,203)	(2,586,203)	(39,160)	(2,625,363)
Foreign currency translation	-	46,695	-	46,695	-	46,695	11,630	58,325
Total comprehensive loss for the period	-	46,695	-	46,695	(2,586,203)	(2,539,508)	(27,530)	(2,567,038)
Issue of shares – options exercised	40,000	-	-	-	-	40,000	-	40,000
Share based payments – options vested	(976,767)	-	2,496,125	2,496,125	-	1,519,358	-	1,519,358
Share based payments – options expired	-	-	(674,094)	(674,094)	674,094	-	-	-
Total distributions to owners of Company recognised directly through equity	(936,767)	-	1,822,031	1,822,031	674,094	1,559,358	-	1,559,358
Balance at 31 December 2021	37,417,600	(134,942)	2,496,126	2,361,184	(23,838,296)	15,940,488	1,010,359	16,950,847

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 2021

	31-Dec-21	31-Dec-20
	A\$	A\$
<i>Cash flows from operating activities</i>		
Interest received	4,098	504
Cashflow boosts	-	111,891
Payments to suppliers and employees	(1,068,255)	(689,062)
Net cash used in operating activities	(1,064,157)	(576,667)
<i>Cash flows from investing activities</i>		
Exploration payments	(6,770,980)	(147,644)
Property, plant and equipment purchased	(310,362)	-
Return of restricted cash	96,143	-
Increase in restricted cash	(120,771)	-
Net cash from investing activities	(7,105,970)	(147,644)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares – options exercised	40,000	224,676
Share issue costs	-	(340)
Lease payments	-	(57,247)
Net cash from financing activities	40,000	167,089
Total cash movement for the period	(8,130,127)	(557,222)
Cash and Cash Equivalents at 1 July	9,135,271	1,497,014
Exchange rate adjustment	15,550	(5,749)
Total cash at end of the period	1,020,694	934,043

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 2021 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 2021 and any public announcements made by Invictus Energy Limited 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 2021, 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 2021. 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 (and pay its debts when they fall due) 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 2021 the Group incurred a loss after tax of \$2,625,363 (2020: \$993,755) and had total net cash outflows from operating and investing activities of \$8,170,127 (2020: \$724,311).

The Directors have prepared an estimated cash flow forecast for the period to 30 June 2023 to determine if the Company may require additional funding during this period. The Group intends to continue cash expenditure on operating activities and the Cobora Bassa Project. This results in a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

The Directors have made an assessment on whether it is reasonable to assume that the Company will be able to continue its normal operations based on the following factors and judgements:

- 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 fund 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 2021.

2. Segment information

Description of segments

The Directors have determined the Group has one reportable segment, being 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.

3. Trade and other payables

	31-Dec-21	30-Jun-21
	A\$	A\$
Trade payables	196,931	192,556
Accrued expenses	99,000	99,000
	295,931	291,556

4. Exploration and evaluation expenditure

As at 31 December 2021, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was \$15,701,494 (June 2021: \$8,821,190); the carrying amounts of individual projects are as per the reconciliation of movement in exploration and evaluation property below.

	31-Dec-21 A\$	30-Jun-21 A\$
<i>Cabora Bassa Project</i>		
Project carrying value – opening	8,821,190	8,021,198
Costs incurred during the period	6,827,579	1,344,904
Effect of translation to presentation currency	52,725	(544,912)
Project carrying value – closing	15,701,494	8,821,190

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.

5. Earnings per share

The calculation of basic and diluted earnings (loss) per share at 31 December 2021 was calculated as follows:

	31-Dec-21 A\$	31-Dec-20 A\$
<i>Loss attributable to ordinary shareholders for the period</i>	(2,586,203)	(962,336)
<i>Number of ordinary shares</i>		
Issued ordinary shares at the beginning of the period	585,077,387	449,194,206
Effect of shares issued during the period ¹	-	25,205,621
Number of ordinary shares at 31 December	585,077,387	474,399,827
Weighted average number of ordinary shares outstanding during the period used in calculation of basic and diluted loss per share	585,077,387	465,266,469
<i>Loss per share</i>		
Basic and diluted loss per share attributable to the ordinary equity holders of the Company (cents per share)	(0.44)	(0.21)

¹ Ordinary shares were issued subsequent to 31 December 2021, upon the exercise of options.

Diluted loss per share

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

6. Contributed equity

	31-Dec-21 A\$	30-Jun-21 A\$
Shares on issue	41,784,948	41,744,948
Issuance costs	(3,390,581)	(3,390,581)
	38,394,367	38,354,367

<i>Reconciliation of movement in share capital</i>	Number of shares	A\$
Balance at 1 July 2020	449,194,206	27,911,659
Shares issued to Mangwana – T1	12,564,143	-
Shares issued to Mangwana – T2	3,404,186	224,676
Shares issued to key management personnel in lieu of cash	2,808,216	165,685
Shares issued to consultants in lieu of cash	6,429,076	238,290
Share issuance costs	-	(340)
Balance at 31 December 2020	474,399,827	28,539,970

<i>Reconciliation of movement in share capital</i>	Number of shares	A\$
Balance at 1 July 2021	585,077,387	38,354,367
Shares issued – options exercised ¹	-	40,000
Share issuance costs ²	-	(976,767)
Balance at 31 December 2021	585,077,387	37,417,600

¹ Ordinary shares were issued subsequent to 31 December 2021, upon the exercise of options.

² On 8 July 2021, 9,090,909 unlisted options, valued at \$976,767, were granted to the Company's Lead Manager. The options have an exercise price of \$0.17 and an expiry date of 30 March 2024. The options were awarded as part consideration of services provided by the Lead Manager to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 8 July 2021
- Expiry date: 30 March 2024
- Risk free rate: 0.19%
- Stock volatility: 103.48%
- Share price at grant date: \$0.1750
- Exercise price: \$0.17

\$976,767 has been recognised as share issuance costs, within the Consolidated Statement of Financial Position for the current period.

7. Related party transactions

During the reporting period \$15,000 was paid to Gabriel Chiappini's Consultancy Company, Laurus Corporate Services, for Company Secretarial services provided during the reporting period (31 December 2020: \$15,000).

On 26 July 2021, 15,000,000 unlisted options were issued to the Directors, with an exercise price of \$0.02355 and an expiry date of 23 July 2024. The options were awarded as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. Refer to Note 8 for further details.

8. Share based payments

Ordinary shares

2021

No share based payments, in the form of ordinary shares were granted or issued during the current period.

Unlisted options

2021

On 26 July 2021, 15,000,000 unlisted options, valued at \$1,519,358, were issued to the Directors. The options have an exercise price of \$0.2355 and an expiry date of 23 July 2024. The options were awarded as part of the remuneration for the services provided by the Directors to the Company and were approved by shareholders at a general meeting on 8 July 2021. The options were valued using the Black-Scholes European Pricing Model, with the following inputs used:

- Grant date: 8 July 2021
- Expiry date: 23 July 2024
- Risk free rate: 0.16%
- Stock volatility: 103.61%
- Share price at grant date: \$0.1750
- Exercise price: \$0.2355

\$1,519,358 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

2021

No share based payments, in the form of performance rights were granted or issued during the current period.

9. Contingencies

No contingent liabilities exist at the December 2021 half year ended (June 2021: Nil)

10. 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\$20,000 during the 30 June 2022 financial year.

Committed purchase orders

As at 31 December 2021, there is \$2,679,000 of committed purchase orders in relation to the upcoming well campaign.

11. Dividends

No dividends were paid by the Group during the half year ended 31 December 2021 (2020: nil).

12. Events occurring after the reporting period

- On 5 January 2022 the Company announced that it had secured the necessary casing, wellheads and ancillary long lead items for a 2-well drilling program expected to commence in May 2022.
- On 10 January 2022 the Company announced a Securities Purchase Plan (SPP) to raise up to \$2m, with the SPP being open to all eligible shareholders per the record date of 24 December 2021.
- On 12 January 2022 the Company announced to accept SPP oversubscriptions for an additional \$1m, bringing the revised SPP total to \$3m.
- On 17 January 2022 the Company announced it had increased the SPP to \$4m.
- On 11 February 2022 the Company announced Baker Hughes had been awarded the integrated well services contract following completion of the tender and evaluation process.

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 attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 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
14 March 2022