

INVICTUS ENERGY LIMITED
ACN 150 956 773
SECOND SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 3 May 2023 (**Prospectus**) issued by Invictus Energy Limited (ACN 150 956 773) (**Company**) and the supplementary prospectus dated 1 June 2023 (**First Supplementary Prospectus**) lodged by the Company.

This Second Supplementary Prospectus is dated 12 June 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Second Supplementary Prospectus.

This Second Supplementary Prospectus should be read together with the Prospectus and the First Supplementary Prospectus. Other than as set out below, all details in relation to the Prospectus (as amended by the First Supplementary Prospectus) remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Second Supplementary Prospectus. If there is a conflict between the Prospectus, the First Supplementary Prospectus and this Second Supplementary Prospectus, this Second Supplementary Prospectus will prevail.

This Second Supplementary Prospectus will be issued with the Prospectus and First Supplementary Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.invictusenergy.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

The Directors believe that the changes in this Second Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for new Shares and New Options under the Prospectus or First Supplementary Prospectus.

1. BACKGROUND

The background to the Prospectus and the First Supplementary Prospectus is as follows:

- (a) On 6 April 2023, the Company announced that it had received firm commitments for a Placement of \$10 million (including participation from related parties of the Company) and its intention to undertake a share purchase plan for Eligible Shareholders on the same terms as the placement.
- (b) On 3 May 2023, the Company lodged the Prospectus containing the share purchase plan offer to raise up to \$10 million, together with other offers, including the offer of Options to participants in the Placement and an offer to the brokers of the Placement.
- (c) On 31 May 2023, the Company announced that the share purchase plan had closed, with the Company receiving oversubscriptions for \$12.7 million. The Company also announced that the Board had resolved to accept those oversubscriptions and on 1 June 2023 the Company lodged the First Supplementary Prospectus with ASIC for the primary purpose of expanding the

SPP Offer to enable the Company to accept the full amount applied for by Eligible Shareholders.

- (d) On 6 June 2023, the Company announced that it had received interest from investors for a further \$12.75 million placement (before costs) (**Second Placement**) on the same terms as the first Placement and the SPP Offer.
- (e) Since announcing its initial Placement on 6 April 2023, the Company has now raised approximately \$35.4 million, with those funds being used to advance the Company's projects, specifically the drilling of the Mukuyu-2 appraisal well and the Company's working capital.
- (f) On 7 June 2023, all resolutions put to the General Meeting were approved such that the conditions of the issue of the Options for the SPP Offer, referred to in the Prospectus, have been satisfied.

2. REASONS FOR THE SUPPLEMENTARY PROSPECTUS

The reason for this Second Supplementary Prospectus therefore is to update the information contained in the Prospectus (as amended by the First Supplementary Prospectus) and to introduce a new offer of Options to participants in the Second Placement.

The new offer is for 53,125,000 Options to participants in the Second Placement, on the basis of one Option for every two Shares subscribed for and issued to the participants in the Second Placement (**Second Placement Offer**). No funds will be raised under the Second Placement Offer as the funds have been received from those investors as consideration for the Shares issuable to those investors.

The offer for the Options under the Second Placement Offer is being included in the Prospectus so that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available to all of the Options that will be on issue in the Company and being traded on ASX. This means that all Options will have been issued under a disclosure document.

The material amendments to the Prospectus outlined in section 2 below should be read in conjunction with the Prospectus and the First Supplementary Prospectus.

3. AMENDMENTS TO THE PROSPECTUS

The following amendments are made to the Prospectus:

3.1 Section 2.1 - Timetables

The Company notes that the SPP Offer, the Placement Options Offer and the Broker Offer have closed on the dates set out in the Prospectus.

The Options issued under the SPP Offer and the Placement Options Offer were mostly issued on 9 June 2023, with a remaining 5,229,164 Options that were subject to the approval of Shareholders on 7 June 2023 to be issued shortly.

Section 2.1 of the Prospectus is amended to add in a new timetable for the Second Placement Offer as follows:

"Section 2.1.4 Second Placement Offer

Action	Date*
Announcement of Second Placement	6 June 2023
Applications for Options by participants in the Second Placement Offer due	13 June 2023
Issue of Shares under the Second Placement Offer	14 June 2023
Issue of Options under the Second Placement Offer	14 June 2023

3.2 Section 4.1 – The Offers

Section 4.1 is amended to include a new offer under the Prospectus as follows:

"Section 4.1.5 Second Placement Offer

The Second Placement Offer is an offer of one Option for every two Shares subscribed for and issued under the Second Placement by participants in the Second Placement. Fractional entitlements will be rounded down to the nearest whole number.

Based on the number of Shares issued under the Second Placement, approximately 53,125,000 Options will be issued under the Second Placement Offer. No funds will be raised from the issue of the Options.

The Options will be issued on the terms set out in Section 6.2 of the Prospectus."

3.3 Section 4.5 – Broker Fees

In addition to the fees set out in Section 4.5 of the Prospectus, the Lead Managers will receive fees equal to 6% of the funds raised under the Second Placement.

3.4 Section 5.2 – Use of funds

Funds raised from the Placement, the expanded SPP and the Second Placement have raised approximately \$35.4 million and are intended to be used in accordance with the table set out below.

Proceeds of the SPP Offer, Placement and Second Placement	(\$'million)	%
Preparation for and drilling of Mukuyu-2 Well (including long lead time items) ¹	\$27.55	77.8%
2D Seismic and processing of Eastern leads on trend with Mukuyu to drill ready targets ¹	\$4.0	11.3%
Ngamo-Gwayi-Sikumi Project development ²	\$0.5	1.4%
Expenses of the Offers ³	\$1.25	3.6%
Unallocated general working capital	\$2.1	5.9%
Total	\$35.4 million	100%

Notes:

- On 6 April 2023 the Company announced the intended use of the funds raised under the Placement and the SPP Offer and the make up of spending of funds received under the Offers. Additional funds received since then enable the Company to meet additional costs of drilling the Mukuyu-2 Well.
- In August 2022, the Company announced that it had been awarded three carbon off-set projects. Funds will be allocated to the advancement of those projects to off-set the ongoing works being done on its exploration targets.
- Refer to Section 8.9 for further details relating to the fees payable to the Lead Manager and the estimated expenses of the Offers (respectively).

3.5 Sections 5.3 and 5.4 - Effect of the Offers and capital structure

The effect of the decision to undertake the Second Placement, in addition to the SPP Offer and the Placement will be to:

- increase the cash received under the Offers in the Prospectus by a total of \$35.4 million (before expenses);
- increase the Shares and Options on issue in the Company such that the capital structure will be as follows:

Shares ¹	Number
Shares on issue as at date of Prospectus ²	1,067,184,367
Shares to be issued to related parties participating in the Placement	10,458,333
Shares offered under the Second Placement	106,250,000
Total Shares on issue on completion of the Offers²	1,183,892,700

Notes:

- The rights and liabilities attaching to the Shares are summarised in Section 6.1 of the Prospectus.
- Includes the Shares issued under the SPP Offer.
- Assumes no existing Options on issue are exercised.

Options	Number
Existing Options on issue	309,954,832
Options remaining to be issued to related party participants in the Placement	5,229,164
Options to be issued under the Broker Offer ¹	10,416,667
Options to be issued under the Second Placement Offer ¹	53,125,000
Total Options on issue on completion of the Offers	378,725,663

Notes:

- The terms of the Options are summarised in Section 6.2 of the Prospectus.

Performance Rights	Number
Existing Performance Rights on issue	31,000,000
Performance Rights to be issued under the Offers	0
Total Performance Rights on issue on completion of the Offers¹	31,000,000

Notes:

- The Company approved on 7 June 2023 the issue of a further 14 million Performance Rights to the two recently appointed Directors, John Bentley and Robin Sutherland. This issue is expected to be completed after the lodgement of this Second Supplementary Prospectus.

3.6 Section 5.5 – Pro-forma balance sheet

The audit reviewed balance sheet as at 31 December 2022 and the pro-forma balance sheet as at 31 December 2022 in the Prospectus showed the effect of the Placement and the original SPP Offer to raise up to \$10 million. The pro-forma balance sheet below has been prepared to add an additional column to show the effect of the Placement, the increased SPP Offer and the Second Placement. It has been prepared on the basis of the accounting policies normally adopted by the Company.

	As at 31 December 2022	Pro Forma as at 31 December 2022 showing Placement and SPP Offer	Pro forma as at 31 December 2022 showing Placement, SPP Offer and Second Placement
	A\$	A\$	A\$
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	12,630,422	31,380,422	45,886,322
Trade and other receivables	106,550	106,550	106,550
Other current assets	45,641	45,641	45,641
Total current assets	12,782,612	31,532,612	46,038,512
<i>Non-current assets</i>			

Exploration and evaluation expenditure	58,467,945	58,467,945	58,467,945
Leasehold acquisition costs for Carbon Creditors	726,630	726,630	726,630
Other financial assets	120,771	120,771	120,771
Property, plant and equipment	220,358	220,358	220,358
Right of use – asset	383,498	383,498	383,498
Total non-current assets	59,919,203	59,919,203	59,919,203
Total assets	72,701,815	91,451,815	105,957,715
LIABILITIES			
<i>Current liabilities</i>			
Loan payable	0	0	0
Trade and other payables	7,567,248	7,567,248	7,567,248
Provisions - current	81,545	81,545	81,545
Right of use – liability (current)	136,237	136,237	136,237
Total current liabilities	7,785,031	7,785,031	7,785,031
<i>Non-current liabilities</i>			
Right of use – liability (non- current)	294,098	294,098	294,098
Total non-current liabilities	294,098	294,098	294,098
Total liabilities	8,079,129	8,079,129	8,079,129
NET ASSETS	64,622,686	83,372,686	97,878,586
EQUITY			
Share capital	85,004,048	105,004,048	120,489,048
Cost of capital raising - 6%		(1,200,000)	(2,129,100)
Cost of capital raising - Legals, EGM, share registry		(50,000)	(100,000)
FCTR Reserve	297,355	297,355	297,355
SBP Reserve	4,960,712	4,960,712	4,960,712
Accumulated loss	(26,493,684)	(26,493,684)	(26,493,684)
Total equity attributable to owners of Invictus Energy Limited	63,768,431	82,518,431	97,024,331
Non- controlling interest	854,256	854,256	854,256
Total equity	64,622,686	83,372,686	97,878,586

3.7 Section 8.2 – continuous disclosure obligations

Section 8.2 of the Prospectus (as updated by the Supplementary Prospectus) is updated to include the following additional announcements that have been released by the Company since 1 June 2023:

Date	Description of Announcement
9 June 2023	Notification regarding unquoted securities - IVZ
8 June 2023	Update – Proposed issue of securities – IVZ
7 June 2023	Results of Shareholder Meeting

Date	Description of Announcement
6 June 2023	Proposed issue of securities - IVZ
6 June 2023	Placement for Mukuyu-2 Appraisal Well & Phase 2 Exploration
5 June 2023	Application for quotation of securities - IVZ
2 June 2023	Proposed issue of securities - IVZ
2 June 2023	Trading Halt
1 June 2023	Revised Target Market Determination
1 June 2023	SPP Supplementary Prospectus

3.8 Section 8.3 – Material Agreements

Section 8.3 is amended to add in new section 8.3.3 summarising the terms of the placement mandate for the Second Placement as follows:

"Section 8.3.3 Second Placement Mandate

The Company has entered into a mandate with PAC and Canaccord pursuant to which PAC and Canaccord have agreed to use their best endeavours, on an equal basis to place any shortfall under the Company's proposed SPP Offer. The Company will pay fees as follows:

- (a) a management fee equal to 2% of the proceeds under the SPP Offer and the Shortfall Offer; and
- (b) a selling fee of 4% of the proceeds raised under the Shortfall Offer; and

The mandate is otherwise includes standard terms and conditions offered by PAC and Canaccord and is consistent with the other mandates entered into for the Shortfall Offer.

3.9 Section 8.4

The market price of the Company's Shares trading on ASX is updated as follows:

	Price	Date
Highest	\$0.405	16 November 2022
Lowest	\$0.105	8 November 2023
Last	\$0.12	9 June 2023

The Options have not yet commenced trading on ASX.

3.10 Section 8.8 – Consents

The Company confirms that no party that had given its consent to be named in the Prospectus has withdrawn that consent prior to the date of lodgement of this Second Supplementary Prospectus.

4. CONFIRMATION OF DIRECTORS' AUTHORISATION

The Board confirms that this Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.