

Invictus, Dallaglio & Himoina sign Gas Sales MOU to deliver power to Eureka Gold Mine



INVICTUS
ENERGY LIMITED

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HIGHLIGHTS

- **Invictus, Dallaglio and Himoina execute MOU for a proposed gas-to-power project for Dallaglio's Eureka Gold Mine.**
- **Feasibility study commenced to determine optimal delivery of power through either wellsite power generation and wheeling power utilising the existing grid infrastructure 5km away, or onsite generation with natural gas delivered via truck between wellsite and Eureka Gold Mine**
- **Eureka is one of the largest gold producing mines in Zimbabwe and located only 50km from the Mukuyu-2 wellsite**
- **Himoina is a worldwide leader in the manufacture of power generation sets, one of the largest onsite power solutions provider in Africa and provide power generation to Eureka Mine**
- **Expandable project of up to 50MW with intent to sell excess power into the Southern Africa Power Pool**
- **Pilot project using simple early production system to provide near-term monetisation and proof of concept for future full field development(s)**

Invictus Energy Limited ("Invictus" or "the Company") is pleased to announce it has executed a Memorandum of Understanding ("MOU") with Dallaglio Investments Pvt Ltd ("Dallaglio") and Himoina Southern Africa Proprietary Limited ("Himoina") for a proposed gas-to-power project to supply electricity to the Eureka Gold Mine ("Eureka").

Gas-to-power MOU for Eureka Mine

Invictus Energy and One Gas Resources through Geo Associates (Private) Limited (80% held by Invictus) have executed an MOU with Dallaglio and Himoina to supply natural gas from the Company's Cabora Bassa Project as feedstock for a gas-to-power project to Eureka, one of Zimbabwe's largest mines, owned and operated by Dallaglio. The Eureka project is located 50km south of the Mukuyu gas field.

The proposed power generation plant and equipment will be provided by Himoina with a notional capacity of 12MW, with the ability to increase the plant capacity size up to 50MW.

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 360,000 hectares within the Cabora Bassa Basin in Zimbabwe. SG 4571 and EPOs 1848/49 contain the newly discovered Mukuyu gas field and multiple Basin Margin prospects

BOARD & MANAGEMENT

John Bentley
Non-Executive Chairman

Joe Mutizwa
Non-Executive &
Deputy Chairman

Scott Macmillan
Managing Director

Robin Sutherland
Non-Executive Director

Gabriel Chiappini
Non-Executive Director
& Company Secretary

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Power generated would be supplied to Eureka or other private off-takers through the local grid or into the Southern Africa Power Pool ("SAPP") if excess supply is available.

Following recent confirmation of the Mukuyu gas-condensate discovery at the Cabora Bassa Project, Invictus is positioning itself to capture early monetisation opportunities and accelerate timelines to first production and revenue generation.

High-quality natural gas discovered at Mukuyu-2 contains minimal impurities (ASX announcement [22 March 2024](#)) and allows for a simple early production system at the wellsite to produce for gas to be used in power generation or compressed natural gas for delivery to onsite power generation at Eureka (see Figure 1).

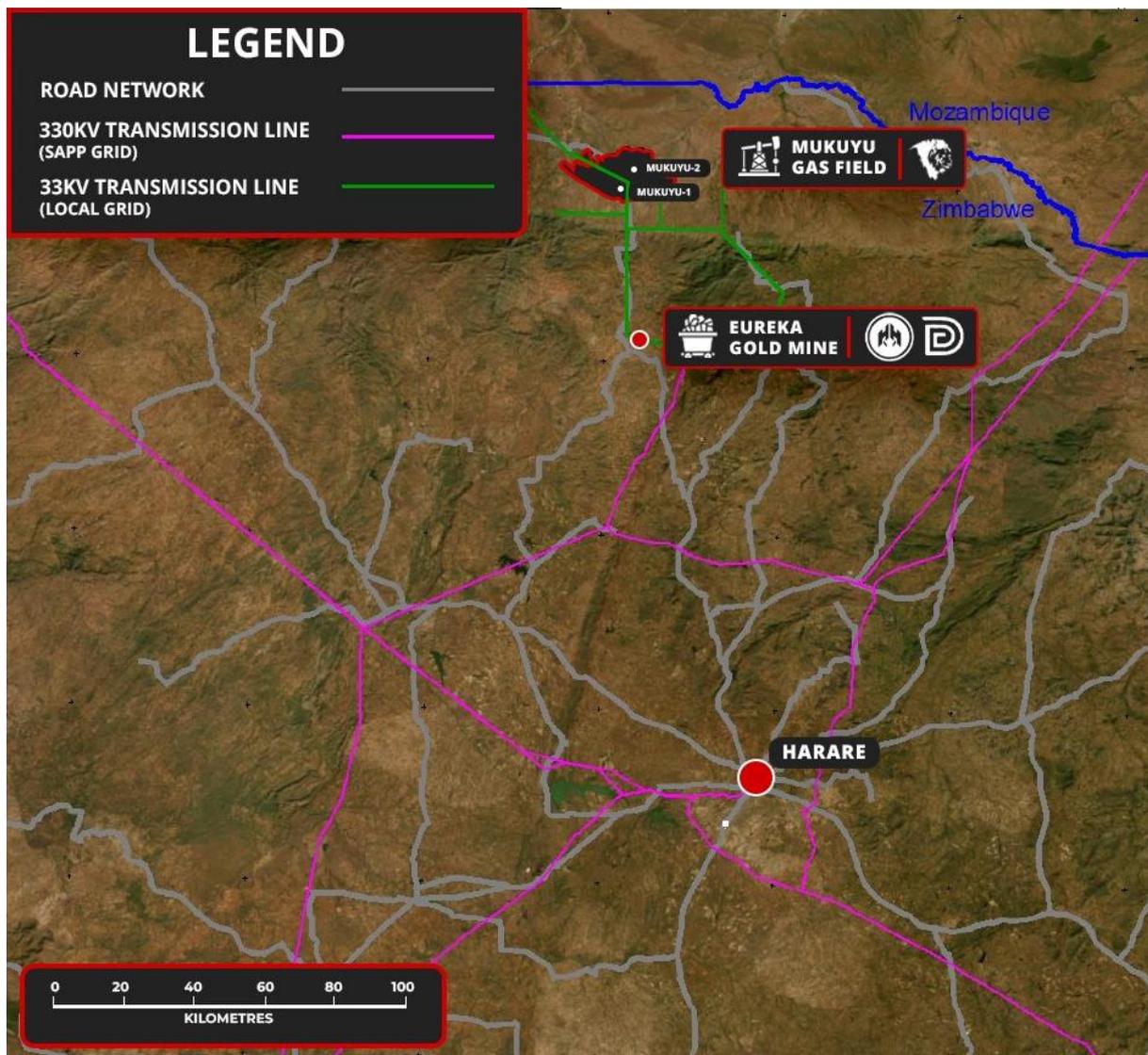


Figure 1 - Map showing Eureka Gold Mine, Mukuyu-2 wellsite, electrical grid and road network

This will minimise the Company's capital and surface processing infrastructure requirements for the pilot project as well as in the future full field developments.

The MOU provides flexibility to grow the pilot project incrementally through modular expansion as the resource base grows and additional power offtakers are signed up.

Key terms of the MoU are outlined at the end of this announcement.

The pilot will also provide proof of concept for future full field development and large-scale gas-to-power project development (refer ASX announcement [18 December 2023](#)).

A feasibility study will be undertaken to determine the optimal delivery of power to Eureka - either wellsite generation of power and wheeling, utilising the existing grid infrastructure which is located within 5 kilometres of Mukuyu-2 or onsite generation with natural gas transported via truck between wellsite and the power plant.

Following completion of the feasibility study, Invictus and Himoinisa intend to execute a binding Gas Sale and Purchase Agreement (GSPA), under which the Company will provide natural gas to Himoinisa, which in turn will provide power generation equipment and supply electricity to Dallaglio at Eureka, under back-to-back GSPA and Power Purchase Agreements (PPAs).

Part of the feasibility study involves the Company assessing the use of Mukuyu-2, post well-testing, as a producer in the pilot project.

Expansion of the pilot can be matched to gas deliverability from the Mukuyu Gas Field through Himoinisa's turnkey power generation systems.

Himoinisa currently provides supplementary and backup diesel power generation to Eureka and Dallaglio's other mining operations in Zimbabwe (see Figure 2).



Figure 2 - Himoinisa 12MW diesel power generation system at Eureka Mine.

Gas-fired power will provide Eureka with a reliable and cleaner source of energy than the current coal fired power and backup diesel power generation, which is used during frequent power outages experienced in the country.

The pilot will also gather longer term production data and dynamic reservoir information to

assist in optimising the full field development planning and determining connected resource volumes and development well locations and sequencing.

Invictus Energy Managing Director Scott Macmillan commented:

"Signing this MOU is a major step forward in our early commercialisation strategy and demonstrates the immediate monetisation opportunities available to Invictus as we look to progress the Cabora Bassa project following our significant gas discovery at Mukuyu.

"We are pleased to be partnering with one of the largest gold producers in the country in Dallaglio and one of the leading power generation solutions companies in Himoina for our planned pilot project.

"Eureka's close proximity to Mukuyu and available infrastructure make this an ideal pilot project and provides us with line of sight to early first production, revenue generation and proof of concept for future full field developments and large-scale gas-to-power projects.

"The high quality gas composition confirmed from Mukuyu-2 requires minimal surface processing of gas stream, which enables the implementation of a near-term pilot project utilising a low-cost production system at the wellsite and existing infrastructure to deliver gas and power to end users.

"We look forward to working closely with Himoina and Dallaglio to completing the feasibility study over coming months in tandem with our high impact field activity to progress the project into implementation."

Himoina Southern Africa Director Matthew Bell commented:

"We are pleased to be working with Invictus and expanding our relationship with Dallaglio to potentially provide a cleaner, cost effective and reliable source of energy to the Eureka Mine through substituting our diesel power generation with natural gas.

"Himoina offer a wide range of generation technologies using diesel, HFO, natural gas, LPG and lithium-ion batteries. One of the advantages of already being operational onsite at Eureka with a diesel power plant is that we can develop an alternative gas solution to complement or replace the diesel plant without any interruption to the mine's power security.

"We look forward to working with Invictus and Dallaglio on this pilot, which can be used as a project reference for other mines in Zimbabwe, Africa and globally.

Dallaglio CEO James Beare commented:

"Power is a critical input for our mining operations in Zimbabwe and securing reliable and affordable energy is crucial to support our plans to expand production at Eureka.

"Substituting coal and diesel fired power for natural gas supports our goal as a long-term sustainable gold producer and will significantly reduce our emissions profile.

"We look forward to working with Invictus and Himoinisa to realise this mutually beneficial project for the resources sector in the country."

About Dallaglio and Eureka Mine

- Dallaglio is a wholly owned subsidiary of the Victoria Falls Stock Exchange (VFEX) listed company Padenga Holdings Limited
- Dallaglio is one of the largest gold producers in Zimbabwe
- It owns and operates the Eureka and Pickstone Peerless gold mines
- Dallaglio purchased the Eureka Mine in April 2018
- Eureka is a brown field project, which was refurbished and brought back into production in 2021 following significant investment by Dallaglio
- Eureka is an open pit mining operation with a current life of mine of eight years
- Feasibility studies are underway for potential expansion to underground mining at Eureka, which would extend the life of mine
- Eureka is located in Guruve approximately 50km from the Cabora Bassa Project along the newly built A11 highway extension to Kanyemba.
- Further information is available at <https://www.padenga.com/mining>.



Figure 3 – Processing infrastructure at Eureka Gold Mine in Gurube.

About Himoina Southern Africa

- Himoina is a multinational manufacturer of diesel and gas generator sets, focused on delivering onsite and mobile power solutions for consumers in a wide range of industries.
- Himoina Southern Africa is a subsidiary of the Himoina Group, the international energy division of Yanmar Energy Systems
- Himoina currently operates a 33kV stand-by diesel power plant at the Eureka Mine, which is regularly required due to unreliable power supply from the national grid.
- A Eureka Mine case study is available here: <https://www.himoina.co.za/12-mw-zimbabwe/case-studies/news-list/news/554/eng.html>
- Himoina has been supporting the mining sector in Africa for over 20 years with multiple projects in operation currently as one of the leading onsite power generation providers on the continent. Himoina has global gas to power experience, including 18MW supplying the national grid in the UK and 12MW of CHP gas generation in Turkey.
- For more information on Himoina visit www.himoina.com

MOU key terms

- The MOU and exclusivity are effective for three (3) years from the date of the agreement for any Power Project less than 50MW
- The MOU is non-binding until such time as definitive agreements consisting of a Gas Sale and Purchase Agreement (GSPA) is entered into by the parties
- The parties will conduct feasibility studies to determine the criteria for a successful integrated project, including technical, economic, environmental factors, regulatory approvals and a market clearing price for power produced from the Power Project (i.e. a gas price that can support the investment in the Pilot Project, and the related infrastructure necessary for the Power Project)

-Ends-

Approved for release by the Board

Questions and enquiries

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About Invictus Energy Ltd (ASX: IVZ)

Invictus Energy Ltd is an independent upstream oil and gas company listed on the Australian Securities Exchange (ASX: IVZ). The Company is headquartered in Perth, Australia and has offices in Harare, Zimbabwe. Invictus is opening one of the last untested large frontier rift basins in onshore Africa – the Cabora Bassa Basin – in northern Zimbabwe through a high impact exploration programme.

Invictus Energy is committed to operating in a safe, ethical and responsible manner, respecting the environment, our staff, contractors and the communities in which we work.

***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.*

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