

INVICTUS
ENERGY LIMITED

June 2024 quarterly activities report

30 July 2024

HIGHLIGHTS

- **Mutapa Investment Fund of Zimbabwe committed to underwriting US\$5 million of US\$10 million strategic capital raise at an issue price of AU\$0.10 per share demonstrating long-term support for Cabora Bassa Project**
- **Petroleum Production Sharing Agreement to be implemented by Mutapa Investment Fund on behalf of Republic of Zimbabwe**
- **Mukuyu well testing, and appraisal planning and preparation completed**
- **CB23 seismic data interpretation completed, leading to identification of three key drill-ready prospects for future exploration well campaigns**
- **Mukuyu 3D seismic survey planning complete and ready to be rolled out**
- **Pilot gas-to-power MOU executed to supply energy to nearby Eureka Gold Mine**
- **Farm-out process to secure strategic partner progressing well**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update on its operational, corporate and financial performance for the quarter ended 30 June 2024.

Operational update

Well testing and appraisal activity

During the quarter the Company progressed a number of planning activities and negotiations of services contracts as part of its appraisal of the Mukuyu gas-condensate field.

Well test design study for Mukuyu-2 aimed at defining optimal test parameters, to determine long-lead equipment, a mobilisation plan and timing for the Mukuyu-2 well test.

In conjunction, the Company continued evaluating well services contract bids for the well testing and future exploration and appraisal drilling campaigns to ensure the Company secures services and ancilliary equipment on favourable and cost-effective terms.

Through this process to date, Invictus has been able to identify cost-saving measures up to 40% associated with the future delivery of drilling and well services.

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 Mukuyu 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
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Gabriel Chiappini
Non-Executive Director
& Company Secretary

www.invictusenergy.com

This forms part of the overall de-risking strategy achieved through drilling basin-opening Mukuyu wells and subsequent discoveries declared in December 2023.

CB23 seismic data interpretation completed

During the quarter Invictus completed interpretation of 425km of high-resolution data acquired through its CB23 infill seismic survey carried out over EPOs 1848 and 1849.

Invictus has determined five exciting eastern leads on trend with the Mukuyu Gas Field and is developing three in the Dande Formation – Musuma, Mopane and Mururo – into future drill-ready prospects (refer ASX announcement [6 May 2024](#))

Data and insights gathered from Mukuyu well studies continue to be integrated into the wider exploration portfolio to inform future assessment of the lead inventory.

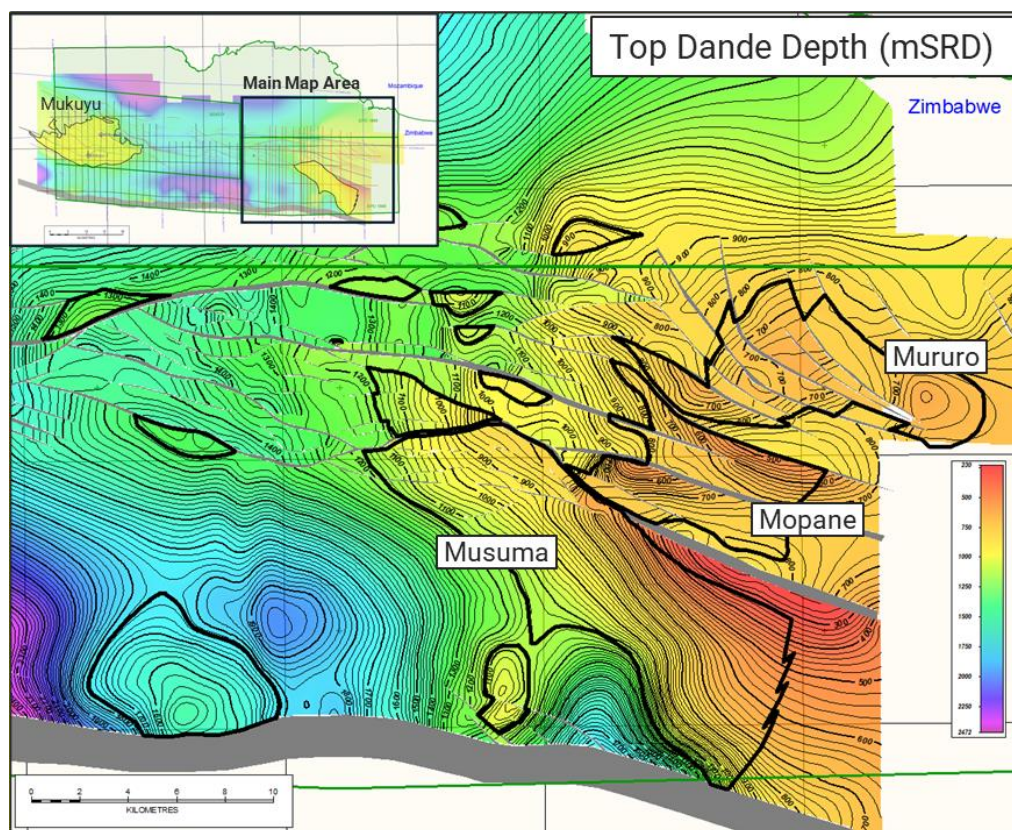


Figure 1 - Top Dande depth map and new prospect polygons based on incorporation of new CB23 interpretation.

Mukuyu 3D seismic survey

The Mukuyu 3D seismic survey planning and preparation completed during the previous quarter with the preferred contractor is ready to be rolled out during the upcoming quarter.

This 3D seismic data will assist delineating reservoir connectivity, fault block configuration, resource volumes and future appraisal well locations.

Given the scale of the Mukuyu Gas Field, which has over 200km² of structural closure, 3D seismic will aid the selection of areas for focused appraisal drilling and early development.

Corporate update

Significant Zimbabwean investment backs Cabora Bassa development

Subsequent to quarter's end, the Company was pleased to announce it secured significant capital of up to US\$10m through a Zimbabwe-based investment consortia (refer ASX announcement [29 July 2024](#))

Among the consortia is Zimbabwe's national sovereign wealth fund the Mutapa Investment Fund, the Mangwana Opportunities Fund ("Mangwana") and a range of long-term Zimbabwean investment funds.

The consortia's investment was led by Mangwana, a long-term strategic partner and shareholder of Invictus, and represents real confidence within Zimbabwe in the Company and the value the Cabora Bassa Project can potentially unlock for the nation.

Underlying securities will be issued to Zimbabwe investors through the Victoria Falls Securities Exchange ("VFEX") where they will be able to trade.

This limits impact on ASX security holders of Invictus while helping meet considerable demand for securities and trading in Zimbabwe.

Funds raised will go towards the Mukuyu-2 well test and appraisal, purchase of long lead items for exploration wells to test prospects in the Eastern Margin and Basin Margin plays, and general working capital.

PPSA strengthened through Mutapa

Part of the strategic consortia investment, Mutapa Investment Fund also acts as the Republic of Zimbabwe's nominated participant in future development of the Cabora Bassa Project through the Petroleum Production Sharing Agreement ("PPSA").

The PPSA will provide a stable and transparent fiscal and legal framework to govern the project and ensure fair and equitable sharing of the project's revenue between Government, Invictus and other strategic partners.

Cabora Bassa partnering interest remains strong

As a part of the Company's phased plan to develop the resource base, Invictus is engaged in discussions on multiple fronts to bring strategic partners into the Cabora Bassa Project.

Invictus is in active discussions with a range of upstream and field service companies offering

potential to partner in or finance future exploration, appraisal and development activity in the Cabora Bassa.

Confidentiality agreements with regional development banks and upstream oil and gas companies also continued through the quarter.

Commercialisation opportunities

As briefly referenced in the March Quarterley Activities Report, Invictus was pleased to ratify a gas sales 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") (refer ASX announcement [23 April 2024](#)).

Eureka, owned and operated by Dallaglio, is one of the largest gold producing mines in Zimbabwe and located only 50km from the Mukuyu-2 wellsite.

Himoina is a global leader in the manufacture of power generation sets, one of the largest onsite power solutions providers in Africa, and provides power generation to the Eureka Mine.

A feasibility study investigating optimal delivery of power options – covering both onsite generation or wellsite generation and distribution via existing grid infrastructure – continued during the quarter in conjunction with well test design work and preparations to conduct an Environmental Impact Assessment for the future gas to power projects.

The pilot project will provide near-term monetisation and proof-of-concept for future full field development(s) and is expandable up to 50MW with intent to sell excess power into the Southern Africa Power Pool (SAPP).

Transition to new share register

During the quarter Invictus switched its share register to Computershare Investor Services Pty Limited effective from 17 June 2024 (refer ASX announcement [17 June 2024](#))

Should shareholders wish to access Computershare's platform or update their communications preferences, they may do so through the below contact details:

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace,
Perth WA 6000
Phone: 1300 850 505
Overseas callers: +61 3 9415 4000
Online: www.investorcentre.com/contact

Information required under ASX listing rules

1. ASX LR 5.3.5

During the quarter AUD\$181,000 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 totalled AUD\$4.440 million.

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 June 2024:

Tenement	Opening	Disposed	Acquired	Closing
SG 4571*	80%	-	-	80%
EPO 1848	80%	-	-	80%
EPO 1849	80%	-	-	80%

*Located within the Cabora Bassa Basin in Zimbabwe. No binding farm-in or farm-out agreements were entered into during the quarter.

-Ends-

Approved for release by the Board

Questions and enquiries

Investors

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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 has made a significant gas discovery at the Mukuyu field in the Cabora Bassa Basin in northern Zimbabwe - one of the last untested large frontier rift basins in onshore Africa – through a high impact exploration programme which it continues to develop and mature.

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.*

Not an offer in the United States: *This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.*

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")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(241)	(924)
	(e) administration and corporate costs	(540)	(2,881)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	53	183
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	18	72
1.9	Net cash from / (used in) operating activities	(710)	(3,550)
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)	(4,440)	(46,348)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets			
- Costs associated with carbon credit business	-		(19)
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	(4,440)	(46,367)	

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	32,143
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	166
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(102)	(2,194)
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	-	-
3.10 Net cash from / (used in) financing activities	(102)	30,115

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	8,523	22,932
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(710)	(3,550)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,440)	(46,367)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(102)	30,115
4.5	Effect of movement in exchange rates on cash held	(15)	126
4.6	Cash and cash equivalents at end of period	3,256	3,256

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	511	3,708
5.2	Call deposits	2,745	4,815
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)	3,256	8,523

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**

181¹

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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	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(710)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(4,440)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(5,150)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,256
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,256
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.6

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

- 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:

No. The Company has completed the Mukuyu-2 drilling program and will require less funding than previous quarters for immediate work program commitments. As the Company is an exploration company and not generating any revenue it is expected that it will continue to have negative operating cash flows for the time being.

- 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:

There will be a reduction in costs and review of capital requirements and funding initiatives which the company believes will be successful. Refer announcement on 29 July 2024 for US\$10m strategic investment

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, based on answer 8.1 and 8.2 above.

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%
EPO 1848	80%	-	-	80%
EPO 1849	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: Audit & Risk Committee, 30 July 2024

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.