



INVICTUS  
ENERGY LIMITED

# Farm in Option Agreement with Cluff Energy Africa for 2 well campaign

DATE: 9 DECEMBER 2021

## HIGHLIGHTS

- Invictus executes a farm in option agreement with Cluff Energy Africa
- 2 well exploration campaign commencing 1H 2022 including the drilling of Muzarabani-1
- Cluff Energy Africa to fund 33.33% of the well costs for 25% interest in Cabora Bassa Project
- Invictus to remain as operator of Cabora Bassa Project

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

## Farm in Option Agreement Executed with Cluff Energy Africa for a 2 Well Campaign

Invictus is pleased to advise that it has 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 in the Cabora Bassa Project and Invictus will remain as operator.

Cluff Energy Africa is currently assembling a portfolio of African oil and gas exploration assets with the intent of raising further capital during early 2022 to fund their exploration programs. The Cluff group has previously raised and invested over half a billion dollars for natural resources projects.

Under the terms of the non-binding agreement, CEA must exercise the option by 31 March 2022 to enter into a binding Farm in Option Agreement and a Joint Operating Agreement and obtain the necessary funding to meet the Farm in Option 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.

## 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-8.2 TCF + 247 million barrel Muzarabani conventional gas-condensate prospects.

## Board & Management

### Dr Stuart Lake

NON-EXECUTIVE CHAIRMAN

### Joe Mutizwa

NON-EXECUTIVE & DEPUTY CHAIRMAN

### Scott Macmillan

MANAGING DIRECTOR

### Gabriel Chiappini

NON-EXECUTIVE DIRECTOR &  
COMPANY SECRETARY

### Brent Barber

COUNTRY MANAGER

**Invictus Managing Director and CEO, Mr Scott Macmillan, said:**

“Invictus is pleased to enter into the option agreement with Cluff Energy Africa and work towards formalising our relationship in the Cabora Bassa joint venture over the coming months. CEA is a like-minded partner and a close cultural fit, and their team has an outstanding track record of making and monetising discoveries in Africa.

We look forward to CEA completing their capital raise activities and participating in the exciting basin opening 2 well drilling campaign including drilling the world class Muzarabani-1 well in the first half of next year.

Invictus is incredibly well placed to achieve significant accretive milestones during 2022 with a number of key catalysts ahead of us.”

**Cluff Energy Africa Chairman and CEO, Mr Algy Cluff OBE said:**

“Cluff Energy Africa is delighted to be joining Invictus in the Cabora Bassa project and we view this asset as a rare high-quality but low-cost opportunity that has world class scale. We believe it will form a key pillar in the portfolio of assets that we are currently assembling.

I am also excited to be bringing the Cluff group back to Zimbabwe having enjoyed previous success in the resources sector in the country with the discovery and development of the largest gold mine in the country at Freda Rebecca.

We look forward to working closely with Invictus over the coming months to finalise our partnership agreements and move forward with the exploration programme.”

**About Cluff Energy Africa (CEA)**

Cluff Energy Africa is an Africa-focused oil and gas exploration company headquartered in London. CEA is currently building a portfolio of exploration assets in sub-Saharan Africa.

Chairman and CEO, Mr Algy Cluff OBE, is a pioneer in the natural resource sector, having successfully acquired, explored, financed, operated, and sold assets in eight different countries in Africa. Mr Cluff was the founder of Cluff Oil, which was an early entrant into the UK North Sea and led the consortium that discovered the Buchan Oil Field. Cluff followed this with oil discoveries in Australia, Canada, and the United States. He then founded Cluff Resources plc which focussed on mineral exploration in Africa. Cluff Natural Resources returned to offshore oil and gas activity in the UK North Sea in 2009 entering a number of licenses and negotiating a joint venture with Royal Dutch Shell in April 2019.

Cluff's previous experience in Zimbabwe commenced immediately after Independence in 1980, Cluff being the first foreign investor at that point. Over the following sixteen years, Cluff discovered and brought on production three gold deposits including the Freda Rebecca Mine at Bindura, the largest mine measured both by ounces produced (100k per annum) and tonnage throughput in the country together with the Royal Family Mine near Bulawayo, the first open cast mine to utilize the heap leach process in Southern Africa. Cluff listed the company's local subsidiary on the Harare Stock Exchange vesting 10% of the equity in a workers' trust and appointed the first African Chief Executive of a mining company, a Zimbabwean, Godfrey Gomwe. Cluff exited Zimbabwe in 1996 after being acquired by Ashanti Goldfields.

For further details on Cluff Energy Africa please see <https://www.cluffenergy.com/>

**Summary of Key Terms**

**Non-Binding Option Agreement:** CEA and Invictus have entered into a non-binding option agreement for CEA to participate directly or indirectly in the Cabora Bassa Project. The agreement is non-exclusive and may be terminated by either party before the option expiry date.

**Option Expiry:** CEA must exercise the option by no later than 31 March 2022 to enter into a binding Farm in Agreement and Joint Operating Agreement by 30 April 2022

**Equity:** CEA will acquire a 25% interest in the project for funding 33.33% of the 2 well exploration drilling campaign including:

1. Muzarabani-1 well to a planned minimum depth of 3,000m or basement
2. 2<sup>nd</sup> well to be identified following completion of seismic interpretation to a planned minimum depth of 1,500m or basement

**Back Costs:** CEA's contribution to the historical back costs will be negotiated at the time of entering into a binding agreement

**Well Costs:** The CEA 33.33% contribution for a 25% interest for a 2 well drilling campaign is uncapped

**Evaluation of Carbon Emission Mitigation:** Invictus & CEA will investigate options for mitigating emissions from the project including Carbon Capture and Storage or similar solutions to align with Zimbabwe's strategic objectives

**Approvals:** All necessary regulatory and/or shareholder approvals being obtained

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**Authorised for release by the Board**

