



INVICTUS
ENERGY LIMITED

Invictus raises \$25.0m to fund Mukuyu-1 & Baobab-1 drilling campaign

31 August 2022

HIGHLIGHTS

- **\$25m private placement completed to fund drilling of Mukuyu-1 and Baobab-1 wells**
- **Baobab-1 targeting East African Rift "String of Pearls" style prospect**
- **Assignment Agreement for exploration rights to EPOs 1848 & 1849 approved for Gazette by Mining Affairs Board**
- **Maiden drilling campaign slated to commence in early September**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to announce a private placement to raise \$25m at \$0.23 per share following the Company's decision to sole fund the initial drilling campaign in Zimbabwe's Cabora Bassa Basin.

Following the assessment of a range of options, including farm-in bids from multiple interested parties, Invictus' Board and Management elected to sole fund the initial stages of the Company's high-impact drilling campaign, which will target the Mukuyu and Baobab (Basin Margin) prospects.

This decision was made with careful consideration of several factors, including:

- The significant increase in the prospectivity of the Caborra Bassa project following the gazettal of additional exploration tenure and consequential de-risking of the campaign
- Maintaining a material ownership of the expanded acreage encompassing the new Basin Margin play, plus additional prospects and leads, providing shareholders with the largest exposure to drilling success
- Consideration of sole funding via the Company's own equity capital in comparison to the dilutive impact shareholders would absorb at the project level via any potential farm-in agreements
- The avoidance of time delays and costs associated with executing and undertaking a (or multiple) farm-in partnership(s)

The Company remains open to strategic partnering opportunities in the future that could add value for shareholders as it continues to progress development of the Cabora Bassa project.

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 709,300 hectares within the Cabora Bassa Basin in Zimbabwe. Special Grant 4571 contains the world class multi-TCF Mukuyu (Muzarabani) and Msasa conventional gas-

BOARD & MANAGEMENT

Dr Stuart Lake
Non-executive Chairman

Gabriel Chiappini
Non-Executive Director
& Company Secretary

Joe Mutizwa
Non-Executive &
Deputy Chairman

Scott Macmillan
Managing Director

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Private Placement

The Company has received firm commitments from sophisticated and institutional investors to raise \$25m (before costs) by way of private placement (Placement).

Under the Placement, Invictus will issue 108,695,652 new fully paid ordinary shares (New Shares) at an issue price of \$0.23 per new share, representing a 25.8 per cent discount to the last traded price of IVZ shares on 24 August 2022, being the last trading date before the Placement, and a 15.6 per cent discount to the 15-day VWAP prior to that date.

Placement participants will be entitled to a one-for-one unlisted option for every share issued, exercisable at \$0.40 with a five-year term.

The Placement was highly oversubscribed, with multiple new and existing institutional investors across North America, the UK, Asia and Australia entering the share register ahead of the Company's drilling campaign.

Furthermore, the attaching options issued via the transaction are expected to provide meaningful additional capital to the Company's balance sheet, at a materially higher valuation than the Placement, should the Company be successful in its drilling program.

Use of funds

Proceeds from the Placement will be used to fund the drilling program for the Mukuyu-1 well, testing the Central Fairway play, and Baobab-1, which will test the Basin Margin play:

- Mukuyu-1 Well - \$10.0m
- Baobab-1 Well - \$13.5m
- Costs of the Offer - \$1.5m

Program overview

Mukuyu-1: Central Fairway Target

Mukuyu-1 is expected to spud in early September with the Exalo Rig 202 in place and final preparations underway to commence drilling.

The well will target an estimated 20 trillion cubic feet and 845 million barrels of gas condensate, with drilling across all seven stacked targets anticipated to take 45 – 60 days to complete.

Baobab-1: Basin Margin Target

Following the completion of the Mukuyu-1 well, the rig will be moved to the Baobab-1 wellsite. Baobab-1 will test the new Basin Margin play, a shallower and potentially more liquid prone target, which displays similarities to the prolific East Africa Rift "String of Pearls" play.

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Baobab is a direct structural analogue to successful accumulations drilled during early exploration efforts in the prolific Lake Albert graben of Uganda and Lokichar Basin in Kenya.

The Baobab-1 well will target stacked Cretaceous and younger sandstones, within four-way and three-way dip closures, against the southern basin bounding rift fault.

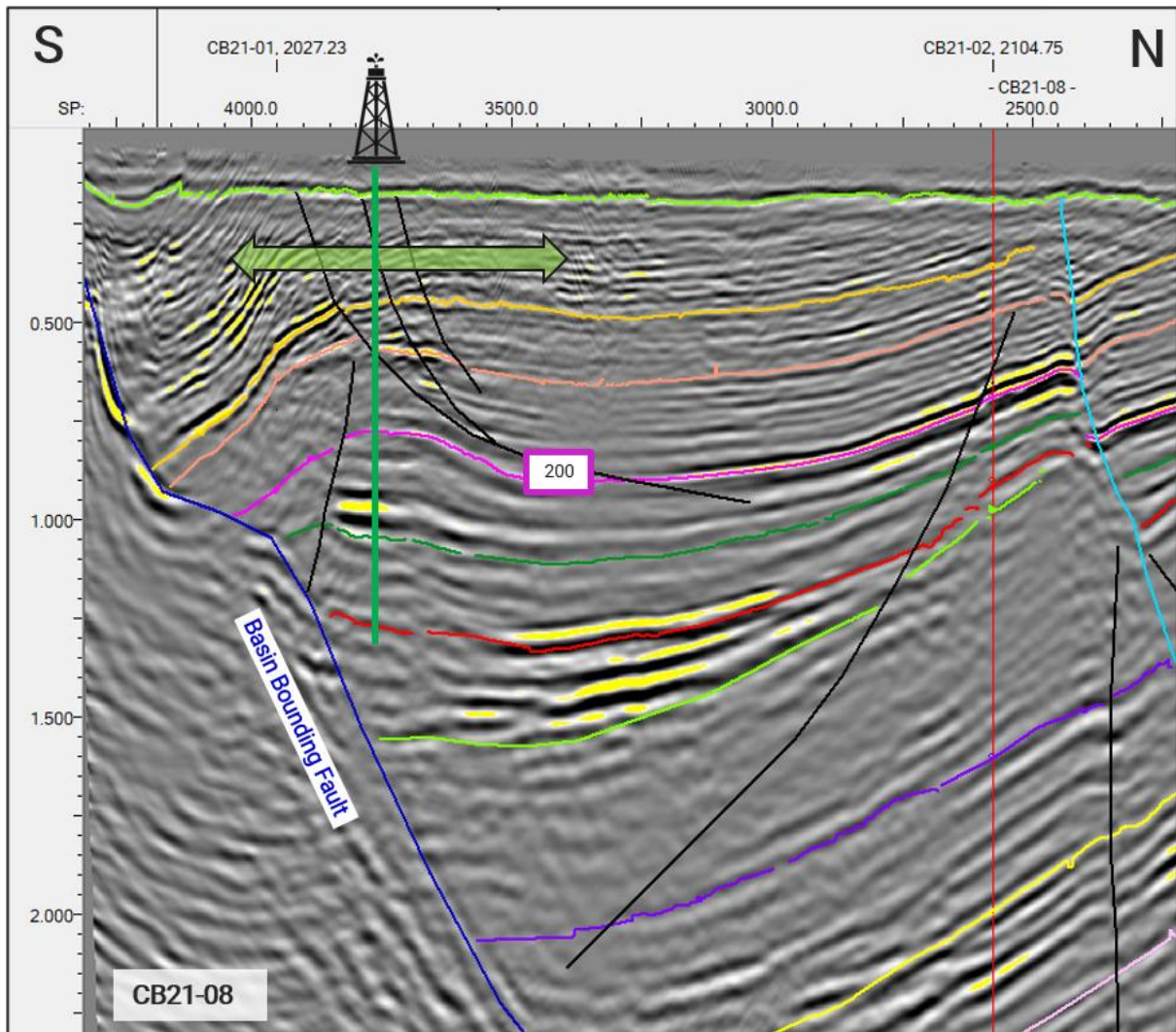


Figure 1 - Baobab-1 targets and seismic cross section at line CB21-08

Civil works have commenced at the Baobab-1 wellsite to ensure drilling can follow immediately after the completion of Mukuyu-1. The drilling of Baobab-1 is estimated to take approximately four weeks to complete, following the mobilisation of Exalo Rig 202 to the well site.

An Independent Prospective Resource estimate for the Basin Margin prospects is in preparation and will be released once completed.

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The Company will schedule a shareholder briefing to provide an overview of the expanded acreage prospectivity, Basin Margin play and the Mukuyu-1 and Baobab-1 exploration wells. Registration details will be provided to shareholders in due course.

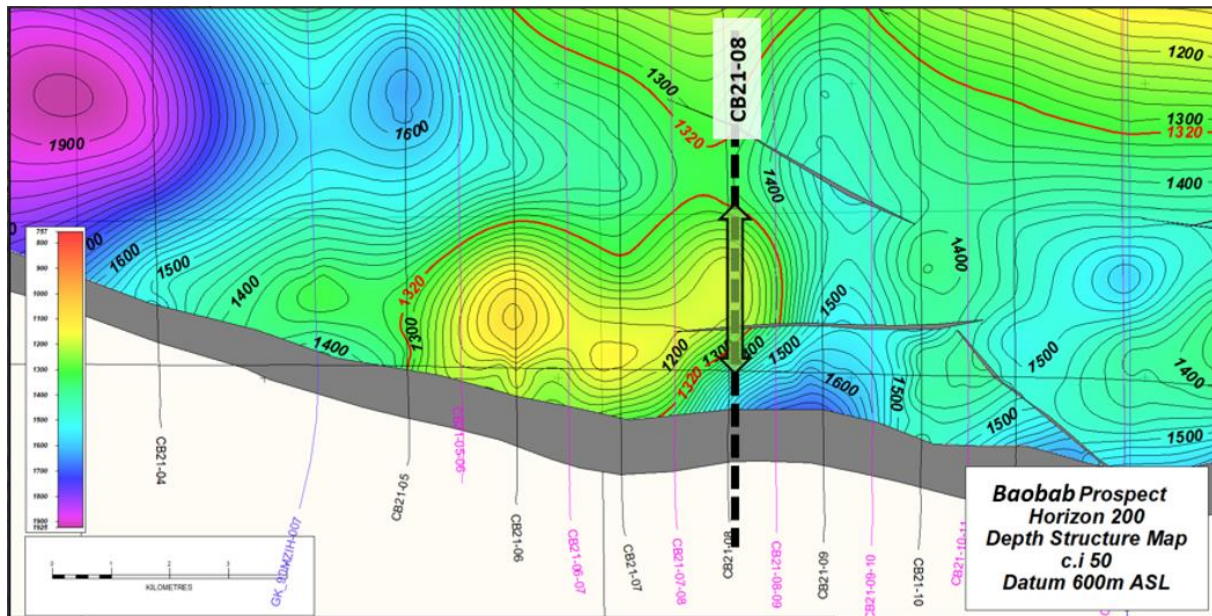


Figure 2 - Baobab Prospect shown at 200 Horizon

Assignment of exploration rights to EPO 1848 and EPO 1849 by Sovereign Wealth Fund of Zimbabwe approved for gazette by Mining Affairs Board

Invictus' 80 per cent owned subsidiary Geo Associates (Pvt) Ltd ("Geo Associates") has received notification that the Mining Affairs Board has approved the assignment agreement ("Assignment") for the exploration rights to Exclusive Prospecting Orders (EPOs) 1848 and 1849 from the Sovereign Wealth Fund of Zimbabwe, as detailed in the [ASX release](#) on 17 August 2022. The Assignment will now proceed for gazette and the Company will provide and update once published.

Invictus Managing Director Scott Macmillan commented:

"We are moving into a very exciting period for Invictus with the drilling of two high impact exploration wells aimed at unlocking the resource potential of the Cabora Bassa Basin.

"Through the completion of this capital raise, in conjunction with our existing cash balance, we are funded for the upcoming exploration campaign, which will test Africa's largest undrilled onshore oil and gas prospect in Mukuyu, and a potentially play opening prospect in Baobab, which displays similarities to the prolific discoveries in the East Africa Rift System.

"I would also like to thank existing shareholders that participated in the Placement for their

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continued support, and multiple Australian and international institutional investors who continue to back our Cabora Bassa project.”



Figure 3 - Exalo Rig 202 at Mukuyu-1 wellsite preparing to commence drilling early September

Private placement details

Indicative timetable		2022
Placement		
Settlement		Tuesday, 30 August
Allotment of new shares and Options		Wednesday, 7 September
EGM approving issue of remaining Options		Thursday, 13 October
Allotment of remaining Options		Friday, 14 October

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A total of 73,040,492 shares are to be issued under the Company's placement capacity pursuant to ASX Listing Rule 7.1A with 35,655,160 to be issued under ASX Listing Rule 7.1.

Approximately 43,478,261 of the attaching options will be issued to placement participants on a pro-rata basis and will be issued under ASX Listing Rule 7.1. The remaining 65,217,391 options will remain subject to shareholder approval at the Company's upcoming EGM.

PAC Partners and Jett Capital Advisors acted as Joint lead managers to the placement and will be paid a management fee of 2 per cent and a selling fee of 4 per cent for the placement funds received. PAC Partners and Jett Capital Advisors to receive lead manager options on a ratio of one-for-eight, with an exercise price of 100 per cent to the placement price (\$0.46), with three-year expiry period. PAC Partners and Jett Capital Advisors' options will be issued subject to EGM Approval.

-Ends-

Approved for release by the Board

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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 program.

The Company's principal asset consisting of contiguous exploration licences SG 4571, EPO 1848 and EPO 1849 located in the Cabora Bassa Basin in Zimbabwe which contains the world class Mukuyu prospect – the largest undrilled prospect onshore Africa independently estimated to contain 20 Tcf and 845 million barrels of conventional gas condensate (gross mean unrisks basis).

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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