

INVICTUS  
ENERGY LIMITED

# Invictus raises \$10.0m to fund preparations for Mukuyu-2 well & Phase 2 exploration

6 April 2023

## HIGHLIGHTS

- \$10m private Placement to sophisticated and institutional investors
- Placement cornered by current shareholder & Zimbabwean Fund Mangwana Capital, local Zimbabwean partners and the Board of Directors
- Existing shareholders to be invited to participate in a Share Purchase Plan on the same terms as the Placement
- 2D seismic program to commence in May with Mukuyu-2 drilling campaign slated to commence in Q3 CY23

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to announce a private Placement ("**Placement**") to raise \$10.0m, at \$0.12 per share, following the Company's decision to advance preparations for an appraisal and exploration campaign in Zimbabwe's Cabora Bassa Basin.

### Comments from Managing Director Scott Macmillan:

*"I am pleased with the backing Invictus has received from both existing and new shareholders as we prepare to follow up the successful Mukuyu-1 exploration campaign."*

*"The Placement was oversubscribed and cornered by long-term investor Mangwana Capital, as well as a number of local Zimbabwe partners and the Board."*

*"Preparations of our Phase 2 exploration and appraisal campaign at the Cabora Bassa Project are well advanced, with the 2D seismic campaign anticipated to kick off in May."*

*"This seismic campaign will help mature multiple identified leads in the proven fairway into drill ready prospects, both along trend from Mukuyu and in the highly prospective Basin Margin play."*

*"We also remain on track to spud the Mukuyu-2 appraisal well in the third quarter of 2023, targeting multiple hydrocarbon (gas-condensate and potentially light oil) bearing intervals encountered in the Mukuyu-1/ST1 well in the Upper Angwa, Pebbly Arkose and Post Dande formations."*

*"Again, I would like to thank existing shareholders that participated in the Placement for their continued support and would like to welcome new investors that are joining our journey."*

### 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-TCF Mukuyu (Muzarabani) and Msasa conventional gas-condensate

### BOARD & MANAGEMENT

<b>John Bentley</b> Non-Executive Chairman	<b>Joe Mutizwa</b> Non-Executive & Deputy Chairman	<b>Scott Macmillan</b> Managing Director	<b>Robin Sutherland</b> Non-Executive Director
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**Gabriel Chiappini**  
Non-Executive Director  
& Company Secretary

[www.invictusenergy.com](http://www.invictusenergy.com)

## Private Placement

The Company has received firm commitments that was well supported from sophisticated and institutional investors to raise \$10.0m (before costs) by way of private Placement.

The Placement has been strongly supported by new and existing institutional and sophisticated shareholders, and was strategically cornered by existing investor Mangwana Capital, local Zimbabwean partners and the Board of Directors who in aggregate contributed \$1.3m which will be issued subject to shareholder approval at a shareholder meeting.

The Placement Shares that are not subject to shareholder approval (72,500,000), will be issued out of the Company's available placement capacity under ASX Listing 7.1A, with Placement Shares expected to be issued on 14 April 2023, the Placement Options will be issued subject to the company filing a prospectus expected to be issued in concert and as part of the Share Purchase Plan ("SPP") offer.

Under the Placement, Invictus will issue 83,333,333 new fully paid ordinary shares (New Shares) at an issue price of \$0.12 per new share, representing a 20 per cent discount to the last traded price of IVZ shares on 3 April 2023, being the last trading date before the Placement, and a 10.7 per cent discount to the 15-day VWAP prior to that date.

Placement participants will be entitled to a one-for-two listed option for every share issued, exercisable at \$0.20 (67% premium to the Placement price) with a three year term. The attaching options issued under the Placement will be applied for quotation to the ASX, subject to meeting the ASX's minimum listing requirements and the issue of a prospectus.

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 continue to achieve exploration success during its appraisal drilling program.

Directors, Mr John Bently, Mr Robin Sutherland and Mr Gabriel Chiappini intend to subscribe for new shares issued under the Placement subject to shareholder approval. In addition shares placed to Mangwana Capital and the Company's local partner will also be subject to shareholder approval.

## Use of funds

Proceeds from the Placement will be used to fund the preparations for the Mukuyu-2 appraisal well program and Phase 2 exploration program:

- Preparation for Mukuyu-2 Well (including long lead items)
- 2D Seismic & Processing of Eastern leads on trend with Mukuyu to drill ready targets

PAC Partners acted as the lead manager, with Evolution Capital acting as Co-Managers and book-runner 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 Evolution Capital will receive lead manager listed options on a ratio of one-for-eight, and on the same terms as the placement attaching options. Lead manager options will be issued under the Company's ASX Listing Rule 7.1 allowance.

## Details of SPP

Following completion of the Placement, the Company will offer existing eligible shareholders the opportunity to participate in a non-underwritten SPP, which will be undertaken on the same terms as the Placement.

Eligible Shareholders include holders of Shares with an address in Australia or New Zealand on the Company's share register on the Record Date. Further information regarding the SPP will be announced following completion of the placement and will be set out in the SPP prospectus.

## Mukuyu-2 Overview & 2D Seismic

Preparations for the Mukuyu-2 appraisal program and Cabora Bassa Phase 2 exploration campaign are well advanced.

The 2D seismic acquisition program is anticipated to commence in May, pending the award of seismic contract, and will cover the eastern portion of EPO 1848 & 1849, incorporating the Company's experience from the successful CB21 Seismic Survey acquisition.

The new seismic campaign will be aimed at maturing multiple leads (Mopane, Musuma, Machabel and Mahogany) along the proven play on trend to the east of Mukuyu and additional leads along the highly prospective Basin Margin play (Mimosa and Mukwa), as per Figure 1 (next page).

The acquisition of modern 2D seismic will likely allow the Company to mature a number of these leads, previously identified on reprocessed vintage seismic data, to drillable prospects.

Drilling of the first well in the Mukuyu appraisal program, Mukuyu-2, also remains in line with prior guidance, with an anticipated spud date early in the third quarter of 2023.

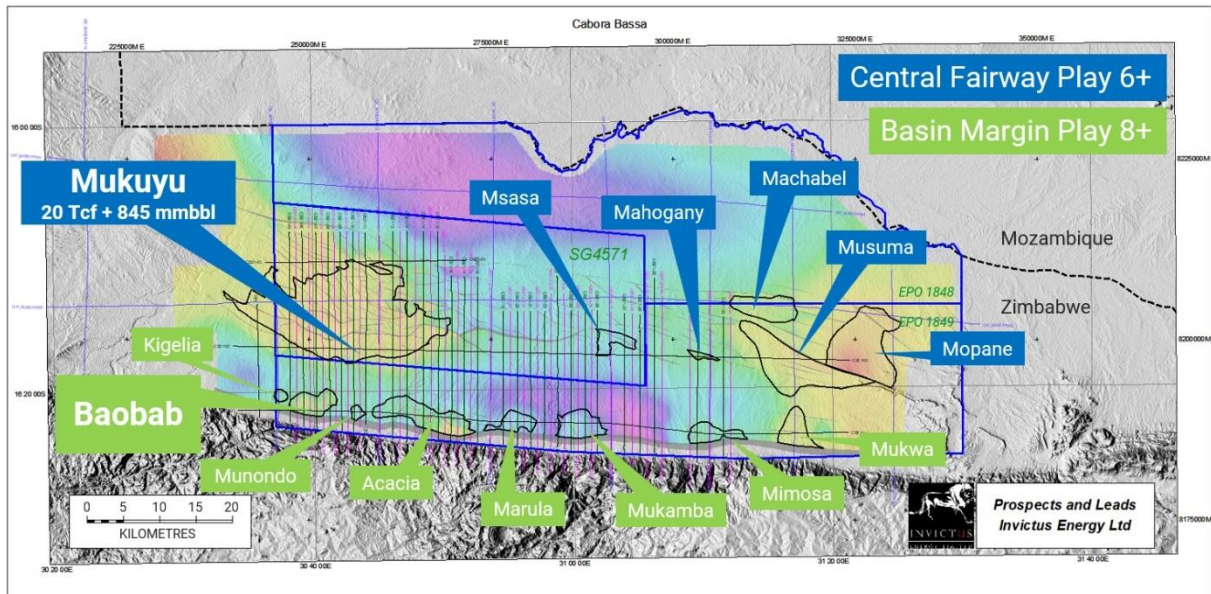


Figure 1 - Cabora Bassa Basin Prospect & Lead Map

Mukuyu-2 will target multiple hydrocarbon (gas-condensate and potentially light oil) bearing intervals encountered in the Mukuyu-1/ST1 well in the Upper Angwa and Pebbly Arkose formations, as detailed in the [ASX release](#) on 23 January, with the aim of confirming a gas-condensate discovery.

The appraisal well will also aim to test the Post Dande horizon away from the major east-west fault on the southern flank and the deeper potential in the remaining Upper Angwa formation, which was not encountered in the Mukuyu-1/ST1 campaign due to it being thicker than pre-drill estimates, providing further upside potential.

The Mukuyu-1/ST1 well encountered gas pay to total depth, interpreted from wireline logs and fluorescence in multiple reservoirs throughout the 1,500-metre interval penetrated in the Pebbly Arkose and Upper Angwa.

The well design for Mukuyu-2 will incorporate valuable experience gained from the drilling of the successful Mukuyu-1/ST1 exploration well to improve drilling efficiency and lowering operational risks.

The maintenance and upgrade program for Exalo's Rig 202 is commencing this month and will be completed prior to the rig move and spud of Mukuyu-2.

The long lead and well services tenders are in progress and the Company has pleasingly received confirmation that all major service providers will be submitting proposals for the upcoming campaign, allowing the Company to tailor the service provision for Mukuyu-2.

-Ends-

Approved for release by the Board

## Questions and enquiries

### Investors

**Scott Macmillan**  
MANAGING DIRECTOR

**P.** +61 (08) 6102 5055

**E.** [info@invictusenergy.com](mailto:info@invictusenergy.com)

### Media

**Josh Lewis**  
SPOKE CORPORATE

**P.** +61 412 577 266

**E.** [lewisj@spokecorporate.com](mailto:lewisj@spokecorporate.com)

## 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.*

**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.*