



INVICTUS
ENERGY LIMITED

Invictus & Mbuyu Energy Sign Gas Sales MOU for 500MW Gas to Power Project

18 December 2023

HIGHLIGHTS

- **Invictus & Mbuyu Energy have signed an updated Gas Sales MOU for the supply of gas for a 500MW gas to power project.**
- **Future expansion up to 1,000MW equates to approximately 1.4 trillion cubic feet of gas supply**
- **Parties may jointly elect to fast track an initial 50MW pilot project to provide early monetisation capability from the Mukuyu gas field**
- **Second major Gas Sale MOU executed by Invictus for the Cabora Bassa project**

Invictus Energy Limited ("Invictus" or "the Company") is pleased to announce that it has executed an updated Gas Supply MOU with Mbuyu Energy for the supply of gas to their proposed 500 MW Gas to Power project. Invictus will supply the gas for the project from its 80% owned and operated Cabora Bassa Project in Zimbabwe.

Gas Sale MOU for 500MW Gas to Power Project

Invictus Energy and One Gas Resources have executed an updated Gas Supply MOU with Mbuyu Energy ("Mbuyu"), a Zimbabwean consortium led by IPP developer Tatanga Energy ("Tatanga"). The consortium, which includes existing Invictus' institutional shareholder Mangwana Opportunities Fund, is seeking to develop a 500MW Gas to Power project ("Power Project").

Following the recent confirmation of the discovery of gas at the Cabora Bassa Project, the updated MOU builds on the previous [MOU signed in December 2019](#) with Tatanga Energy. The MOU is a precursor to the negotiation of a full Long Term Gas Sale Agreement ("GSA") to supply sufficient gas to power the proposed plant.

The plant can be expanded in future phases to up to 1,000MW (equating to a forecasted demand of approximately 1.4 trillion cubic feet of natural gas over 20 years). The updated MOU will see the parties work together to assess the feasibility of developing the project utilising gas produced from the Mukuyu field or any other field developed in the Cabora Bassa project.

The Power Project will be developed in line with world class standards and will support the further integration of renewable sources of energy into the National Grid.

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

Joe Mutizwa

Scott Macmillan

Robin Sutherland

Non-Executive &

Gabriel Chiappini

Non-Executive Director

www.invictusenergy.com

The project will be designed to minimize its environmental footprint and will utilize an efficient Combined Cycle Gas Turbine configuration (CCGT) that will incorporate cutting-edge carbon reduction technologies.

The development of the Gas to Power Project will be synchronized with the broader development of the Mukuyu field and the Cabora Bassa project as a whole including gas production, transportation and the processing infrastructure required to provide natural gas feedstock to the power plant.

Preliminary feasibility studies have identified a number of suitable locations that provide the ability to supply electricity through the local grid as well as potentially export to customers through the Southern Africa Power Pool (SAPP). The Mukuyu gas field is located within 100 kilometres of 3 major interconnectors to the SAPP grid which provides the ability to export power to any country in the region (see Figure 1 and Figure 2).

Mbuyu will enter into discussions with a number of existing high energy demand power offtakers including large scale miners, industrial and other large scale users of energy - many of whom currently import their electricity from neighbouring countries. The project will supply much needed reliable and affordable baseload power to these companies.

The ability to source reliable baseload power from a new domestic supply will provide significant economic benefits to potential customers many of whom have had to curtail operations and expansion plans as a result of the power deficit the country is currently facing.

This is the second major Gas Sale MOU executed for the Cabora Bassa project following the [MOU executed with Sable Chemicals](#) to provide gas feedstock for the manufacture of ammonium nitrate fertiliser which is currently supplied by rail from South Africa.

Managing Director Scott Macmillan commented

"Signing this MOU with Mbuyu Energy to develop a 1,000MW Gas to Power project is another significant step forward in our early commercialisation strategy as we look to progress the Cabora Bassa project following our gas discovery at Mukuyu.

"The potential offtake is a substantial volume of gas of up to 1.4 trillion cubic feet which will underpin the commercialisation of the Mukuyu gas field. This MOU demonstrates the huge demand in an energy starved market in Zimbabwe and the wider region.

"Natural gas and power are in high demand in southern Africa due to increasing supply shortages of natural gas from mature fields that are now in decline, the retirement of over 10,000 MW of aging coal fired power infrastructure in the region and the increasing adoption of gas for industrial use and as a source of cleaner energy.

"We look forward to working closely with Mbuyu Energy and our partners One-Gas Resources

to progress the project and with the ultimate goal of providing reliable and affordable baseload power to Zimbabwe and the region."

Director of Mbuyu Energy Tunde Akerele Commented

"We are thrilled to join forces with Invictus and One Gas Resources to not only unlock the immense potential of the Mukuyu discovery, but also pave the way for a cleaner and more sustainable energy future for Zimbabwe.

This MoU signifies a critical step forward in transitioning Zimbabwe away from its reliance on coal power generation and towards a more diversified energy mix that includes natural gas and renewables. The introduction of much-needed dispatchable energy for the national grid will enhance energy security, reliability, and facilitate the increased integration of renewables.

The project also has significant potential to drive economic growth, fostering new industries, creating jobs, and stimulating broader economic development across Zimbabwe.

We are confident that the Gas-to-Power Project represents a turning point for Zimbabwe's energy sector and its journey towards a cleaner and more prosperous future. We look forward to collaborating with Invictus, One Gas Resources, and all stakeholders to bring this transformative project to fruition and unlock a brighter energy and economic future for the nation."

About Tatanga Energy

- Tatanga Energy has built a strong operational team which leverages the invaluable relationships that they have formed over time with local and international advisers, investors, lenders, and EPC contractors.
- Tatanga Energy is currently developing 3 Renewable Energy projects in Zimbabwe consisting of 2 grid scale solar project and a wind project.
- Tatanga Energy's flagship project is a 400 MW solar photovoltaic (PV) park that is being developed with Masawara Limited and Sable Chemicals Limited.

The key terms of the MOU are provided at the end of this release.

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Key Terms

- Mbuyu Energy will be provided with an initial twelve-month exclusivity period and preferred partner status for the Power Project from the completion of the Mukuyu-2 well drilling activity.
- Heads of terms for a gas supply agreement to be entered into between Geo Associates and Mbuyu Energy
- The parties will conduct feasibility studies to determine the criteria for a successful integrated project, including a market clearing price for power produced from the Power Project (i.e. a gas price that can support the investment in the Upstream Project, and the related infrastructure necessary for the Power Project)
- The parties may fast track the development and construction of an up to 50 (fifty) MW pilot power plant designed to make use of gas produced from the second Mukuyu exploration well, or any subsequent exploration or appraisal well.
- Invictus may enter into memorandums of understanding or other definitive offtake agreements with industrial customers or other potential purchasers of gas expected to be produced from the Cabora Bassa project for use in industrial processes other than power generation.

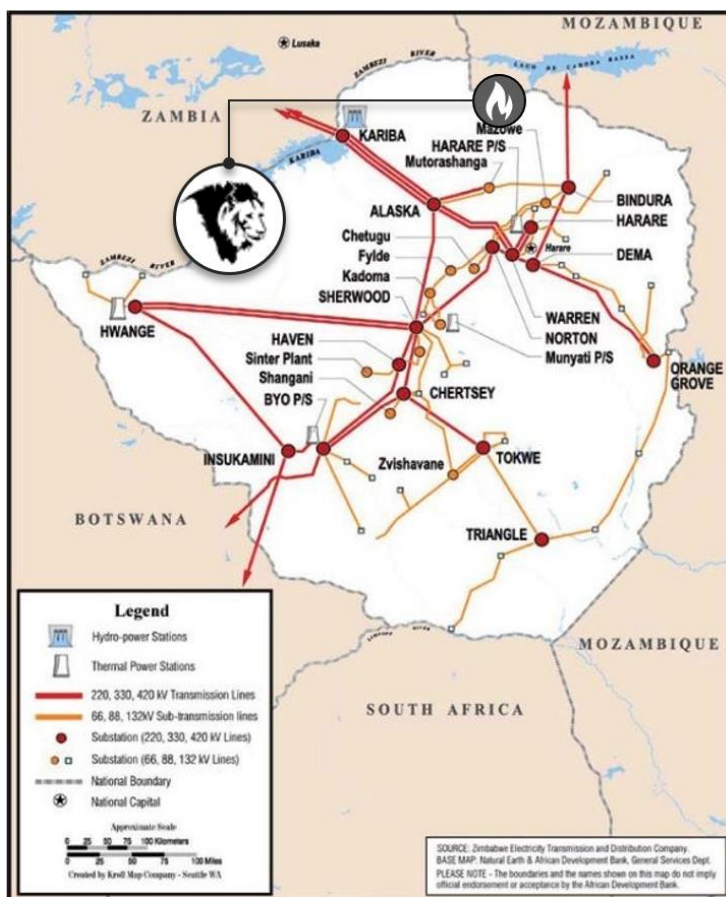


Figure 1 - Location of Mukuyu Gas Field and proximity of Domestic Power Infrastructure and SAPP export routes

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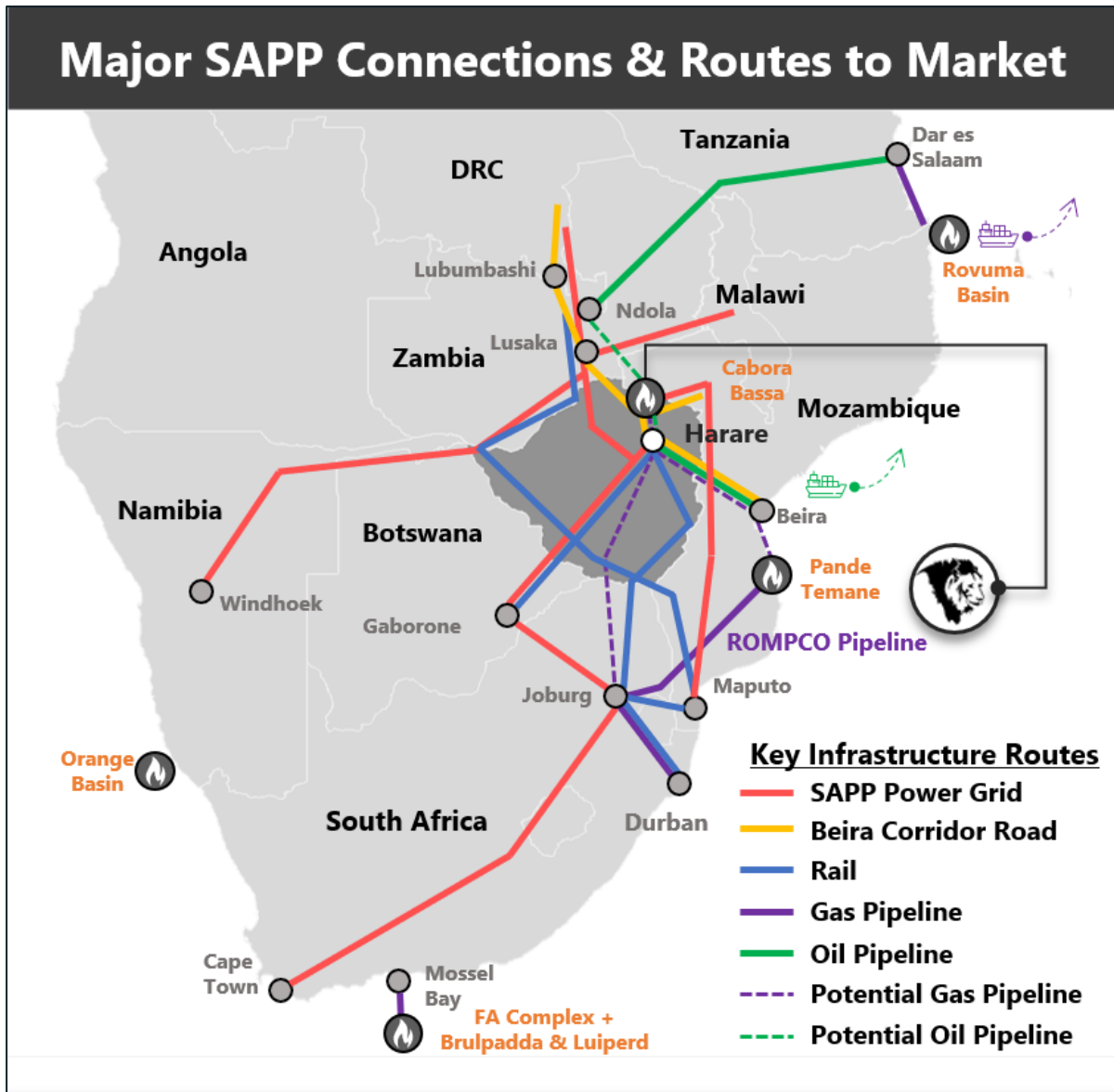


Figure 2 - Cabora Bassa located proximal to SAPP grid facilitating the export of power throughout the region

-Ends-

Approved for release by the Board

Questions and enquiries

Investors

Scott Macmillan

MANAGING DIRECTOR

P. +61 (08) 6102 5055

E. info@invictusenergy.com

Media

Josh Nyman

SPOKE.

P. +61 413 243 440

E. josh@hellospoke.com.au

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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