



INVICTUS
ENERGY LIMITED

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Quarterly Report

For period ending
30 SEPTEMBER 2024

invictusenergy.com



ASX:IVZ | OTCQB:IVCTF | VFEX:INV



QUARTERLY HIGHLIGHTS

Operational

- Eight high potential prospects defined in eastern Cabora Bassa totalling 2.9 Tcf gas and 184 MMbbl condensate (gross mean unrisked basis)
- Narrowed focus to next exploration drilling at Musuma prospect to test eastern Cabora Bassa gas prospectivity
- Petroleum Production Sharing Agreement (PPSA) to be implemented by Mutapa Investment Fund on behalf of the Republic of Zimbabwe
- Exploration licence for SG 4571, which contains the Mukuyu Gas Field, extended for three years by the Mining Affairs Board of Zimbabwe
- Planning for 3D seismic and additional appraisal drilling and testing advances at Mukuyu
- Farm out process progresses with significant options on the table for future work programs

Corporate

- Successful Institutional Placement completed raising US\$10 million, partially underwritten by US\$5 million strategic investment from Mutapa Investment Fund
- Invictus lists on Victoria Falls Stock Exchange (VFEX) under ticker code INV.vx
- New Chief Financial Officer Victoria (Vicky) McLellan appointed
- Fresh website launched to better reflect Company's transition from explorer to developer
- Company's 2024 Annual Report published

ABOUT INVICTUS ENERGY

- An independent upstream oil and gas company headquartered in Perth, Australia with offices in Harare, Zimbabwe
- Invictus is transitioning from explorer to developer, after making a significant gas discovery at the Mukuyu field in the Cabora Bassa Basin in Zimbabwe
- Invictus is committed to operating in a safe, ethical and responsible manner, respecting the environment, our staff, contractors and the communities in which we work



OPERATIONAL UPDATE

New prospects defined in eastern Cabora Bassa

During the quarter Invictus announced it had completed interpretation of CB23 Seismic Survey data and reviewed prospectivity of the eastern Cabora Bassa basin (refer ASX announcement [3 September 2024](#))

A total of eight key prospects were defined in the Company's Exclusive Prospecting Orders (EPOs) 1848 and 1849, totalling 2.9 Tcf gas and 184 MMbbl condensate[#] (gross mean unrisks basis).

The Central Fairway prospects stretch across the Dande, Pebbly Arkose, and Angwa formations at relatively shallow depth and have high potential gas volumes at multiple stratigraphic levels.

This, coupled with stacked prospective intervals, indicates the targets can be tested with simple vertical wells.

Musuma strengthens as preferred candidate to test Dande

The Musuma prospect has emerged as the favoured candidate to drill test the Dande play in eastern Cabora Bassa next year.

The prospect has interpreted seismic amplitude support and is estimated to have a recoverable prospective resource of 1,170 Bcf and 73 million barrels of condensate[#] (gross mean unrisks basis).

Exalo 202 rig remains onsite at the Mukuyu-2 location and is available for a 2025 exploration drilling campaign.

Meanwhile the Company continues to conduct further evaluation of the Basin Margin play to select additional prospects for a future drilling campaign.

Mutapa Investment Fund nominated as PPSA participant

As part of Invictus Energy's Institutional Placement completed in August 2024, Mutapa Investment Fund has been nominated to participate in the Petroleum Production Sharing Agreement (PPSA) formalities on behalf of the Republic of Zimbabwe.

It will also be assigned as the beneficiary of the product/profit share and equity holder on behalf of the Republic of Zimbabwe (refer ASX announcement [29 July 2024](#))

This reinforces the importance of Mutapa's US\$5 million equity holding in the Cabora Bassa Project as well as the finalisation of the PPSA, which aims to ensure fair and equitable sharing of the project's revenue between the Government, Invictus and its partners.

Exploration licence extended

During the quarter Invictus announced the Mining Affairs Board had approved a three-year extension of the exploration licence covering SG 4571 to June 2027 (refer ASX announcement [18 July 2024](#))



The Company plans to undertake a comprehensive work program for the third three-year exploration period including 3D seismic acquisition and additional exploration/appraisal drilling.

Planning for 3D seismic and appraisal drilling and testing at Mukuyu Gas Field

As reported in the last quarterly activities report on [30 June 2024](#), Invictus has completed its planning for well testing in Mukuyu-2 and preparation for the acquisition of 3D seismic data across the Mukuyu Gas Field.

This work, once undertaken, will assist the evaluation of the Mukuyu Gas Field resources and preparation for the early commercialisation pilot scheme for a gas to power project for the Eureka Gold Mine (refer ASX announcement on [23 April 2024](#)).

Results from the work program will aim to determine future appraisal and development well locations, characterise the core development area in the greater Mukuyu structure (which has over 200km² under closure) and support future commercialisation from a fast-track full field development.

Farm out options progressing

During the quarter Invictus continued engagements with a range of potential farm out partners for the Cabora Bassa Project and the forward work programs.

Towards the end of the quarter later stage discussions progressed with several parties, and the Company is now in a position to assess where it can optimise operational and corporate outcomes.

CORPORATE UPDATE

Strategic Zimbabwean investment and VFEX listing

As announced on [1 August 2024](#), Invictus successfully completed a fully subscribed US\$10 million institutional placement underwritten by US\$5 million from Mutapa Investment Fund and managed by Mangwana Capital (Private) Limited.

The offer placed US\$10 million through the issuance of 151,515,152 shares at a share price of AU\$0.10 at an AUD/USD FX rate of US\$0.66.

Under the Placement, participants will receive an option to subscribe for one share for every four shares subscribed for, exercisable at AUD\$0.30 with a two year option period.

The placement was carried out in two tranches, with shareholders approving Tranche Two at an Extraordinary General Meeting subsequent to quarter's end on [21 October 2024](#). Tranche Two funds totalling approximately US\$3.5 million will be received during the December quarter.



In addition, securities issued facilitated a listing on the VFEX through issuance of Zimbabwe Depository Receipts (ZDRs) to support local liquidity and trading.

The official listing occurred on 2 August 2024 at a ceremony in the town of Victoria Falls, with trading commencing on 5 August 2024 under the ticker INV.vx.

New CFO appointed

Victoria (Vicky) McLellan was appointed to the Invictus executive team on [19 August 2024](#) as the company's new Chief Financial Officer.

Vicky is an experienced oil and gas professional, having held a range of commercial and financial roles in oil and gas companies and top tier accounting firms over the past 20 years.

Corporate changes

During the quarter Invictus launched a new-look [website](#) to better reflect its transition from explorer to developer/producer.

Meanwhile BDO Audit Pty Ltd was appointed following the resignation of BDO Audit (WA) Pty Ltd.

IVZ publishes 2024 Annual Report

At the end of the quarter Invictus published its 2024 Annual Report in full.

Shareholders can access and view the document on the Company website [here](#).



INFORMATION REQUIRED UNDER ASX LISTING RULES

1. ASX LR 5.3.5

During the quarter AUD\$96,000 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\$1.24 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 September 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-

This announcement was approved for release by the Board.



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 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")

SEPTEMBER 2024

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|---|---|------------------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (143) | (143) |
| | (e) administration and corporate costs | (894) | (894) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 18 | 18 |
| 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 | 25 | 25 |
| 1.9 | Net cash from / (used in) operating activities | (994) | (994) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | | |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (1,241) | (1,241) |
| | (e) investments | - | - |



| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|---|---|------------------------------------|--|
| | (f) other non-current assets | - | - |
| 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 | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1,241) | (1,241) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 9,448 | 9,448 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (522) | (522) |
| 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 (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 8,926 | 8,926 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,256 | 3,256 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (994) | (994) |

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| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date 3 months \$A'000 |
|---|--|------------------------------------|--|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,241) | (1,241) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 8,926 | 8,926 |
| 4.5 | Effect of movement in exchange rates on cash held | (97) | (97) |
| 4.6 | Cash and cash equivalents at end of period | 9,850 | 9,850 |

| 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 | 7,205 | 511 |
| 5.2 | Call deposits | 2,645 | 2,745 |
| 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) | 9,850 | 3,256 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|-----------|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 96 ¹ |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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.

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other

7.4 **Total financing facilities**

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|--|
| 7.1 | - | - |
| 7.2 | - | - |
| 7.3 | - | - |
| 7.4 | - | - |

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)

(994)

8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))

(1,241)

8.3 Total relevant outgoings (item 8.1 + item 8.2)

(2,235)

8.4 Cash and cash equivalents at quarter end (item 4.6)

9,850

8.5 Unused finance facilities available at quarter end (item 7.5)

-

8.6 Total available funding (item 8.4 + item 8.5)

9,850

8.7 **Estimated quarters of funding available (item 8.6 divided by item 8.3)**

4.4

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

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

8.8.1 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: N/A

8.8.2 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: N/A

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

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.



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.

Date: 30 October 2024

Authorised by: The Audit & Risk Committee, 30 October 2024

(Name of body or officer authorising release – see note 4)

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.