



ABOUT INVICTUS ENERGY LTD

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 and liquids rich Mzarabani conventional gas-condensate prospect.

BOARD & MANAGEMENT

Scott Macmillan
Managing Director

Brent Barber
Country Manager

Barnaby Egerton-Warburton
Non-Executive Director

Eric de Mori
Non-Executive Director

Gabriel Chiappini
Non-Executive Director and
Company Secretary

invictusenergy.com

7 MAY 2019

INVICTUS & SABLE CHEMICAL INDUSTRIES LIMITED SIGN GAS SALES MOU

Highlights

- Invictus & Sable Chemical Industries Limited sign MOU to progress gas supply from Cabora Bassa Project
- MOU signed for the supply of up to 26 billion cubic feet of gas per year (Bcf) for 20 years (70 million cubic feet per day)
- Major step towards underpinning the development of the Cabora Bassa Project subject to a commercial discovery being made

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to announce that the Cabora Bassa Project partners, comprising Invictus (80%) and One-Gas Resources (Pvt) Limited (20%), have entered into a non-binding Memorandum of Understanding (MOU) with Sable Chemical Industries Limited ("Sable") to progress gas supply from the Cabora Bassa Project subject to a commercial gas discovery being made from SG 4571.

Sable is the sole manufacturer of agriculture grade ammonium nitrate fertiliser in Zimbabwe and a potentially large gas consumer.

Under the MOU, Invictus and Sable have agreed to jointly work together and cooperate with regards to investigating the economic and commercial viability of supplying natural gas from the Cabora Bassa Project to the Sable fertilizer plant located in Kwekwe, Zimbabwe.

Key Terms

The key terms of the MOU are as follows:

- Minimum Daily Contract Quantity (DCQ) of 35 mmscf/d (~13 bcf per year)
- Sable can elect to increase DCQ to 70 mmscf/d (~26 bcf per year)
- Minimum Total Contract Quantity of 255 Bcf
- Maximum Total Contract Quantity of 510 Bcf
- Supply term of twenty (20) years from the date of First Commercial Gas Production
- Gas sales price commercial in confidence

Conditions Precedent

The conditions precedent in the MOU include:

- Confirmation of a commercial hydrocarbon discovery in SG 4571
- Completion of a Gas Sales and Purchase Agreement (GSPA) by 30 June 2021
- Completion of feasibility studies to upgrade Sable's existing process and replace the feedstock with natural gas



Invictus Managing Director Scott Macmillan commented:

“Signing this MOU with Sable marks a significant milestone in our commercial negotiations as we look to progress the Cabora Bassa Project. Sable is the sole producer of nitrogenous fertilizer in Zimbabwe and a well-recognised brand in the country. We are proud to work with them to fulfil their ambition of becoming the preferred manufacturer and supplier of fertilizers and other chemical products in Africa.

The potential gas supply of up to 70 million cubic feet per day for 20 years is a substantial volume which will help underpin the development of any commercial gas discovery we make in the Cabora Bassa Project. This MOU demonstrates the huge local gas demand in an energy starved market in Zimbabwe and we expect to enter into additional gas supply MOUs in the future.”

Sable Chemicals was established in 1969 and currently operates a fertilizer manufacturing plant which produces ammonium nitrate fertilizers from ammonia gas feedstock which is currently imported from South Africa.

Bothwell Nyajeka CEO of Sable Chemicals commented:

“We are extremely pleased to enter into this MOU with Invictus and potentially secure an indigenous natural gas supply to produce ammonia gas for our fertilizer plant. Sable Chemicals currently has a capacity to produce 240,000 tonnes of ammonium nitrate per year and has historically played an important anchoring role in the agricultural sector of Zimbabwe, thus ensuring that well priced fertilizers, with formulations that are optimized to suit local conditions, are made available to farmers in a timely manner each year.

The potential future supply of gas by Invictus is also critical for Sable’s medium-term expansion program aimed at increasing production to 600,000 tonnes of nitrogenous fertilisers.”

About Sable Chemicals

- Sable Chemicals was established in 1969 and is Zimbabwe’s sole manufacturer of Ammonium Nitrate (AN) fertilizer, with capacity to meet all national demand.
- Sable Chemicals produces AN from ammonia gas which is imported from South Africa. For every one tone of imported ammonia gas, Sable Chemicals produces two tonnes of AN.
- Sable is positioned to play the vital role of building up stocks of AN fertiliser, which will reduce the country’s reliance on imports and cut the nitrogen fertiliser import bill.
- Located at Sherwood, about 20 kilometres outside Kwekwe, Sable is an important and active corporate citizen in the area:
 - It currently has 200 full time employees and 100 contract workers. It has established linkages with several downstream industries and continues to directly benefit businesses in Kwekwe and the hinterland.
 - It is involved in a number of community development and social responsibility initiatives.
- Sable Chemicals sits at the heart of the mainstay agriculture sector and is committed to helping Zimbabwe achieve food self-sufficiency and regaining its food basket status.

Please see <https://sablechemicals.com/> for further information on Sable Chemical Industries Limited

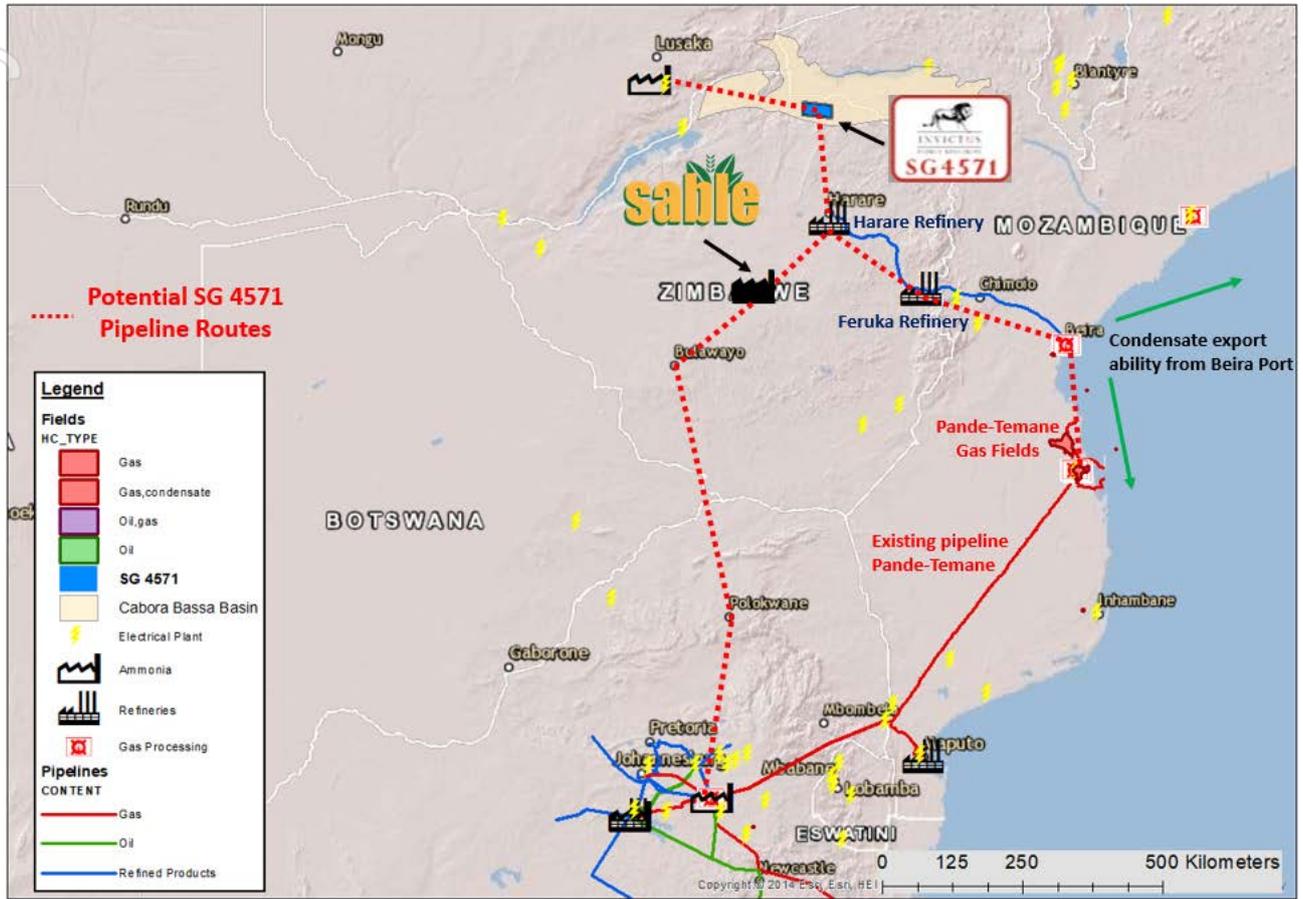


Figure 1 - SG 4571 & Sable Chemical Regional Infrastructure Map

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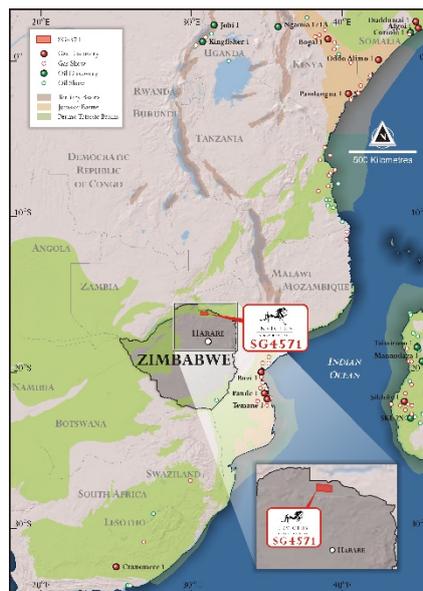


Corporate Advisor and Lead Manager

For further information on Invictus Energy, please visit the Company's website at www.invictusenergy.com

About the Cabora Bassa Project

The Cabora Bassa Project encompasses the Mzarabani Prospect, a multi-TCF and liquids rich conventional gas-condensate target which is potentially the largest, undrilled seismically defined



structure onshore Africa. The prospect is defined by a robust dataset acquired by Mobil in the early 1990s that includes seismic, gravity, aeromagnetic and geochemical data.

#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.

The Company is not aware of any new information and that all material assumptions and technical parameters underpinning prospective resource estimate continue to apply and have not materially changed

***Giant fields** are conventional oil or gas fields with a recoverable reserve of 500 MMboe or more as defined by the American Association of Petroleum Geologists (AAPG)

SG 4571 - Special Grant Permit 4571 was granted in August 2017, the first 12 month work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited



Abbreviations

mmbbls – millions of barrels of oil or condensate
mmboe – millions of barrels of oil equivalent
scf – standard cubic foot
mmscf – thousands of standard cubic feet
mmscf – millions of standard cubic feet
mmscf/d – millions of standard cubic feet per day
Bcf – billion standard cubic feet
Tcf – trillion standard cubic feet
PRMS – Petroleum Resource Management System
SPE – Society of Petroleum Engineers
SG – Special Grant

Conversions

1 BOE = 5,800 scf natural gas
1 mmboe = 5.6 Bcf
1 Tcf = 1,000 Bcf
1 mmscf/d = 1.06 TJ/d
1 Bcf = 1.06 PJ

Disclaimer

***Cautionary Statement for Prospective Resource Estimates** - With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal may be required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Hydrocarbon Resource Estimates – The Prospective Resource estimates for Invictus' SG 4571 permit presented in this report are prepared as at 29 October 2018. The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2018, approved by the Society of Petroleum Engineer and have been prepared using probabilistic methods. The Prospective Resource estimates are unrisks and have not been adjusted for both an associated chance of discovery and a chance of development.

No New Information or Change in Assumptions – The Company is not aware of any new information and that all material assumptions and technical parameters underpinning prospective resource estimate continue to apply and have not materially changed

Competent Person Statement Information – In this report information relating to hydrocarbon resource estimates has been compiled by Netherland, Sewell and Associates, Inc. under the supervision of Mr Scott Macmillan, the Invictus Energy Ltd Managing Director. Mr Macmillan has over 12 years experience in the oil and gas industry in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development and is a member of the Society of Petroleum Engineers. Mr Macmillan consents to the inclusion of the information in this report relating to hydrocarbon Prospective Resources in the form and context in which it appears.

Forward looking statements – This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Invictus' planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Invictus Energy Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.