



SG 4571 permit increased sevenfold and partnership agreed with SWFZ

DATE: 28 MARCH 2022

HIGHLIGHTS

- **SG 4571 acreage increased from 100,000 to 709,300 hectares**
- **Expanded acreage includes the new Basin Margin play**
- **Two well exploration program planned to test Muzarabani-1 and Basin Margin play**
- **Heads of Agreement executed with Sovereign Wealth Fund of Zimbabwe to grant a 10% back-in right to expanded SG 4571**
- **Petroleum Production Sharing Agreement to be implemented**

Invictus Energy Limited ("Invictus" or "the Company") is pleased to provide an update on the activities of its Cabora Bassa project in Zimbabwe.

SG 4571 acreage area increased sevenfold

Invictus' 80%⁽ⁱ⁾ owned subsidiary Geo Associates (Pvt) Ltd ("Geo Associates") and the Sovereign Wealth Fund of Zimbabwe ("SWFZ") have executed a Heads of Agreement ("HoA") to increase Special Grant 4571 ("SG 4571") licence area from 100,000 hectares to 709,300 hectares.

Under the HoA the SG 4571 licence and application area will be amalgamated with the SWFZ's MSC003 Cabora Bassa South Reserved Area to cover the entire Cabora Bassa Basin in Zimbabwe as per Appendix 1. The SG 4571 area increase is now awaiting procedural government gazettal. Summary terms of the HoA can be found in Appendix 2.

The Company will increase the minimum work program obligation for the current second exploration period to drill two exploration wells, including the Muzarabani-1 prospect and one exploration well in the expanded area. The rig contact with Exalo Drilling SA, confirmed on 10 March 2022, accommodates a two well drill program anticipated to commence in late June 2022.

Geo Associates and the Republic of Zimbabwe will also conclude the Petroleum Production Sharing Agreement which will encompass the legal and fiscal provisions to govern the project and the development of any discovered resource.

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 Mzarabani and Msasa conventional gas-condensate prospects.

Board & Management

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NON-EXECUTIVE CHAIRMAN

Joe Mutizwa

NON-EXECUTIVE & DEPUTY CHAIRMAN

Scott Macmillan

MANAGING DIRECTOR

Gabriel Chiappini

NON-EXECUTIVE DIRECTOR &
COMPANY SECRETARY

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A map showing the original SG 4571 licence area within the expanded acreage covering the Cabora Bassa Basin is shown below.

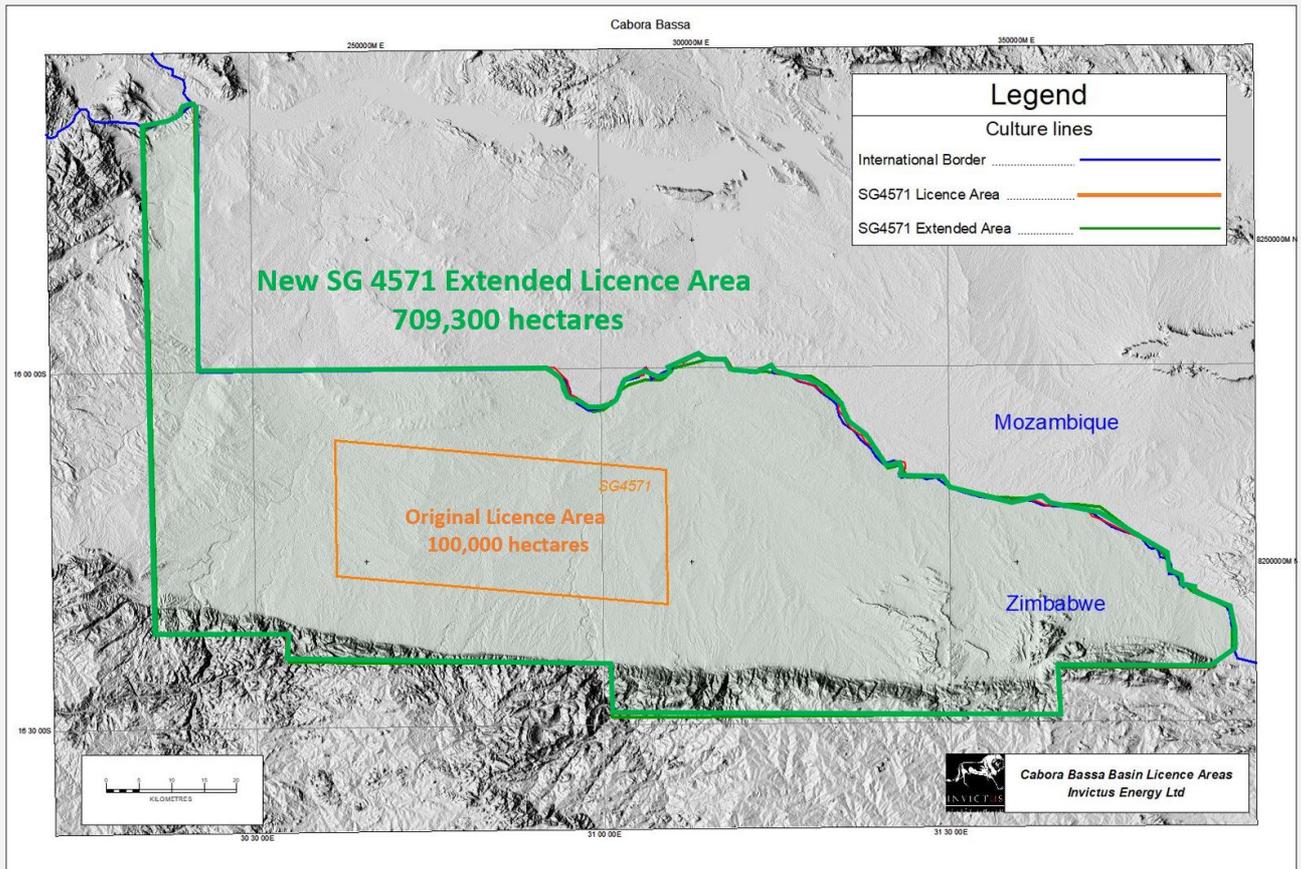


Figure 1 - SG 4571 expanded licence area map

Sovereign Wealth Fund of Zimbabwe Partnership

The Heads of Agreement executed between Geo Associates and the Sovereign Wealth Fund of Zimbabwe (SWFZ) will amalgamate the respective licence areas into the extended SG 4571 licence area (see Figure 1 and Appendix 1). The SWFZ will be entitled to a ten percent (10%) equity back-in-right to the extended SG 4571 which is exercisable within six months post positive Final Investment Decision to develop any discovered resource within the licence. This will provide the SWFZ risk-free participation in the SG 4571 through to the commencement of production. A summary of the back-in-right is contained in Appendix 2.

Geo Associates and the SWFZ may also collaborate to explore in areas of mutual interest that do not form part of the expanded SG 4571 licence which will be subject to separate agreements.

Petroleum Product Sharing Agreement

The proposed Petroleum Product Sharing Agreement (PPSA), administered by the Ministry of Energy and Power Development, contains the fiscal provisions of the project, including the Republic of Zimbabwe's profit/product share, and takes effect following commencement of the production phase of the project. The PPSA will provide the Republic of Zimbabwe with a share of any developed resource in addition to the SWFZ equity (assuming back-in-right is exercised).

Together, the Petroleum Exploration Development and Production Agreement (PEDPA) and PPSA form the Production Sharing Agreements (PSA) between the Republic of Zimbabwe and Geo Associates, demonstrating the Zimbabwe Government's commitment to implementing investor friendly reforms and promoting and protecting foreign investment.

The PEDPA signed on 26th March 2021, and the PPSA to be signed following enactment of amendments to legislation, will establish a predictable, stable and transparent legal and fiscal regime commensurate with

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terms in the region, following international best industry practice, meeting the country's aspirations and providing investors and the Republic of Zimbabwe a fair share of any developed resources.

The PPSA has undergone independent review and is expected to be finalised and executed shortly.



Figure 2 - HOA Signing Ceremony with Hon. Mthuli Ncube Minister for Finance, Planning and Economic Development & Planning with Mr Paul Chimbodza, Managing Director Geo Associates

Invictus Managing Director Scott Macmillan commented:

"We are extremely pleased to have executed the binding Heads of Agreement with the Sovereign Wealth Fund of Zimbabwe. This follows extensive negotiation and collaboration with the various ministries and government bodies over the last 7 months.

"We are grateful for the constructive efforts by the Zimbabwe Government to put the PEDPA and HOA in place and work towards finalisation of the PPSA. This will provide a robust framework to facilitate long-term investment in the oil and gas sector with confidence and ensures the country derives its fair share of any discovered resources.

The Company is also delighted with the approval of the expanded acreage in SG 4571, which substantially increases our footprint more than sevenfold to 709,300 hectares. The enlarged SG 4571 licence provides us with a basin master position encompassing the entire Cabora Bassa Basin in Zimbabwe. Subject to making an opening discovery with one of our first two wells, it potentially could provide us with future discoveries on a large scale within the basin.

"The Company has committed to expanding the forward work program to drill a second well in addition to the Muzarabani prospect in the upcoming June 2022 drilling program, which if successful could be transformational for the Company and for the Republic of Zimbabwe."

Hon Mthuli Ncube, Minister of Finance and Economic Development commented:

“I would therefore take the opportunity to reassure our partners that as a Government we fully support the aggressive investment into the oil and gas exploration which they are carrying out and we are confident that this agreement today lays the foundation stone for a vibrant and productive oil and gas sector that will contribute to the creation of jobs, generation of exports and delivery of energy security to Zimbabwe.”



Figure 3 - Invictus & Geo Associates Boards with Hon. Mthuli Ncube Minister of Finance and Economic Development and SWFZ

(i) Invictus SG 4571 equity interest to be amended

Following the signing of the Geo Associates and SWFZ partnership agreement, Invictus and its local partner One Gas Resources (Pvt) Ltd (“One Gas”), will amend the Invictus and One Gas Shareholders’ Agreement and terms of the One-Gas carried interest in the expanded SG 4571 licence. Key terms will be announced once the amendments have been concluded

-Ends-

Authorised for release by the Board

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

Appendix 1: SG 4571 & RA MSC003 Area Map

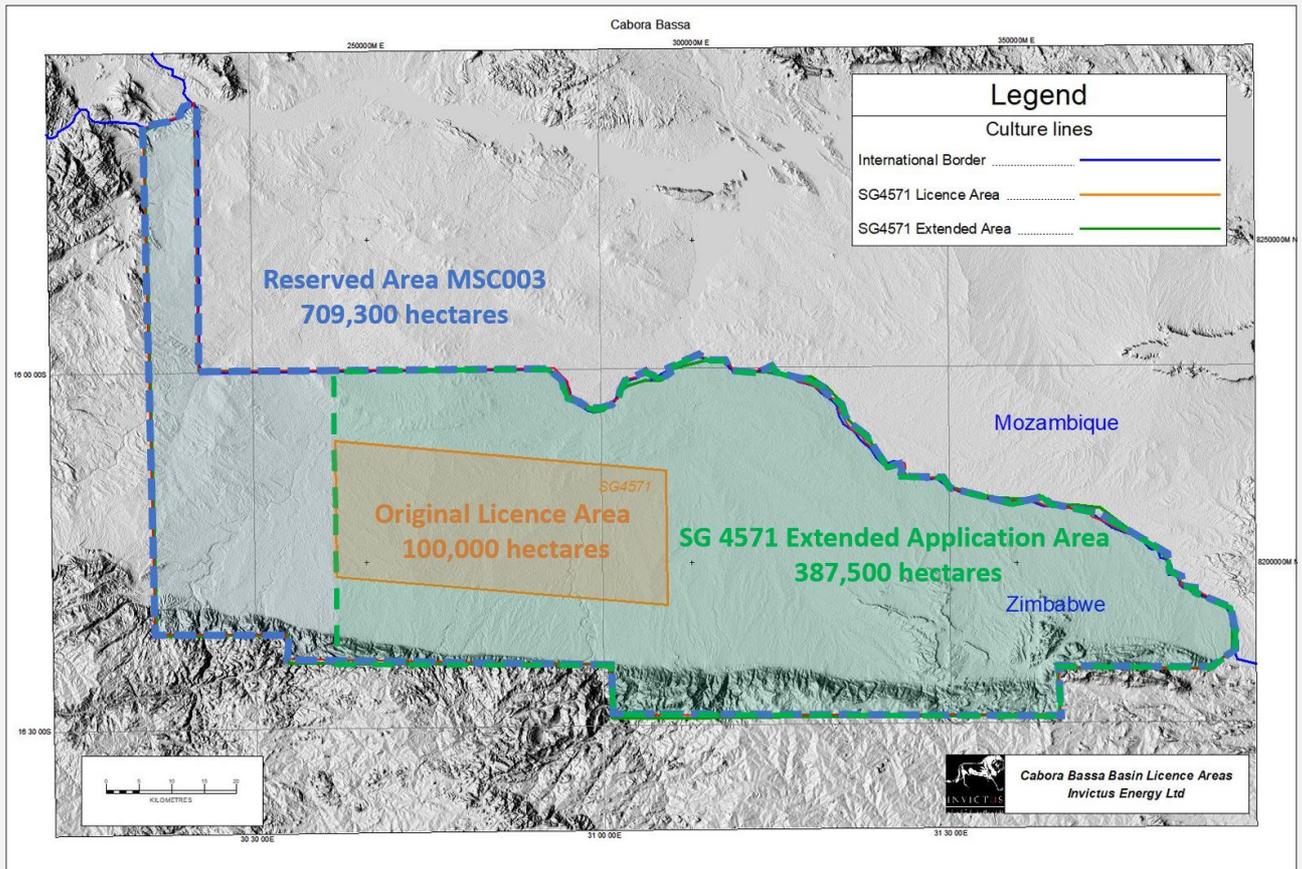


Figure 4 - SG 4571, SG 4571 Application Area & RA MSC003

Appendix 2: Summary of Head of Agreement key terms

Increase of SG 4571 licence area to 709,300 hectares: Geo Associates (and the Zimbabwe Sovereign Wealth Fund will amalgamate the SG 4571 licence and application area (held by Geo Associates) with Reserved Area MSC003 Cabora Bassa South (held by the SWFZ) to be gazetted under the SG 4571 licence.

SG 4571 work commitments: Geo Associates has committed to increase the minimum work program obligations for SG 4571 in the second exploration period, which runs to June 2024 as follows:

1. Acquire an additional 400km line of seismic data in the expanded area (already fulfilled during the Cabora Bassa 2021 Seismic Survey); and
2. Drill a second exploration well in expanded licence area (planned in 1H 2022 drilling campaign)

SWFZ 10% back-in-right: The SWFZ will be granted a 10% back-in-right (BIR) exercisable within six months of making a positive Final Investment Decision to proceed to commercial development of any discovered petroleum resource. The SWFZ costs will be carried through exploration, appraisal and development until the commencement of production is achieved. The contractor will recoup the cost through the cost recovery mechanism in the PPSA.

Petroleum Production Sharing Agreement: The PPSA will be finalised and legislative amendments necessary for the execution of the Petroleum Production Sharing Agreement will be achieved through amendments to an act of parliament.

About the Cabora Bassa Project

The Cabora Bassa Project encompasses the Muzarabani Prospect, an 8.2 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. The Company is advancing the current exploration program with the completion of 840 line km of 2D seismic data for a planned 1H 2022 basin opening drilling campaign.

#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)

***Elephant fields** are conventional oil or gas fields with a recoverable reserve of 1 Billion boe (1,000 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 Company entered into the second exploration period in August 2020 which runs until June 2024. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

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