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INVICTUS
ENERGY LIMITED

# Invictus Energy Ltd (ASX: IVZ)
# (OTCQB: IVCTF)

## Cabora Bassa Project Investor Update

**Scott Macmillan**
Managing Director

15 December 2021

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**COMPETENT PERSON'S STATEMENT** The information in this document relating to petroleum resources and exploration results is based on information compiled by Mr Scott Macmillan. Mr Macmillan is a Reservoir Engineer and has a Bachelor of Chemical Engineering and an MSc in Petroleum Engineering from Curtin University. He is a member of the Society of Petroleum Engineers (SPE) and has over 15 years experience in the industry in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development. Estimated resources are unrisked and it is not certain that these resources will be commercially viable to produce.

**HYDROCARBON RESOURCE ESTIMATES** The Prospective Resource estimates for Invictus' SG 4571 permit presented in this report are prepared as at 26 June 2019. 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 unrisked and have not been adjusted for both an associated chance of discovery and a chance of development. The Company confirms that there have not been any material changes to the resource estimate since the release of the updated Prospective Resource Estimate on 1 July 2019. For further details on the Prospective Resource refer to the 1 July 2019 ASX announcement 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.

***#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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- **The first mover in the under-explored Cabora Bassa Basin, Zimbabwe, one of the last undrilled Oil & Gas basins in Africa**
- **Muzarabani Prospect is the largest undrilled conventional oil and gas prospect onshore Africa and one of the largest globally**
- **8.2Tcf + 247 million barrels of conventional gas-condensate[1] (~1.6 billion boe) independently verified[#]**
- **Infill seismic survey completed and showing encouraging early results and target rich environment**
- **Rig secured for high impact basin opening drilling campaign expected May 2022 for up to 2 wells**

[#]***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. See Independent Prospective Resource Estimate on 1 July 2019 and statement on previous page*

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# Invictus Snapshot

**2018**
Listed

**WA**
Headquartered

**$64.4m**
Market Cap
@$0.11

**~$7.3m**
Net Cash
31 Sept 2021

Elephant scale prospective Oil & Gas resource, defined by high quality data set

Rapidly developing & supportive jurisdiction of Zimbabwe

High quality surrounding infrastructure

Significant Southern African Energy shortage

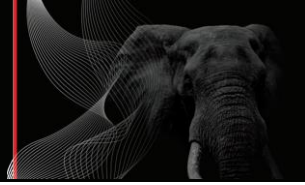
Multiple offtake agreements in place for up to 1.2 Tcf over 20 years

Multiple downstream supply opportunities

Low valuation in comparison to Sub-Saharan Oil & Gas peers

Highly experienced Board & Management

# Project Funding Strategy



## Invictus is progressing multiple strategies for the commercialisation of the Cabora Bassa Project

| | Cluff Energy Africa farm in Option | Additional farm-in options in negotiation | Full Ownership & Operation |
|---|---|---|---|
| Overview | Recently signed farm-in option agreement for 2 well exploration campaign | Board & Management are progressing multiple additional farm-in options | Invictus will also consider funding its operations by a combination of equity and/or debt |
| Funding | Results in 33% of 2 x well costs being funded by CEA (Approximately US$9.0m but uncapped in the event of overrun)<br><br>Additional recoup of significant amount of historical back costs (a proportion of US$12m+) | Potential for increase in funding and/or promote by alternative farm in partners<br><br>Additional funding of historical back costs | IVZ would fund all costs associated with the exploration campaign and operation of the project |
| Project Ownership | CEA to obtain 25% interest in Cabora Bassa Project – resulting in IVZ maintaining 55% interest & operatorship | Potential for comparatively lower interests to be granted to other parties – results in IVZ maintaining larger ongoing interest in the project or lower funding requirement | Results in IVZ maintaining its full 80% ownership and operatorship in the Cabora Bassa Project |

**Invictus Board & Management will make a final decision on the optimum path forward for shareholders once all strategic funding options have been fully progressed**

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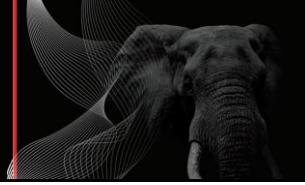
# Cluff Energy Africa Farm in Option



## The initial non-exclusive & non-binding farm-in option delivers considerable strategic value to IVZ

| | Cluff Energy Africa farm in Option | Strategic Value to IVZ |
|---|---|---|
| Overview | Recently signed farm in option agreement for 2 well exploration campaign | A non-exclusive / non-binding option agreement that both parties have the ability to terminate before the expiry date of 31 March<br><br>Provides early technical validation and jurisdiction endorsement of the project ahead of seismic results |
| Funding | Results in 33% of 2 x well costs being funded by CEA (Approximately US$9.0m but also uncapped)<br><br>Additional recoup of significant amount of historical back costs (a proportion of US$12m+) | Reduces IVZ cost and risk of frontier exploration drilling<br><br>Provides significant recoup of a proportion of historical back costs and additional cash to be deployed towards drilling and other initiatives |
| Project Ownership | CEA to obtain 25% interest in Cabora Bassa Project – resulting in IVZ maintaining 55% interest & operatorship | Provides a benchmark of project equity ownership able to be lowered if other additional farm-in options are successful progressed |

- Cluff Energy Africa represent a high quality potential farm in partner, with significant operational and jurisdictional experience
- This familiarity has allowed them to move quickly on providing a farm-in offer
- Significantly de-risks the development of the project
- **Allows IVZ to set a baseline bid for other farm-in options, delivering significant strategic value to the projects ongoing funding strategy**
- **Additional farm-in's likely as further seismic data is able to be released and analysed and reveal full portfolio value**

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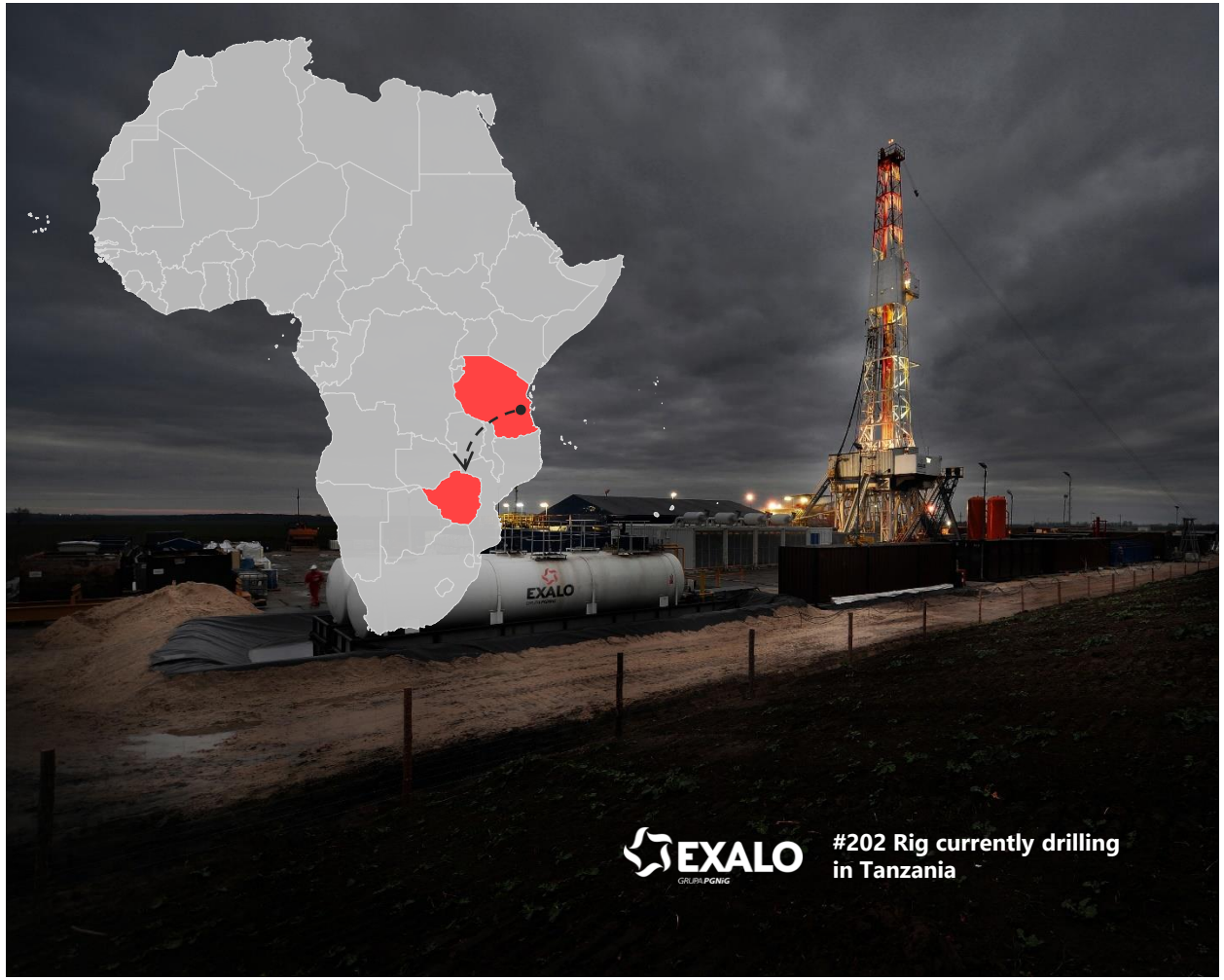
# Drill Rig Secured

## Exalo #202 Rig Secured for drilling Muzarabani-1 Well in May 2022

- Muzarabani-1 well targeting 8.2 Tcf + 247 million barrels of conventional gas-condensate,
- 1 firm well (Muzarabani-1) + 1 contingent well (TBC)
- Mobilisation to Zimbabwe in Q2 for May 2022 drilling
- Inheriting active rig and crew and modest mobilisation
- Drilling services and long leads currently being finalised
- Maturing additional prospectivity from recent seismic data for potential 2 well campaign
- Invictus will operate the drilling program

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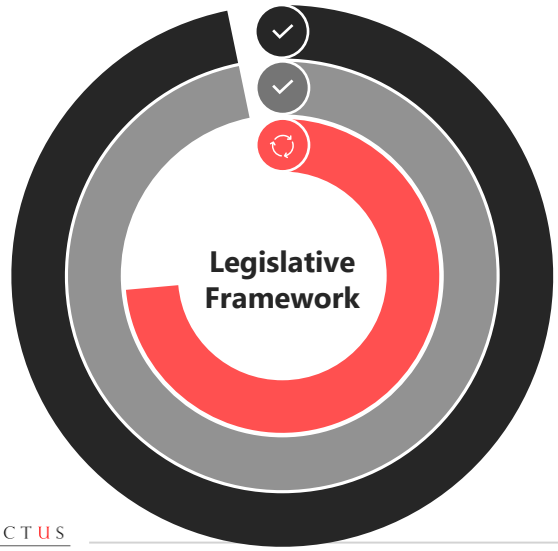
# Zimbabwe – Geopolitical Overview

## An overlooked jurisdiction for last 20 years due to political and economic instability, despite significant reforms

- New government is pro-business, promoting foreign investment and has implemented investor friendly reforms
- Mines Minister is a former resources industry executive that understands the needs of the resources sector
- Petroleum Exploration Development & Production Agreement ('**PEDPA'**) signed on 26 March 2021
- New Petroleum Production Sharing Agreement ('**PPSA**') nearing finalisation




### Amended Indigenization & Empowerment Act

100% foreign ownership of assets

Guarantee of investor rights

100% remittance of earnings

### Special Economic Zones Legislation

Legal and fiscal stability

5-year tax holiday

15% corporate tax rate thereafter

Zero Capital Gains Tax

Customs duty exemption on raw materials and capital equipment

Offshore banking and transacting outside local financial system safeguards against local currency effects

### Production Sharing Agreement

Transparent legal framework

Transparent fiscal framework

Clear pathway for development and infrastructure access

PEDPA signed on 26 March 2021

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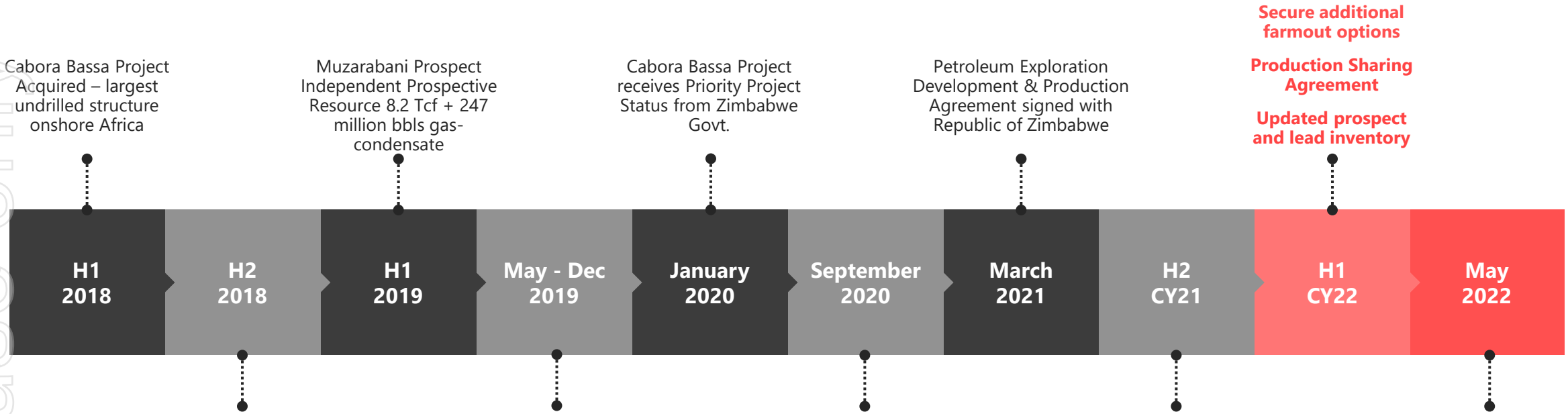
# History & Strategic Milestones

## Invictus has spent 3 years de-risking project & poised to deliver major catalysts over next 6 months

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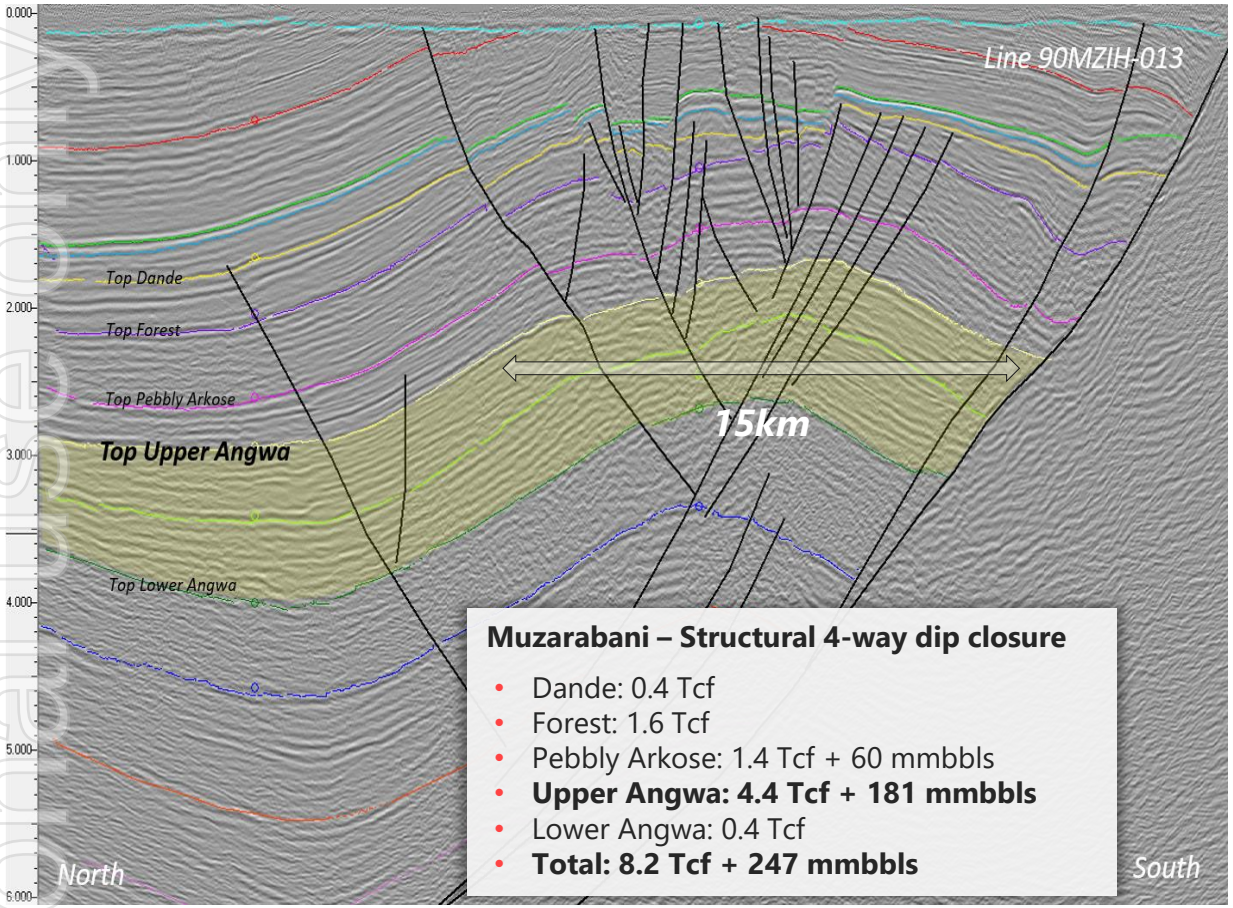
# 2D Seismic Data Overview & Preliminary Results

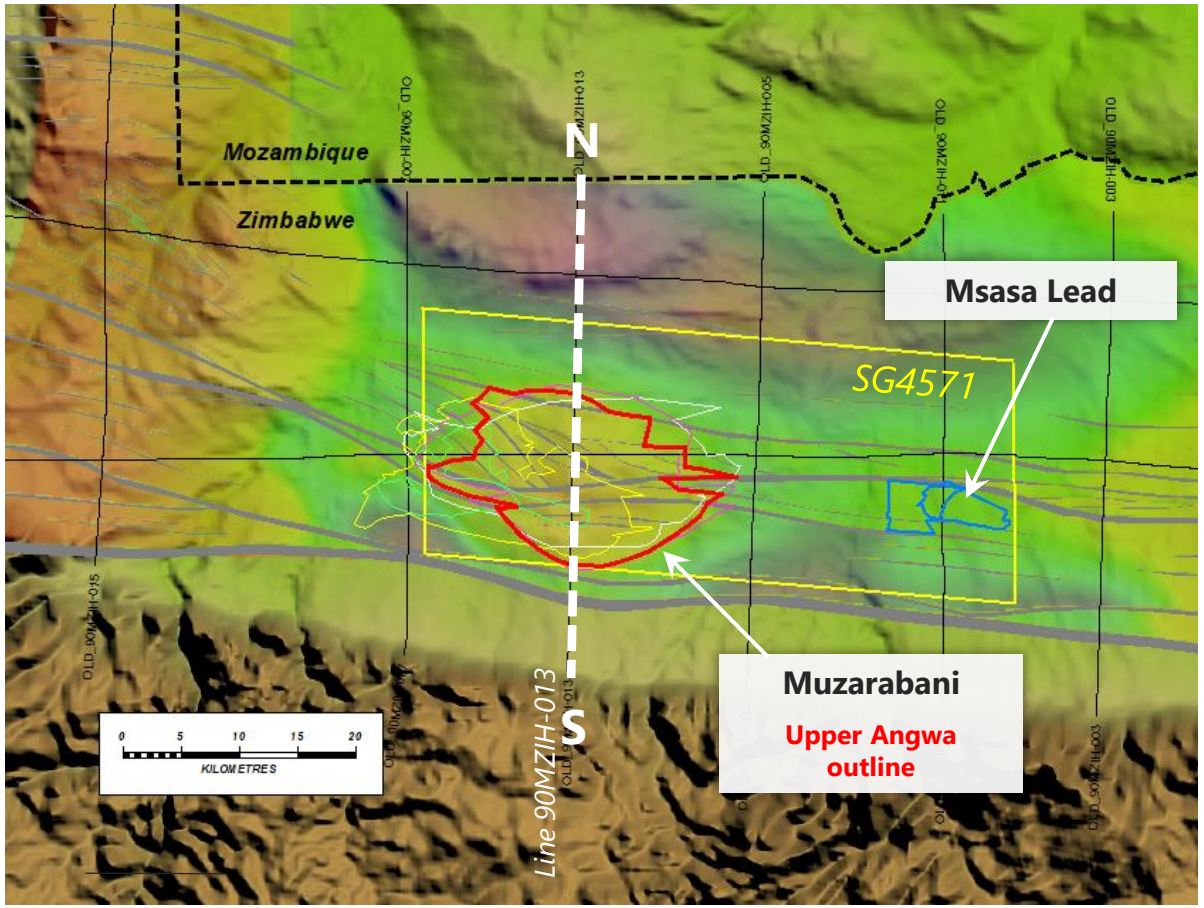
# SG 4571 – Asset Overview

## Muzarabani Prospect – 5 Stacked Targets can be targeted from a single well. 200km$^2$ under closure




**Muzarabani – Structural 4-way dip closure**

- Dande: 0.4 Tcf
- Forest: 1.6 Tcf
- Pebbly Arkose: 1.4 Tcf + 60 mmbbls
- **Upper Angwa: 4.4 Tcf + 181 mmbbls**
- Lower Angwa: 0.4 Tcf
- **Total: 8.2 Tcf + 247 mmbbls**




**Muzarabani-1 well estimated dry hole cost US$12m**

**Key differentiator is presence of rich Triassic source rock and high poro-perm reservoir in primary Upper Angwa target**

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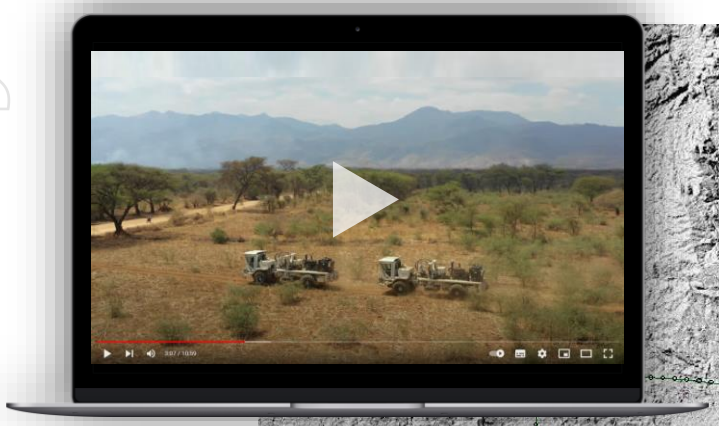
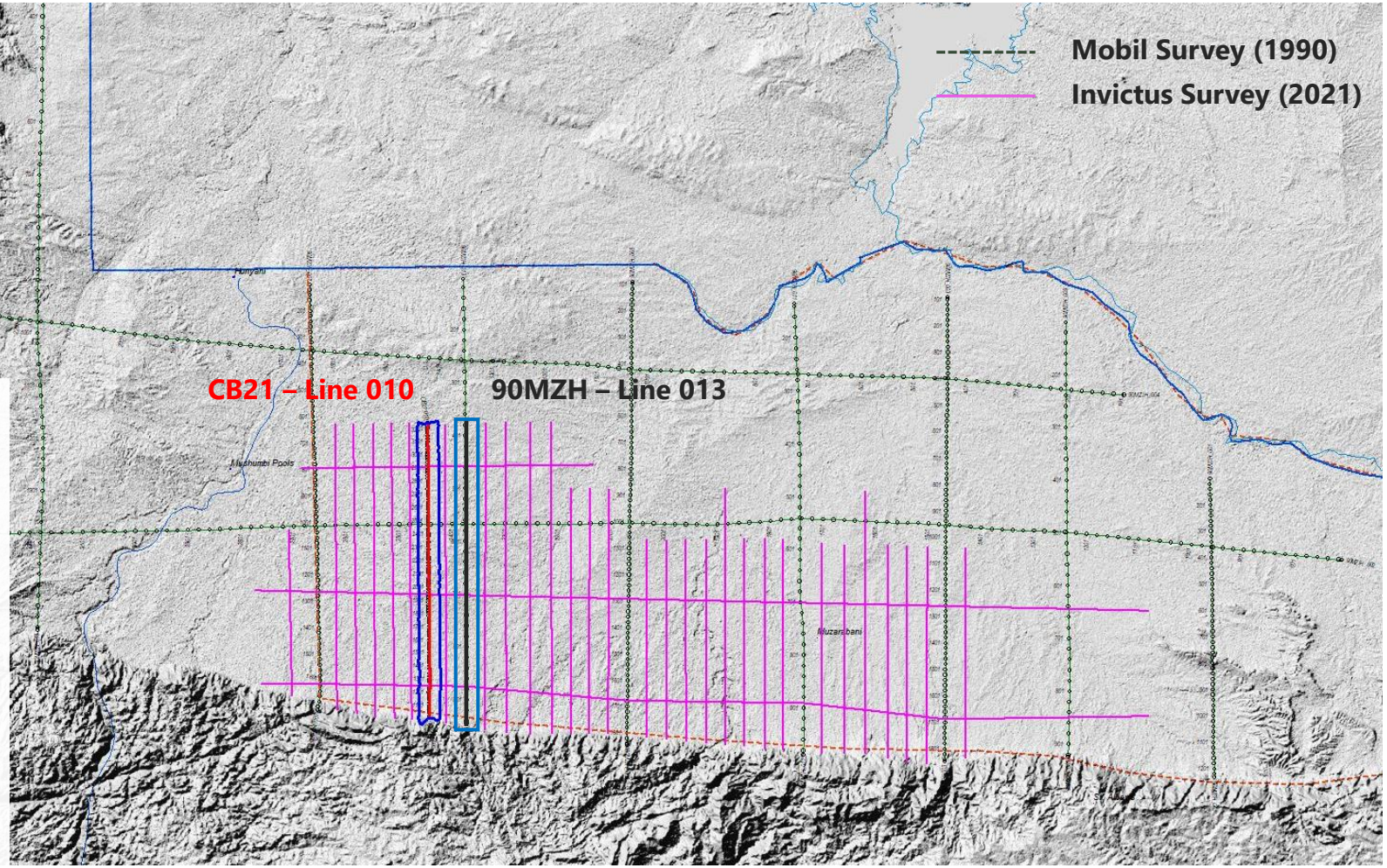
# CB21 Seismic Survey Successfully Completed in Nov'21

## CB21 Survey 840kms 2D seismic acquired to refine Muzarabani-1 well location and mature basin margin play






**Seismic Program Overview**

- Mobil seismic acquired at reconnaissance scale to investigate basin structure - 610 line km spaced ~15-20km apart.
- Invictus CB21 Survey 840 line km spaced ~1.7km apart
- CB21 survey designed to define drilling targets along basin margin play and refine Muzarabani-1 well location
- ~200 local jobs generated and student attachment program implemented for skills transfer
- 142,000 hours LTI and incident free operations achieved

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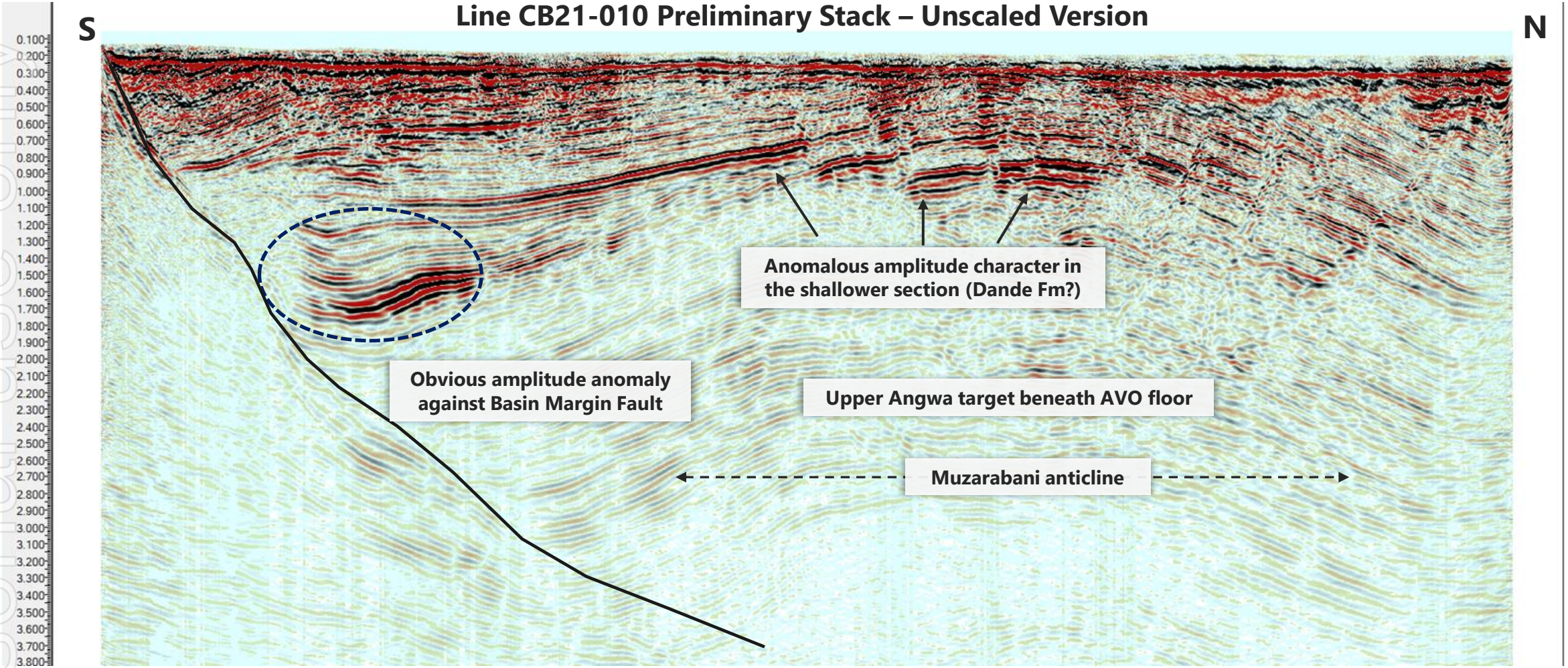
# CB21 Encouraging Early Results from New Seismic Data

## Strong amplitude anomalies in shallow sections along basin margin and Muzarabani structure

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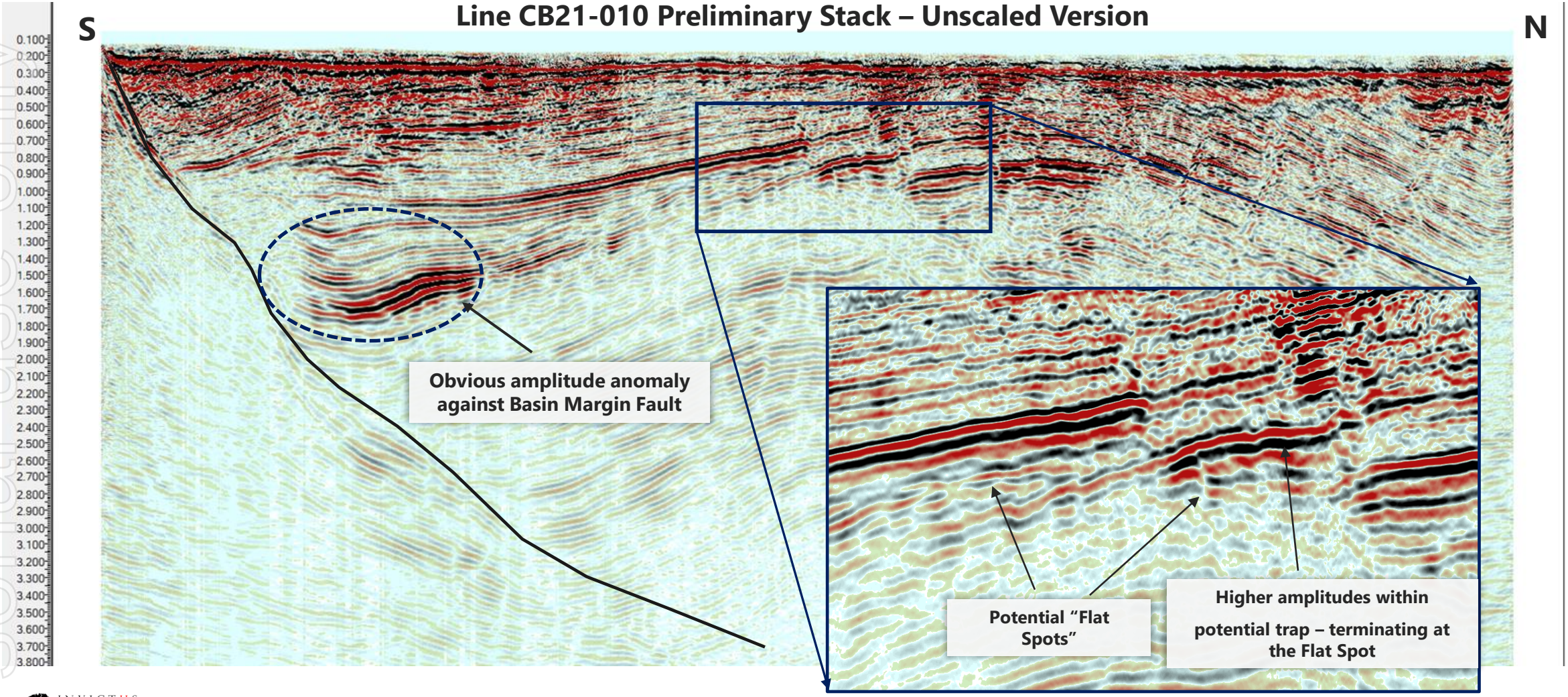
# CB21 Seismic Data Early Look – Direct Hydrocarbon Indicators?

**Potential "Flat Spots" in Muzarabani structure which may indicate a hydrocarbon contact**

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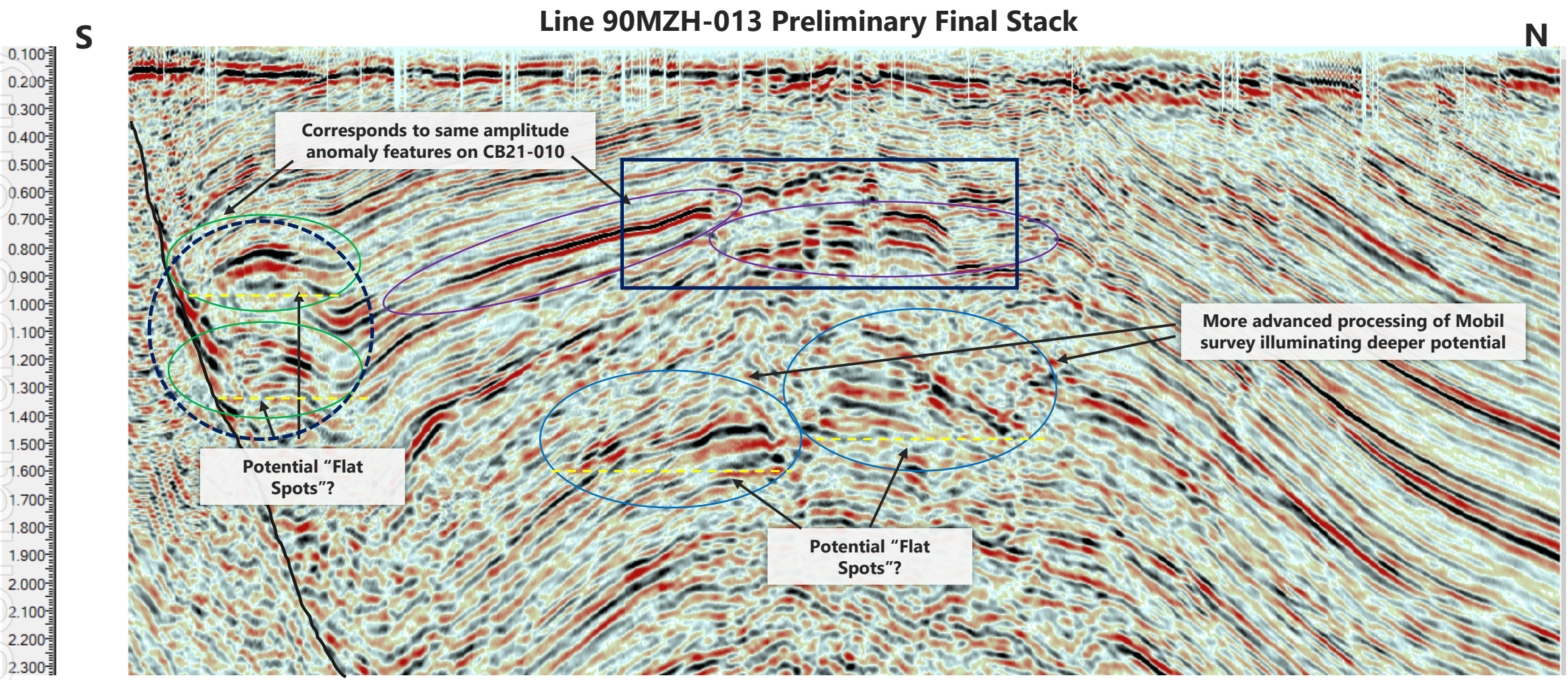
# Newly Reprocessed Mobil Data Showing Deeper Potential in Muzarabani Structure

**Reprocessing of previous Mobil survey by Earth Signal at more advanced stage than current CB21 Survey processing**




**Advanced processing of previous Mobil data shows deeper potential in Muzarabani – good signs ahead for CB21 data**

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# Invictus Investment Opportunity

First mover advantage with SG 4571 exhibiting significant scale and running room on success

Multiple offtake MOU's secured with blue-chip customers underpinning development

Strategically positioned to supply into Southern African market with existing infrastructure

Government providing supportive environment for development

Highly experienced and equity aligned Board & Management

Low-cost onshore exploration with proximity to multiple large-scale energy consumers

Seismic campaign successfully completed and shows encouraging early results

Near term high impact catalysts and significantly lower comparative valuation to peers with similar stage assets and jurisdictions

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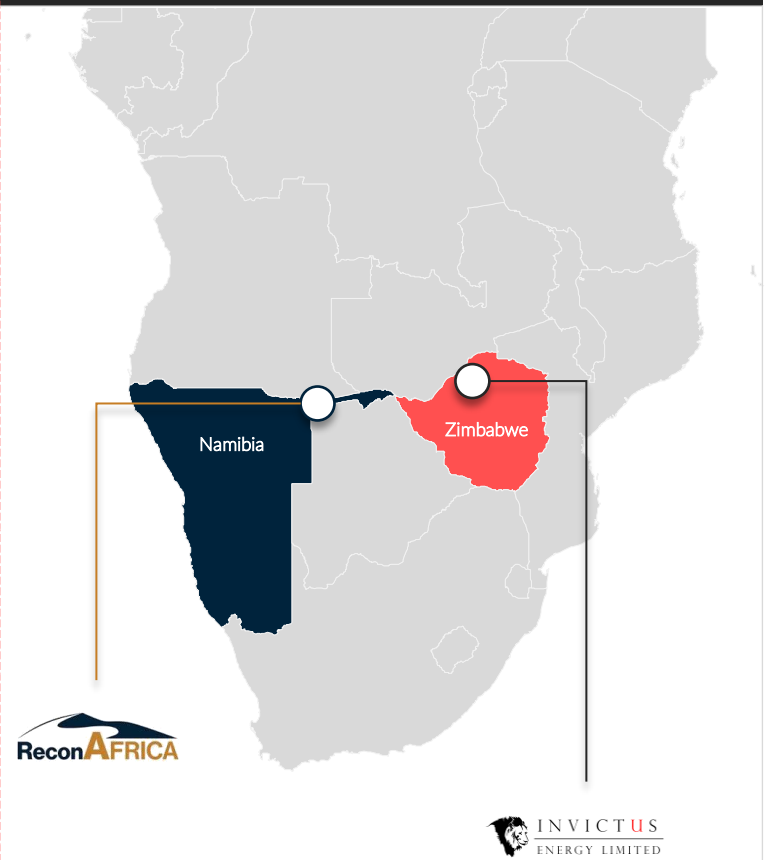
# Appendix

# Asset Comparison

## Invictus' peers have delivered material re-ratings with assets exhibiting similar or lesser qualities to SG 4571

| | **Reconnaissance Energy Africa** (TSXV:RECO) | **Invictus** (ASX:IVZ) |
|---|---|---|
| **Market Cap ($AUD)** | $1,218.8m | $64.4m |
| **Project Location** | Namibia - Onshore | Zimbabwe - Onshore |
| **Basin** | Kavango | Cabora Bassa |
| **Petroleum System** | Karoo – Permian | Karoo – Permian & Triassic |
| **Depth to Basement (m)** | +8,000 | +10,000 |
| **Source Rock** | Karoo (Permian): Marine-Fluvial-Lacustrine<br>TOC up to 15% | Karoo (Permian & Triassic): Fluvial-Lacustrine,<br>TOC up to 40% |
| **Reservoirs** | Sandstone and carbonates<br>Porosity and Permeability – Good | Predominately sandstone,<br>Porosity and Permeability – Good to Excellent |
| **Traps** | Unknown | Various, including rollover anticlines and stratigraphic |
| **Stacked Play** | Yes – 5 potential horizons | Yes - 5 prospective horizons |
| **Market** | Gas: Unlikely due to lack of infrastructure<br>Oil: Yes | Gas: 2 Gas Sale MOUs signed for 1.2 Tcf<br>Oil: Yes |
| **Dataset** | Aeromag & 2D seismic, stratigraphic wells | Aeromag, gravity, geochem & 2D seismic |
| **Defined Conventional Prospects** | None | Mzarabani 8.2 Tcf + 247 million bbls<br>Largest conventional prospect onshore Africa |

**Asset Locations**

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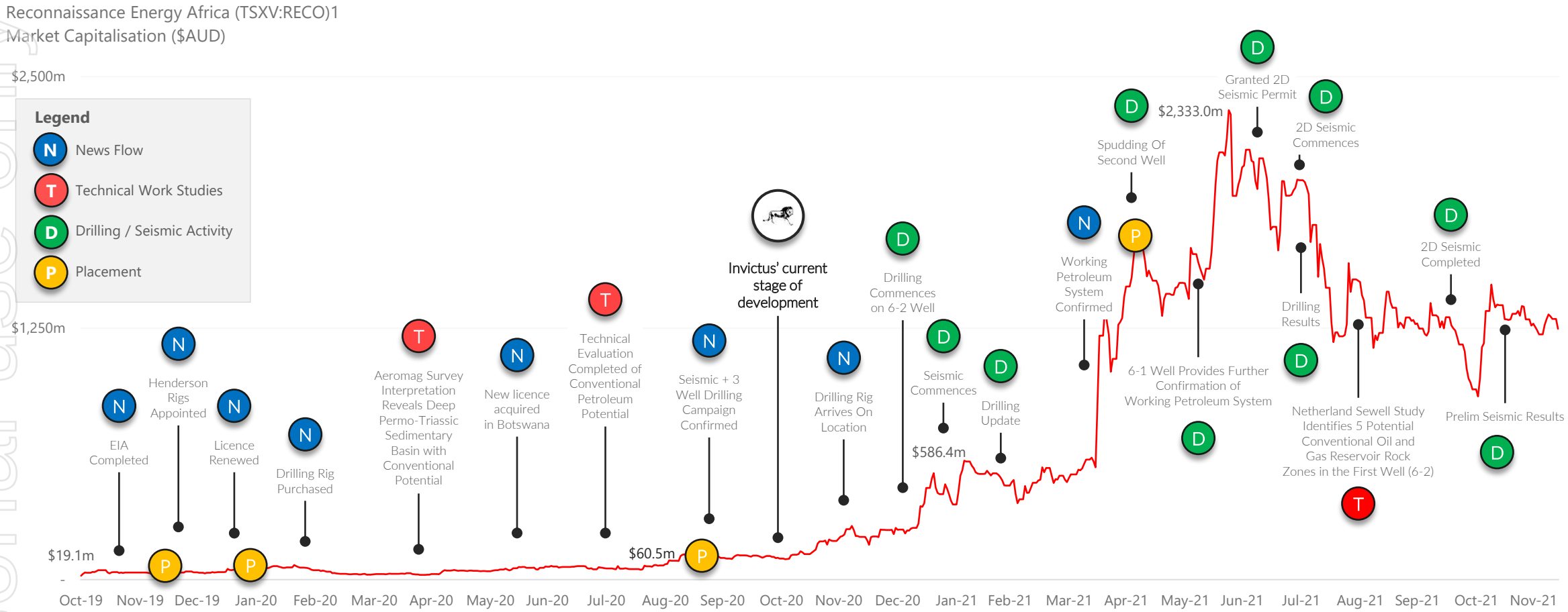
# Reconnaissance Energy Africa Development

## ReconAfrica is following a near identical work program to Invictus & has achieved a material re-rating for shareholders

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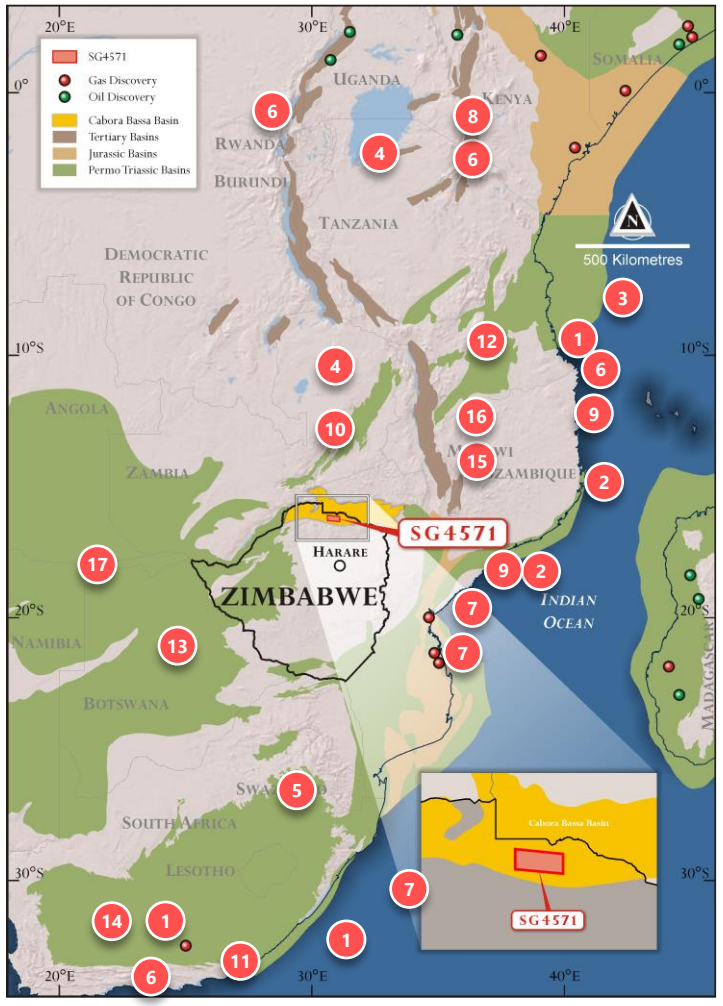
Capital IQ

# SG 4571 – Asset Overview

## Owner and operator of SG 4571 Cabora Bassa asset with first term of work program complete to August 2020

- New 2D infill seismic acquired completed in Nov '21 – 840 line km
- Legacy dataset of $30m seismic, gravity aeromagnetic and geochemical dataset generated by Mobil during 1990's who moved away from the asset due to focus on oil (not gas)
- New seismic will be integrated with legacy data and demonstrates similarities to other successful rift basin plays in the region
- Several other high-quality and onshore and offshore oil & gas assets and operators within the region, including Sasol, Total, ENI and ExxonMobil
- Strategic location to provide solution to Southern African energy crisis

| Asset Overview | SG 4571 |
|---|---|
| **Ownership** | 80% |
| **Acreage** | 250,000 acres |
| **Licence Duration** | June 2024 (2nd term) |
| **Environmental Impact Assessment** | Completed Aug 2019 |
| **2D Infill Seismic - 840km** | Completed Nov 2021 |
| **Independent Prospective Resource[1]** | 9.25 TcF + 294m barrels of Conventional Gas-Condensate |




| Local Operators | |
|---|---|
| 1 | Shell |
| 2 | ExxonMobil |
| 3 | equinor |
| 4 | Tullow Oil |
| 5 | Energen |
| 6 | Total |
| 7 | Sasol |
| 8 | AfricaOil |
| 9 | Eni |
| 10 | Oranto Petroleum |
| 11 | Impact Oil & Gas |
| 12 | Maurel & Prom |
| 13 | TLOU Energy |
| 14 | Falcon Oil & Gas |
| 15 | RAKGAS |
| 16 | NPL |
| 17 | ReconAfrica |

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[1]See Independent Prospective Resource Estimate on 1 July 2019

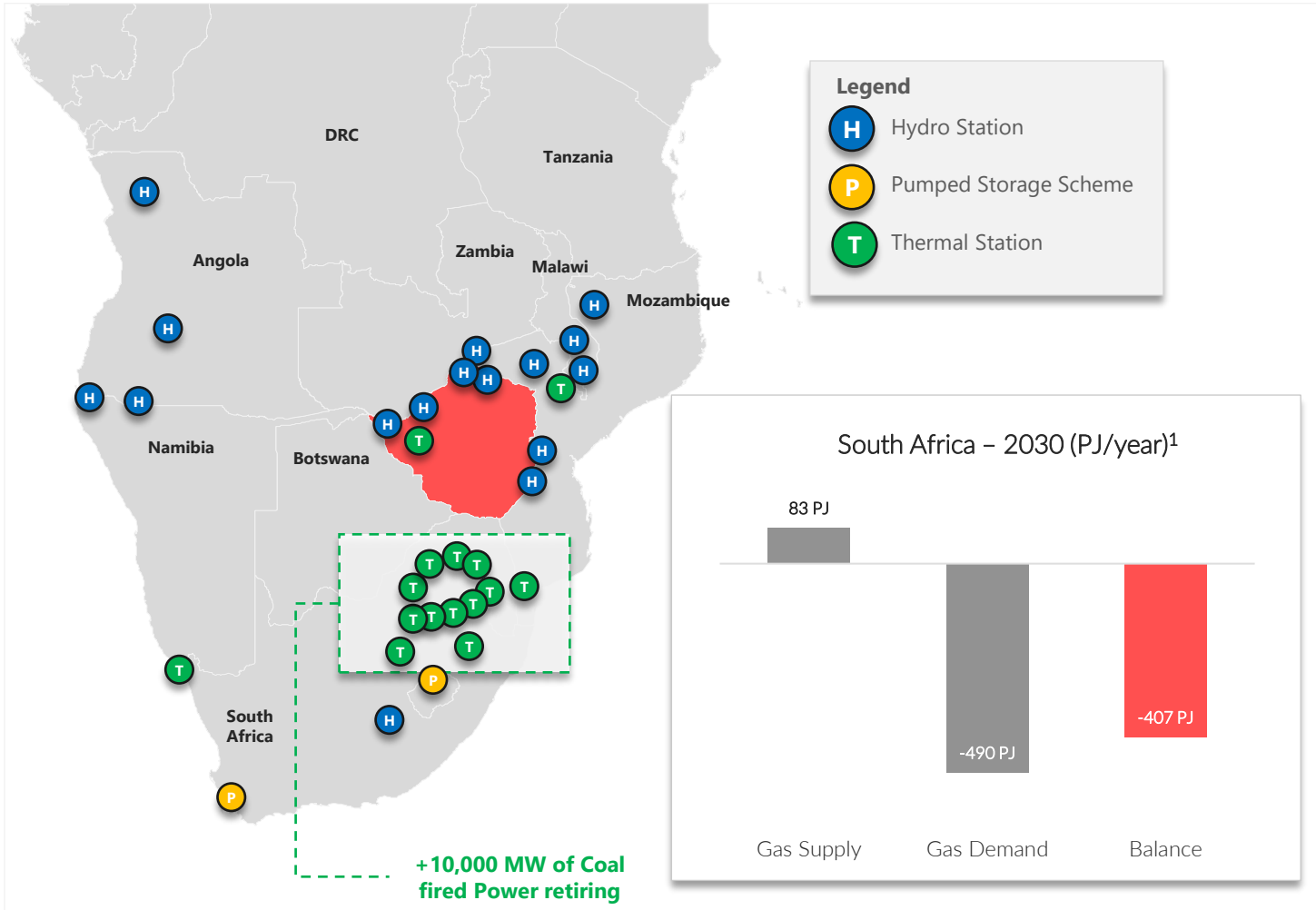
# Strategic Location – Southern Africa's Energy Crisis

## Southern Africa is facing an energy crisis with increasing shortages of electricity hampering industry and investment

- Majority of power in the region is coal and hydroelectric
- Southern African Power Pool ('**SAPP**') enables cross-border electricity trading between states:
  - 12 member countries
  - Servicing 230m people
  - Electricity trading run from Harare, Zimbabwe
- Spine of SAPP transmission network runs through Zimbabwe giving it the greatest access to other member states

### Supply Shortage

- South Africa's coal fired power plants providing 20% (+10k MW) of power supply are being retired in coming years
- Medium-term supply gap of +15k MW, set to be filled by diesel fired power generation in the interim
- Gas to power becoming increasingly important to regional power supply
- SAPP network provides virtual pipeline to monetise gas throughout Southern Africa with SG 4571 ideally positioned to deliver gas into the power network

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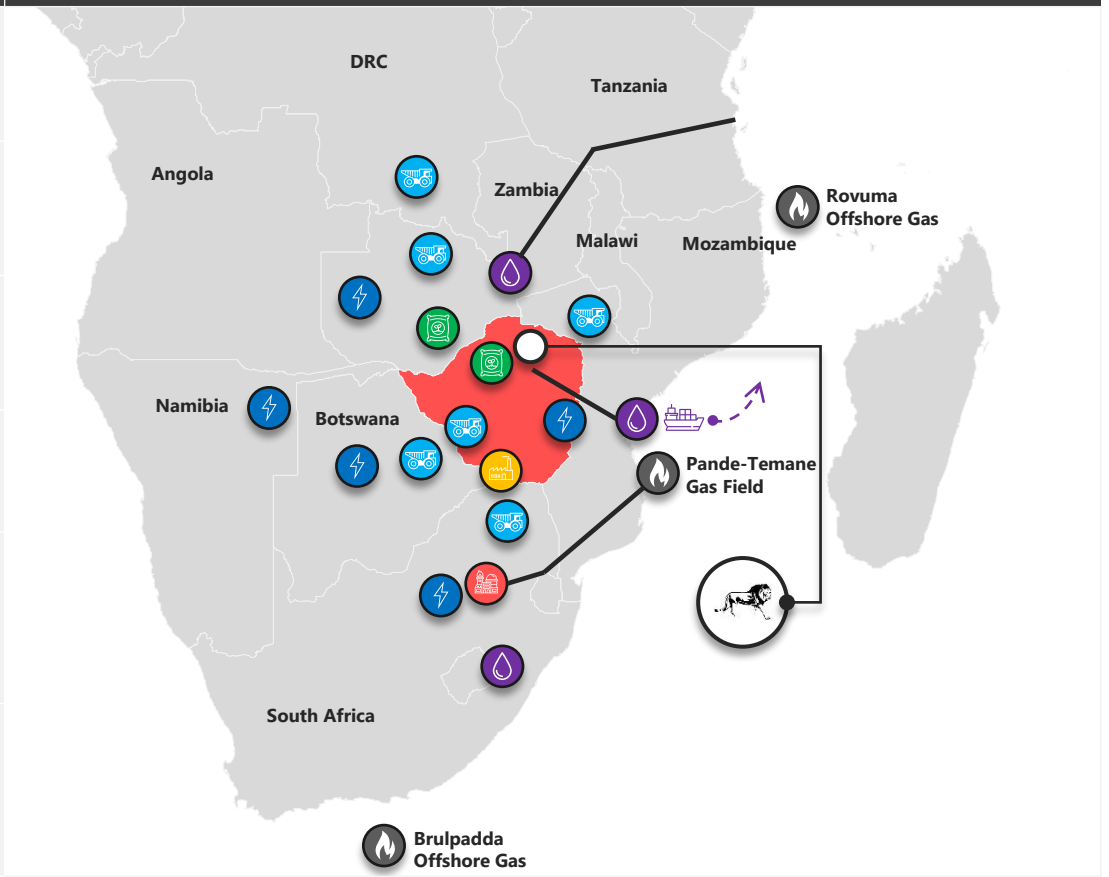
[1]USAID Southern Africa Energy Program - Power Africa: Natural Gas Roadmap for Southern Africa

# Strategic Location – Major Downstream Markets

## Multiple large scale power generation, mining, chemical processing & industrial downstream consumers within Southern Africa

| Market | |
|---|---|
| **Power Generation** | • Gas to Power can be generated locally and excess exported to neighbouring countries through Southern Africa Power Pool |
| **Petrochemicals** | • Sasol's Secunda facility currently supplied from declining onshore Mozambique Pande-Temane fields and coal to liquid feedstock |
| **Fertilizer** | • Zimbabwe and Zambia are large agricultural based economies and significant producers of tobacco and maize. Fertilizer demand exceeds local supply |
| **Industrial** | • Industrial demand in South Africa serviced from onshore Mozambique |
| **Mining** | • Significant number of mining houses and smelters generate off grid power using diesel, with trucked LNG delivering 40% cost reduction |
| **Liquid Fuel** | • SA generates synthetic fuel from coal with remainder imported crude oil, refined locally. Condensate / crude exported from Beira to international markets |

**Major Southern African Markets**

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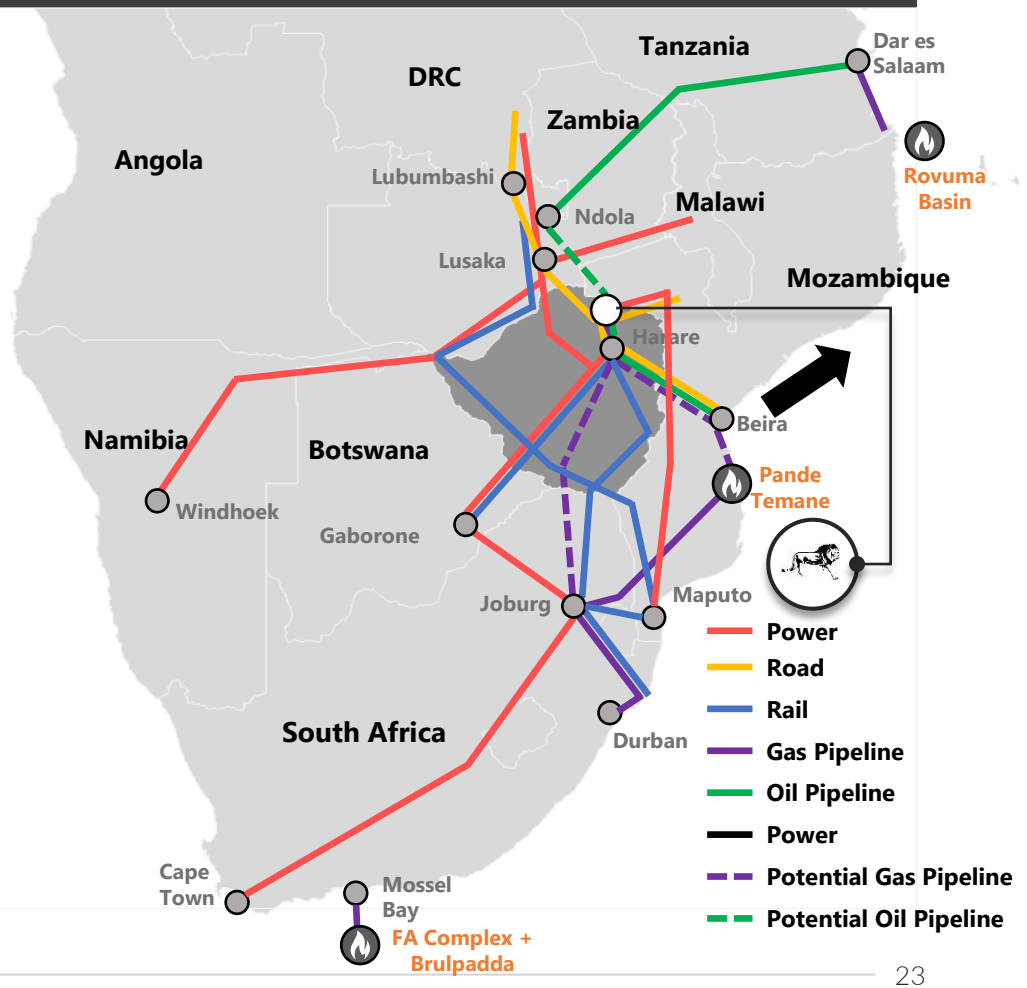
# Strategic Location – Multiple Routes to Market

## Multiple transportation routes to market across existing infrastructure

| Infrastructure | | |
|---|---|---|
| 1 | **Gas Pipeline** | • Twin Harare-Beira liquids pipeline (800km) and connect to ROMPCO pipeline feeding Sasol Gas lines in Gauteng and industry |
| 2 | **Power** | • Connect into Southern Africa Power Pool grid to export electricity domestically and into energy starved regional market. 3 major interconnectors within 100km |
| 3 | **Road** | • Beira Corridor Route one of the major transit routes in Africa. Small Scale LNG (SSLNG) by road to mining and industrial users to replace diesel power generation |
| 4 | **Rail** | • 1,000kms from Harare to Johannesburg by rail. 900 MT LNG trains into Gauteng industrial centre. Crude railed to refineries |
| 5 | **Liquids Pipeline** | • Twin or reverse Harare-Beira liquids pipeline (800km) to enable export through Beira port to international markets & Indeni Ndola to displace imported crude. Second pipeline recently approved. |

**Major Routes to Market**

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# Board & Management

## A highly experienced Board & Management team with a track record of developing leading Oil & Gas assets

| | |
|---|---|
| **Dr. Stuart Lake**<br>Non-Executive Chairman | • +34 years in the Petroleum industry, having operated assets in 20 countries worldwide, including in +10 in African countries. Combines in-depth technical knowledge and a world class track record as an Oil & Gas finder, having led many teams in maintaining a 90% exploration success rate (from over 300 wells in 11 countries including deep-water and new plays)<br>• Former President and CEO for Castle Petroleum, CEO of AGM Petroleum, operator of offshore South Deepwater Tano Block in Ghana, he lead the company to a recently reported new oil discovery in July 2019 from the exploration drill campaign. He remains a Senior Advisor to Aker Energy, that recently acquired Hess Ghana assets, in which Dr Lake and his team made 7 consecutive deepwater discoveries<br>• Former CEO of African Petroleum Corporation successfully concluding multiple farmouts and commercial deals for their West African portfolio in a challenging market and successfully listed the company on the Oslo Bors in Norway<br>• Former Vice President of Exploration in the Hess Corporation, leading highly successful Exploration campaigns, including Ghana, Libya and 30 onshore discoveries in Russia. Dr. Lake is a Non-Executive Director of Capterio. |
| **Joe Mutizwa**<br>Deputy Chairman | • Renowned Zimbabwean business executive and NEC of Mangwana Capital. Former CEO of Delta Corporation and board member of Reserve Bank of Zimbabwe<br>• Current NEC of Star Africa Corporation (ZSE: SCAL) and Infrastructure Development Bank of Zimbabwe (IDBZ). Member of the Presidential Advisory Council (PAC)<br>• Holds a BSc degree (with first class honours) from The London School of Economics; an MBA from the University of Zimbabwe and an MSc from HEC – Paris and Oxford University |
| **Scott Macmillan**<br>Managing Director | • Reservoir Engineer and founder of Invictus Energy. He is a member of the Society of Petroleum Engineers (SPE) with +15 years experience in exploration, field development planning, reserves and resources assessment, reservoir simulation, commercial valuations and business development.<br>• Previously Senior Reservoir Engineer at Woodside Energy on large offshore Oil & Gas field developments and Business Advisor in the Global New Ventures team focused on Africa exploration<br>• Senior Reservoir Engineer for AWE working on the Waitsia Gas Field; the largest onshore gas discovery in Australia in the last 40 years. He has extensive business experience in Zimbabwe. |
| **Gabriel Chiappini**<br>Non-Executive Director & Co-sec | • An experienced ASX director and has been active in the capital markets for 17 years assisting in raising +$450m and providing investment and divestment guidance to a number of companies having been involved with 10 ASX IPO's in the last 12 years.<br>• A member of the AICD and CA ANZ. Mr. Chiappini is a director of Black Rock Mining, (ASX: BKT) |
| **Brent Barber**<br>Country Manager | • An exploration geologist with +40 years experience as Technical Director of Invictus Energy Resources and Managing Director of Geological Organisation Logistics and Design<br>• Has been involved in the exploration and evaluation of mineral prospects and mining ventures throughout Africa, South America and SE Asia. When employed by Mobil Exploration he headed the hydrocarbon exploration undertaken along the Zambezi Valley in both Zambia and Zimbabwe.<br>• Based in Harare and currently focused on the acquisition, assessment and design and management of exploration projects |

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This presentation was approved for release by Invictus Board