



INVICTUS
ENERGY LIMITED

Invictus Signs Petroleum Exploration Development & Production Agreement with Republic of Zimbabwe

DATE: 29 MARCH 2021

HIGHLIGHTS

- **Petroleum Exploration Development and Production Agreement (PEDPA) signed with Republic of Zimbabwe**
- **PEDPA provides the licence holder the right to enter into a 25 year production licence following exploration periods**
- **PEDPA provides for Special Economic Zone Status for Cabora Bassa Project**

Invictus Energy Limited ("Invictus" or "the Company"), is pleased to provide an update on the activities of its 80% owned and operated Cabora Bassa Project in Zimbabwe.

Petroleum Exploration Development and Production Agreement (PEDPA) Executed

Following approval from His Excellency President E.D. Mnangagwa, the PEDPA between Invictus's 80% owned subsidiary, Geo Associates and the Republic of Zimbabwe has been executed. The agreement was signed on behalf of the Government of the Republic of Zimbabwe by the Minister for Mines and Mining Development, Hon. Winston Chitando at a signing ceremony at State House in Harare on Friday 26 March 2021.

The PEDPA provides the framework for progression of the Cabora Bassa Project through the exploration, appraisal, development and production phases, the obligations and rights of each party, the minimum work program obligations to maintain the licence in good standing, and the security of tenure for the project duration. The PEDPA provides the licence holder the right to enter into a 25 year production licence following the exploration periods. The Company is currently in the 2nd exploration period.

The PEDPA also provides for Special Economic Zone (SEZ) status for the Cabora Bassa Project which will facilitate a host of fiscal and non-fiscal incentives over the life of the project including legal and fiscal stability, offshore banking, zero capital gains tax, tax holiday periods and 15% corporate rate thereafter

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

Dr Stuart Lake
NON-EXECUTIVE CHAIRMAN

Scott Macmillan
MANAGING DIRECTOR

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COUNTRY MANAGER

Barnaby Egerton-Warburton
NON-EXECUTIVE DIRECTOR

Gabriel Chiappini
NON-EXECUTIVE DIRECTOR &
COMPANY SECRETARY

Republic of Zimbabwe Comments:

His Excellency, President E.D. Mnangagwa who was the guest of honour at the signing ceremony stated:

“The signing of the (PEDPA) agreement represents major strides in our efforts to tap into our oil and gas deposits, which is a new territory in the country’s mining sector.”

President Mnangagwa said other potential benefits of an oil and gas discovery included electricity generation, production of liquid petroleum, liquefied petroleum gas (LPG), fertiliser production and petrochemicals. President Mnangagwa said the signing of the PEDPA with Geo-Associates, (Invictus’ 80% owned subsidiary), was testimony to the Government’s commitment to open up the economy to investment as well as engage and reengage the global community to do business in Zimbabwe.

Vice President Constantino Chiwenga stated that, “the exploration and development of oil and gas resources is a game-changer in making the Zimbabwe energy sector self-sufficient which is key in realising our national vision.”

Minister for Mines and Mining Development Hon. Winston Chitando stated, “one of the early engagements we had, as the Second Republic was to engage with Geo-Associates and Invictus to work together to ensure that we work on the development programme of this asset.

Should these (oil & gas test) wells be successful, as we hope, Zimbabwe will, by this time next year, be a producer of oil.”

Invictus Comments

Managing Director, Scott Macmillan commented:

“We are extremely pleased to have executed the PEDPA with the Republic in Zimbabwe following extensive negotiation and collaboration with the various Ministries, government bodies and the Zimbabwe Investment Development Authority (ZIDA). We are grateful for the collaborative and constructive efforts by the Government to put the PEDPA in place which provides a robust framework to facilitate long term investment into the oil and gas sector with confidence.

This is a significant milestone for the project which provides the security of tenure and the confidence for the significant future investment ahead. The PEDPA and the provision for the creation of a Special Economic Zone for the project lays out the pathway for rapid development of the project on exploration success.”

Joe Mutizwa, Non-Executive Director of Invictus’ local subsidiary and Chairman of Mangwana Capital (shareholder of Invictus) representing the Company at the signing ceremony stated:

“The significant investment committed to by Invictus in our oil and exploration program has been made possible by the conducive investment environment and significant reforms put in place by the Second Republic. The Government should be commended for putting in place a robust investment framework to govern the oil and gas sector and demonstrates that ‘Zimbabwe is Open for Business’.

We are extremely pleased and extremely grateful to have the local communities in the Muzarabani and Mbire Districts and Mashonaland Central Province express their full support for the project. We look forward to working closely with and in the community during our exploration program and beyond. Invictus is also proud to have a significant local indigenous investor in Mangwana Capital which I chair. Mangwana Capital represents over 21 pension funds in the country we are proud to be supporting Invictus in this very important project.

This project is a potential game changer for the country and if successful will change the energy landscape and place Zimbabwe on a path to an energy independent future.”



Figure 1 - President Mnangagwa and Invictus Energy director, Joe Mutizwa, witness the signing ceremony between Mines and Mining Development Minister Winston Chitando and Geo-Associates chairman Mr Paul Chimbodza at State House in Harare on Friday (picture courtesy The Herald)



Figure 2 - President Mnangagwa and Geo-Associates chairman Mr Paul Chimbodza presenting an honorary plaque commemorating the PEDPA signing at State House

Authorised for release by the Board

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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)

***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 first exploration work programme has been completed. Invictus has an 80% equity stake in SG4571 via its subsidiary Geo Associates (Private) Limited

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