

INVICTUS ENERGY LIMITED
ACN 150 956 773
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 10 January 2022 (**Prospectus**) issued by Invictus Energy Limited (ACN 150 956 773) (**Company**).

This Supplementary Prospectus is dated 17 January 2022 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.invictusenergy.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for new Shares under the Prospectus.

1. BACKGROUND

By this Supplementary Prospectus, the Company makes the amendments to the Prospectus as set out in sections 2 and 3 by:

- (a) increasing the maximum allowable subscriptions under the SPP Offer from \$3,000,000 to \$4,000,000 to allow for the high percentage of participation in the SPP Offer by the Company's Eligible Shareholders; and
- (b) making an additional offer under the Prospectus of up to 5,000,000 new Shares at an issue price of \$0.10 per Share to raise up to \$500,000 together with one (1) free Option for every two (2) Shares subscribed for and issued (**Additional Offer**). The Additional Offer is being made only to Mangwana Opportunities (Private) Limited (**Mangwana**) and an Application Form will be provided to Mangwana for the purpose of participating in the Additional Offer; and
- (c) amending the Closing Date of the SPP Offer.

The amendments to the Prospectus outlined in sections 2 and 3 below should be read in conjunction with the Prospectus.

In addition, the Company clarifies its allocation policy announced on 29 December 2021, 10 January 2022 and 12 January 2022. The allocation of Shares under the SPP Offer will not be undertaken on a "1st come-1st Served" basis as previously announced. Given the level of applications to date, the scale back will be undertaken on applications received prior to the Closing Date on a pro rata basis

based on the number of Shares applied for by an Applicant under the SPP Offer. The Board considers that this is the most appropriate method of dealing with the level of Applications received and the level of interest in the SPP Offer.

On 17 January 2022, the Company announced that it had received Applications well in excess of the \$3,000,000 the Board had sought to raise under the SPP Offer, accepting oversubscriptions. Given the level of interest by Eligible Shareholders, the Board has resolved to accept all oversubscriptions and to increase the amount that may be raised under the SPP Offer by a further \$1,000,000, such that the total amount that may be raised under the SPP Offer is \$4,000,000. The Board considers that this is reasonable for all Eligible Shareholders that have put in an Application already.

In addition, the Company is making the Additional Offer to Mangwana to apply for 5,000,000 Shares at \$0.10 per Share and to receive 2,500,000 Options on the same terms as the Securities issued under the Placement and the SPP. Refer to Section 6.1 of the Prospectus for the terms of the Options. The Additional Offer is being made pursuant to this Supplementary Prospectus to remove any trading restrictions on the sale of the Shares and Options to be issued under the Additional Offer.

Mangwana has agreed to a voluntary escrow of 3 months on its Shares and Options received under the Additional Offer.

SPP Offer to close early

As a result of the significant applications already received, the Board has also resolved to close the SPP Offer early. Accordingly, the timetable in Section 2.1 of the Prospectus will be amended as follows:

Action	Date*
Record Date of SPP	24 December 2021
Announcement of SPP and Placement	29 December 2021
Issue of Shares under the Placement	6 January 2022
Lodgement of Prospectus with the ASIC and ASX	10 January 2022
Opening Date of Offers under the Prospectus	10 January 2022
Closing Date of Placement Options Offer and the Broker Offer	11 January 2022
Issue of Options under the Placement Options Offer and Broker Offer	12 January 2022
Lodgement of Supplementary Prospectus with the ASIC and ASX	17 January 2022
Closing Date of the Additional Offer	18 January 2022
Closing Date of the SPP Offer and announcement of the results of the Offers**	18 January 2022
Issue of Securities under the SPP Offer and the Additional Offer	21 January 2022

2. AMENDMENTS TO THE PROSPECTUS

2.1 Expansion of the SPP Offer

Sections 3.2.1 and 4.1.1 of the Prospectus are amended to reflect that the total amount that may be raised under the SPP Offer is now \$4,000,000.

2.2 The Additional Offer

Section 4.1 of the Prospectus is amended to include the following:

Section 4.1.4

The Additional Offer is being made by way of a placement to Mangwana of 5,000,000 Shares at an issue price of \$0.10 per Share to raise up to \$500,000 together with one (1) free Option for every two (2) Shares subscribed for and issued.

A maximum of 5,000,000 Shares and 2,500,000 Options will be issued pursuant to the Additional Offer to raise up to \$500,000. No funds will be raised from the issue of the New Options.

2.3 Applications

Section 4.6 of the Prospectus is amended to include the following:

Securities under the Additional Offer

The Additional Offer will be extended to Mangwana. An Application Form for Shares and Options under the Additional Offer will be provided by the Company to Mangwana.

A completed Application Form must be returned to the Company, together with the funds to apply for the Shares and Options under the Additional Offer, by no later than 5.00pm (WST) on 18 date January 2022.

2.4 Use of funds

Section 5.1 of the Prospectus is amended to include the following:

The funds raised from the Offer and the Additional Offer are intended to be applied in accordance with the table set out below:

Proceeds of the SPP Offer and Placement	(\$)	%
Payment of the rig mobilisation fee	\$2,100,000	26.25%
Purchase of long lead items for 2-Well drilling campaign	\$1,200,000	15%
Production Sharing Agreement & Completion of acquisition of additional SG4571 acreage	\$350,000	4.4%
Finalisation of the data processing of CB21	\$350,000	4.4%

Proceeds of the SPP Offer and Placement	(\$)	%
Seismic Survey		
Prospective Resource update	\$200,000	2.5%
General working capital	\$3,800,000	47.5%
Total	\$8,000,000	100.0%

2.5 Effect of the Offers

Section 5.2 of the Prospectus is amended as follows:

The principal effect of the Offers, assuming the Company issues the maximum number of Securities will be to:

- (a) *increase the cash reserves by \$8,000,000, (before deducting the estimated expenses of the Offers) immediately after completion of the Offers; and*
- (b) *increase the number of Shares on issue from 585,077,387 (including the issue of all Placement Shares) to 665,077,387 Shares following completion of the Offers (subject to rounding); and*
- (c) *increase the number of Options on issue from 60,363,636 to 104,738,636 Options following completion of the Placement and the Offers.*

2.6 Capital Structure

Section 5.3 of the Prospectus is amended to include the following:

The effect of the Offers on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue ^{1, 2}	585,077,387
Shares issued under the Placement ^{1, 2}	35,000,000
Shares offered under the SPP Offer ³	40,000,000
Shares offered under the Additional Offer	5,000,000
Total Shares on issue on completion of the Offers⁴	665,077,387

Notes:

- 1. *The rights and liabilities attaching to the Shares are summarised in Section 6 of the Prospectus.*
- 2. *Includes 35,000,000 Shares issued on 6 January 2021 under the Placement.*
- 3. *Assumes the full \$4,000,000 is raised under the SPP Offer.*
- 4. *Assumes no existing Options on issue are exercised.*

Options	Number
Existing Options on issue	57,363,636
Options to be issued under the SPP ¹	20,000,000

Options	Number
<i>Options to be issued under the Placement Offer¹</i>	<i>17,500,000</i>
<i>Options to be issued under the Broker Offer¹</i>	<i>4,375,000</i>
<i>Options to be issued under the Additional Offer¹</i>	<i>2,500,000</i>
Total Options on issue on completion of the Placement and Offers^{2, 3}	101,738,636

Notes:

- 1. The terms of the Options are summarised in Section 6 of the Prospectus.*
- 2. This assumes the SPP Offer is fully subscribed and no existing Options on issue are exercised.*

2.7 Pro-forma balance sheet

Section 5.4 of the Prospectus is amended to include the following:

The audited balance sheet as at 30 June 2021 and the pro-forma balance sheet as at 30 June 2021 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position as a result of the Offers.

	30 June 2021 Audited	Placement & SPP Capital Raising	Pro-Forma 30 June 2021
Assets			
<i>Current assets</i>			
Cash and cash equivalents	9,135,271	7,716,760	16,852,031
Trade and other receivables	48,224		48,224
Other current assets	52,014		52,014
Total current assets	9,235,509		16,952,269
<i>Non-current assets</i>			
Exploration and evaluation expenditure	8,821,190		8,821,190
Property, plant and equipment	168,814		168,814
Right of use asset	64,489		64,489
Other financial assets	96,143		96,143
Total non-current assets	9,150,636		9,150,636
Total assets	18,386,145		26,102,905
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	291,556		291,556
Provisions	40,873		40,873
Lease liability	95,189		95,189
Total current liabilities	427,618		427,618
Net Assets	17,958,527		25,675,287
Equity			
Share Capital	38,354,367	7,790,000	46,144,367
Reserves	492,458		632,458
Accumulated loss	(21,926,187)	(213,240)	(22,139,427)
Total equity attributable to owners of Invictus Energy	16,920,638		24,637,398
Non-controlling interest	1,037,889		1,037,889
Total Equity	17,958,527		25,675,287

2.8 Continuous disclosure obligations

Section 8.2 of the Prospectus is amended to include the following additional announcements that have been released by the Company since 6 January 2022:

Date	Description of Announcement
17/01/2022	Proposed issue of securities - IVZ
17/01/2022	Invictus SPP total increased to \$4.0m & to close early
14/01/2022	Change of Director's Interest Notice
14/01/2022	Notification of cessation of securities - IVZ
13/01/2022	Notification regarding unquoted securities - IVZ

Date	Description of Announcement
12/01/2022	Invictus SPP total Increased to \$3.0m
10/01/2022	SPP Invitation Letter from Invictus Chief Executive Officer
10/01/2022	Target Market Determination
10/01/2022	SPP Offer and Issue of SPP Prospectus

2.9 Definitions

The definition of the term “**Offers**” in Section 10 of the Prospectus is amended as follows:

Offers means the SPP Offer, the Placement Options Offer, the Broker Offer and the Additional Offer.

3. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Scott Macmillan
Managing Director
Invictus Energy Limited