



# Proposed Directors' Remuneration Package

**DATE: 19 AUGUST 2020**

Invictus Energy Limited ("Invictus" or "the Company"), advises of the proposed issue of performance rights subject to approval at a shareholders' meeting and the associated update to the remuneration package of Managing Director, Mr Scott Macmillan and Non-Executive Chairman, Dr Stuart Lake.

The Company is in at an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the share price and in the creation of Shareholder value. In addition, the Board Company also believes that incentivising Mr Scott Macmillan and Dr Stuart Lake with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board Company believes it is important to offer these Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Company is proposing, subject to obtaining shareholder approval, to issue up to a total of 11,800,000 Performance Rights to Directors Mr Scott Macmillan and Dr Stuart Lake ("Related Parties"), or their respective nominees, as follows:

| Director        | Class A Performance Rights | Class B Performance Rights | TOTAL             |
|-----------------|----------------------------|----------------------------|-------------------|
| Scott Macmillan | 3,400,000                  | 3,400,000                  | <b>6,800,000</b>  |
| Stuart Lake     | 2,500,000                  | 2,500,000                  | <b>5,000,000</b>  |
| <b>TOTAL</b>    | <b>5,900,000</b>           | <b>5,900,000</b>           | <b>11,800,000</b> |

The issue of the Performance Rights forms a part of the revised remuneration package agreed with each of Mr Macmillan and Dr Lake. The Company intends to release a notice of meeting for the approval of the Performance Rights in due course.

If Shareholder approval for the issue of the Performance Rights is not obtained, and in the event the Milestones are satisfied such that a class of Performance Rights otherwise would have vested, each of the Related Parties will be entitled to receive a cash payment equal to the number of Performance Rights that would otherwise have been issued multiplied by the closing price of Shares on the day the relevant Milestones are satisfied (or if that day is not a trading day, the trading day immediately prior to that day).

## 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

**Brent Barber**  
COUNTRY MANAGER

**Barnaby Egerton-Warburton**  
NON-EXECUTIVE DIRECTOR

**Eric de Mori**  
NON-EXECUTIVE DIRECTOR

**Gabriel Chiappini**  
NON-EXECUTIVE DIRECTOR &  
COMPANY SECRETARY

It is noted that the following additional terms apply to Director Scott Macmillan, which have been agreed as part of Mr Macmillan's remuneration package:

- (a) in the event all of the Milestones in respect of the Class A Performance Rights are satisfied, Mr Macmillan will be entitled to receive a cash payment of \$75,000; and
- (b) in the event all of the Milestones in respect of the Class B Performance Rights are satisfied, Mr Macmillan will be entitled to receive a cash payment of \$75,000.

In addition, it has also been agreed that Mr Macmillan will receive 10% of the total costs reimbursed to Invictus for sunk and historical costs, by a Reputable Partner, in connection with a Binding Farm-in Agreement or Non-Binding Farm-in Agreement (as those terms are defined below) up to a maximum of \$250,000.

The proposed key terms of the Performance Rights are set out below.

**(a) Vesting Milestones**

The Performance Rights will vest subject to the satisfaction of certain project milestones and share price milestones (each a Milestone) as set out below:

| Performance Rights | Project Milestone   | Share Price Milestone  |
|--------------------|---|--|
| Class A            | (a) The Company announcing the execution of the Non-Binding Farm-in Agreement on or before 31 December 2020; and<br>(b) the Binding Farm-in Agreement, having been executed, becomes unconditional on or before 30 June 2021. | The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020. |
| Class B            | The Company achieving the grant of the Extension Application on or before 31 December 2020.   | The Company achieving a VWAP of at least \$0.045 over any twenty consecutive trading day period before 31 December 2020. |

Where:

- 1) **"Binding Farm-in Agreement"** means a legally binding farm-in agreement between the Company and a Reputable Partner in respect of the Cabora Bassa Project which more fully reflects the terms of the Non-Binding Farm-in Agreement.
- 2) **"Extension Application"** means the application for an extension of the SG 4571 Permit.
- 3) **"Non-Binding Farm-in Agreement"** means a non-binding farm-in agreement between the Company and a Reputable Partner which provides for the indicative commercial terms for a farm-in agreement in respect of the Cabora Bassa Project and which provides for a commitment to drill at least one (1) well on Special Grant Permit 4571.
- 4) **"Reputable Partner"** means a reputable counterparty to a Non-Binding Farm-in Agreement and Binding Farm-in Agreement approved by the Board in its absolute discretion.
- 5) **"Special Grant Permit 4571"** means Special Grant permit 4571 in respect of the Cabora Bassa Project.
- 6) **"VWAP"** means the volume weighted average price of the Company's Shares.

The full terms and conditions of the performance rights will be set out in the Company's notice of meeting to be released in due course.

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For further information on Invictus Energy, please visit the Company's website at [www.invictusenergy.com](http://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

For further information, please contact:

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