

19 February 2025

Independent modeling reaffirms

Kuda Tasi

Kuda Tasi & Jahal (KTJ) studies are affirmative

- Independent assessment of production models affirms potential for initial gross production in the 25,000-40,000 bopd range, subject to surface facility size, from the Kuda-Tasi & Jahal fields
- A process is underway to select partners to fund development. This latest and earlier studies help inform and de-risk the project
- Cash at 31 Dec 2024 was \$7M

Development of the Kuda Tasi field initially, and later Jahal and other resources in its Timor Leste acreage would transform FDR into a production company, with substantial cashflows backed by 34MMbbls of 2C oil resources (net to Finder) from discovered oil fields in the license area.

Near term activity is to de-risk the engineering phase and attract partners. The project is currently in the "Concept Select Phase". Independent studies to review the data and production models, and ongoing seismic re-processing are integral to this process. FDR indicates it hopes to wrap this up in 2Q25.

Partners are required to fund development and operations and a selection process is underway. In the meantime, there are no material work programs and FDR had ~A\$7M in cash at year end 2024.

Investment Thesis

Moving the Kuda Tasi & Jahal fields into production is transformational and would bring substantial cash flow and create a hub for exploration and development of other discoveries and prospects nearby.

The value from a Kuda Tasi project, and further development in license is substantial. FDR's latest guidance is for production of 10MMbbls of oil in the first 18 months (gross, FDR share 76%). At the current Brent oil price of US\$75/bbl this presents a US\$750M revenue opportunity (gross, and before taxes and host county profit share) in the next 18 months.

Other assets in the UK and offshore WA have prospective resources and exploration potential but are not a focus at this time. These are "sleepers assets" to which we assign token value.

Valuation: A\$0.36 (A\$0.39)

Our valuation is a DCF of risked Kuda Tasi & Jahal cashflows, to which we add small value for acreage in other regions. The reduction in value is due to adjusting our production forecasts to mirror company guidance.

Risks

Oil prices and A\$/US\$ exchange rates are key risks to future Kuda-Tasi cashflows. Development will require external funds and partnering activity which may not be forthcoming. Project economics are at risk if capex or opex are higher than expected.

Equity Research Australia Energy

Stuart Baker, Senior Analyst
stuart.baker@mstaccess.com.au



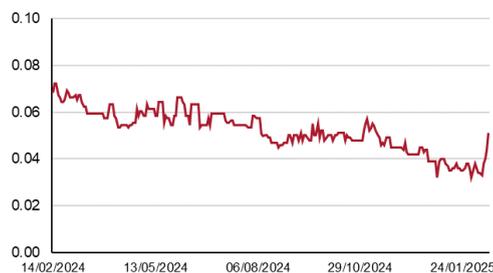
Finder Energy is an Australian-based energy company with development-ready oil assets in Timor Leste, at the Kuda Tasi and Jahal oil fields (KTJ). It also has acreage in the UK North Sea, and offshore W.A and the N.T.

Valuation	A\$0.360 (from A\$0.390)
Current price	A\$0.052
Market cap	\$15M
Cash on hand	\$7M

Upcoming Catalysts / Next News

Period	
1Q25	FPSO evaluation & selection
1Q25	Development partner selection
CY25	Resource & reserve certification
4Q25	Enter into FEED

Share Price (A\$)



Source: FactSet, MST Access

Figure 1: Financial Summary. All figures in A\$ unless otherwise stated. Financial year June 30

Finder Energy Holdings Ltd					FDR.AX
Figures in A\$ unless otherwise stated					
Market Data	Y/E 30 June	Lo	Hi		
Share price	A\$/sh 0.052				
52 week range	A\$/sh	0.034	0.09		
Shares on issue (basic)	M 282.1				
Other capital	M 2.00				
Market Cap	ASM 15				
Net Cash	ASM 7				
Enterprise Value	ASM 7				
A\$/US\$ conversion	cents 0.63				
EV / boe -2P	US\$/boe 0.13				

Valuation multiples	FY23A	FY24E	FY25E	FY26E	FY27E
EPS	-0.02	-0.03	-0.01	0.00	0.00
PE	NM	NM	NM	NM	NM
DPS	0	0	0	0	0
Yield-%	0	0	0	0	0
EBITDAX/sh (US cents)	0.00	-0.01	-0.01	0.00	0.00
P/FCF					
EV/EBITDAX					
Revenue/boe (US\$/boe)					
EBITDAX/Sales-%					
Net cash (Debt)	9	6	6	4	3
ND/(ND+E)					

Realised prices	FY23A	FY24E	FY25E	FY26E	FY27E
Gas-US\$/mmBtu	NA	NA	NA	NA	NA
Oil-US\$/bbl	83.88	84.51	77.21	75.75	77.27
A\$/US\$ rate	0.67	0.65	0.65	0.65	0.65

Production (Net)	FY23A	FY24E	FY25E	FY26E	FY27E
Gas- Bcf	0.00	0.00	0.00	0.00	0.00
Liquids (MMbbl)	0.00	0.00	0.00	0.00	0.00
MMboe	0.00	0.00	0.00	0.00	0.00
% liquids					

Resources (MMboe)	1C	2C	3C
Oil- MMbbls	20.2	34.3	54.0
Gas- Bcf	0.0	0.0	0.0
Total	20.2	34.3	54.0
% oil	100%	100%	100%

SoP Valuation 9US\$M	nriskd	RF	Riskd
	US\$M		US\$M
Kuda Tasi & Jahal	229	50%	115
Other PSC-19-11 prospect:	11	25%	3
UK	1	0%	1
W.A Bedout basin	1	0%	1
Corp costs	-25		-25
Total E&P assets	218		94
Cash	7		7
Debt / Provisions	0		0
Total Equity value	225		102
Current Shares	282		282
Exp 2025 issuance	160		160
Other capital	2		2

Per share- US\$	0.51	0.23
A\$ US\$ rate	0.63	0.63
Per share- A\$M	0.80	0.36

Income (\$M)	FY23A	FY24E	FY25E	FY26E	FY27E
Gas Revenue	0.0	0.0	0.0	0.0	0.0
Oil Revenue	0.0	0.0	0.0	0.0	0.0
Other	2.7	0.0	0.0	0.0	0.0
Revenue	3.0	0.2	1.4	0.6	0.6
Opex	0.0	0.0	0.0	0.0	0.0
Royalties	0.0	0.0	0.0	0.0	0.0
G&A	1.8	1.7	3.1	2.0	2.0
EBITDAX	1.2	-1.5	-1.7	-1.4	-1.4
Exploration exp.	3.7	2.7	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
EBIT	-2.5	-4.3	-1.7	-1.4	-1.4
Finance charges	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	-2.5	-4.3	-1.7	-1.4	-1.4
Tax	0.0	0.0	0.0	0.0	0.0
NPAT	-2.5	-4.2	-1.7	-1.4	-1.4
Significant items	0.0	0.0	0.0	0.0	0.0
Reported NPAT	-2.6	-4.2	-1.7	-1.4	-1.4
Share count EOP (M)	158	158	282	442	442

Cash flow (US\$M)	FY23A	FY24E	FY25E	FY26E	FY27E
Receipts	0.4	0.0	1.4	0.6	0.6
Payments to suppliers	-5.6	-5.0	-3.1	-2.0	-2.0
Payments for E&A	0.0	0.0	0.0	0.0	0.0
Interest & other	0.1	0.2	0.0	0.0	0.0
Net cash from ops.	-5.1	-4.8	-1.7	-1.4	-1.4
Development capex	0.0	0.0	-2.0	0.0	-75.0
Acquisitions/divestment:	0.0	0.0	-3.0	0.0	75.0
Net investing	2.3	0.0	-5.0	0.0	0.0
Equity issuance	0.0	0.0	5.8	0.0	0.0
Debt Issue	0.1	0.1	0.0	0.0	0.0
Dividends / other	0.0	0.0	0.0	0.0	0.0
Net cash Financing	0.1	0.1	5.8	0.0	0.0
Increase in cash	-1.3	-3.1	-0.8	-1.4	-1.4
Cash at EOP	9.4	6.3	5.6	4.2	2.8

Balance sheet (US\$M)	FY23A	FY24E	FY25E	FY26E	FY27E
Cash	9	6	6	4	3
Receivables & Inventory	1	1	1	1	1
Exploration assets	0	0	4	4	79
Oil & gas properties	0	0	0	0	0
other	0	0	0	0	0
Total Assets	10	7	10	9	82
Payables	0	0	0	0	0
Debt	0	0	0	0	0
Other	0	10	9	9	9
Total liabilities	0	10	10	10	10
Share-holder funds	10	-3	1	-1	73

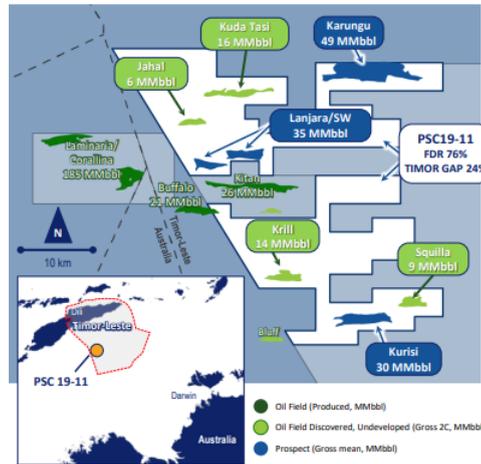


Source: MST Access estimates

Kuda Tasi & Jahal (KTJ) development re-affirmed

Finder is on a path to becoming a significant oil production company in CY2027, as a result of the acquisition of PSC 19-11 in Timor-Leste, in 3Q CY2024. This PSC contains the undeveloped Kuda Tasi and Jahal oil fields, single-well Krill and Squilla discoveries, and numerous exploration targets. Figure 2 shows the location amid other prolific fields in the region. FDR's fields in the PSC collectively contain 45MMbbls of 2C oil resources (gross) of which Finders' net working interest share is 34MMbbls 2C.

Figure 2: FDR fields and prospects in the regional context



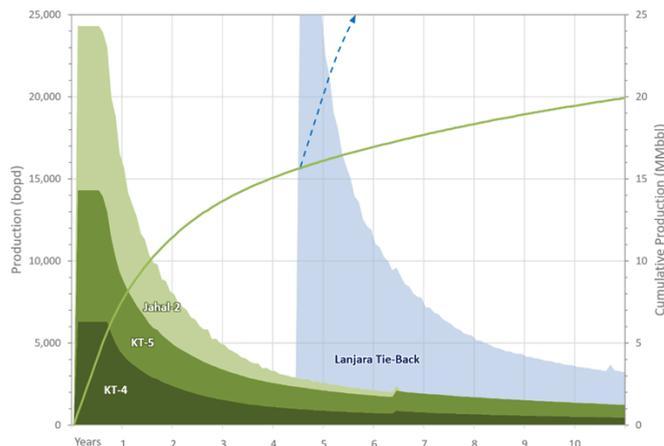
Source: FDR

Importance of KTJ development studies

Near term corporate objectives are to (1) secure industry partners to provide development expertise and capital and (2) resolve the optimal development in terms of FPSO size and process capacity. Work to optimise the project design is ongoing and will feed into the data room and decision making for potential industry participants.

Independent review of the data from the wells drilled, and modelling of expected field performance are important inputs to the data room. This work was undertaken by Tyke Petroleum Consultants. The modeling confirms FDR initial field production rates in the 25,000-40,000bopd range, depending on the size of surface facilities. Figure 3 is from the ASX release dated 19 February 2025.

Figure 3: Possible production scenarios



Source: FDR.

Implications for valuation: 10MMbbls in first 18 months

Our initiation report released in September 2024 assumed an initial field peak flow rate of 40,000bopd. We have reduced this figure to deliver 10MMbbls over 18 months (from 12MMbbls prior). The impact on our valuation is a small decrement. The offset from a high initial rate is a higher-for-longer production plateau. The reserves have not changed, only the "shape" of the production envelop. We have not considered the implications for a cheaper FPSO to handle lower production.

CY2025 program objectives: Partnering & FEED recap

The Kuda Tasi project is currently at the "Concept Selection Phase" but by year end 2025, Finder aim to enter FEED (Front End Engineering and Design). FEED is a critical step in locking in economics.

Key work streams to meet that objective are:

- **Evaluate development scenarios.** These centre around deployment of an FPSO, either leased or purchased. An "Early Production System" (EPS) is also being considered.
- **Reservoir modeling** to inform optimal production rates and FPSO topside requirements a. Initial production rates are expected to be in the 25,000-40,000bopd range. Independent modeling supports this, but the ultimate constraint will be the capacity of surface facilities.
- **De-risking subsurface geology** via Ikan 3D-seismic reprocessing, to inform optimal production well locations, well count, and potential for up-dip oil at Krill and Squilla. The seismic reprocessing is ~70% complete at the time of this report and is expected to conclude in April 2025 and provide more information into the data room.
- **Lock in a partner for funding.** FDR reports the project has attracted interest from a "diverse range of groups" of industry players, FPSO owners, and others.

Reserves ready for development

The PSC has 34MMbbls of 2C oil resource (net to Finder's working interest) of which 16.7MMbbls (net to FDR) is in KTJ fields.

In the PSC, 7 exploration and 3 appraisal wells have been drilled by BHP and Woodside dating back over 30 years. Of the seven exploration wells, five were discoveries (Squilla-1A, Jahal-1, Krill-1, Kuda Tasi-1 and Korongo-1). These wells, and follow-up appraisal wells Kuda Tasi 2 & 3, and Jahal-1ST and blanket 3D-seismic acquired in 2005 provide excellent geological understanding and well control.

This previous exploration underpins the reserve and resource bookings. Figure 4.

Figure 4: PSC 19-11 resources, and prospective resources

Contingent Resources	FDR Equity	Net 1C	Net 2C	Net 3C	Oil / Gas	
Timor Leste - PSC 19-11						
Kuda Tasi	76%	6.8	11.9	18.8	Oil	
Jahal	76%	3.1	4.8	7.0	Oil	
Krill	76%	6.2	10.6	17.0	Oil	
Squilla	76%	4.1	7	11.2	Oil	
Total Oil- MMbbls		20.2	34.3	54.0		
Prospective Resources	FDR Equity	1U	2U	Mean	3U	COS
Oil- Timor Leste PSC 19-11						
Karungu	76%	4.5	20.3	37.4	90.6	38%
Kuriai	76%	3.9	14.5	23.1	53.3	49%
Lanjara	76%	3.2	12.1	19.5	45.1	54%
Lanjara SW	76%	1.7	5.5	7.9	17.3	54%
Total MMBOE		13.3	52.4	87.9	206.3	

Source: Finder Energy 2024 Annual Report

Capital adequacy and funding

At 31 December 2024 FDR had cash reserves of \$7M.

Cash-burn is low, and mostly to fund desk-top and corporate admin in the lead up a farm-out. Assets in the UK and WA are not cum-capex.

Finder's funding strategy is to seek partner(s) for equity participation in the PSC and the project in return for cash or carry through development. There are numerous permutations, and these will impact valuation depending on the terms. It's possible, in the worst case that Finder is unable to attract a partner(s) on reasonable commercial terms and if so the project is at risk.

Our valuation and financial models assume an equity issue in CY2025, to fund activities and working capital to FID by issue of ~160M shares at a price of 5 cps to raise A\$8M.

Valuation: A\$0.36 (Prev: A\$0.39)

Our principal valuation tool is DCF of potential KudaTasi & Jahal cashflows. Refer to figure 5. Key assumptions are:

- Brent oil price of US\$75/bbl in CY 2025, escalated at 2% p.a.
- A\$/US\$ exchange rate for conversion of US\$ cashflows to A\$ of 63c (Prev: 68c)
- Kuda Tasi & Jahal entering production in late 4Q2027, delivering 16MMbbls through to economic cut-off in CY2032. Oil prices in the outer years will determine the cut-off rates.
- Production 10MMbbls (gross) in first 18 months.
- Development capex of US\$270M, in CY2026 & CY2027 for drilling and sub-sea completions.
- Leased FPSO with a day-rate of US\$250,000 per day.
- Net after tax cash flows discounted at 10%
- Cash at 31 December 2024 \$7.4M.
- Shares on issue 282.1M. We assume a capital raising in CY2025 of A\$8M to fund ongoing activity up to Kuda Tasi FID, and an expansion of the share count by an additional 160M shares.

We critically assume that FDR farms-down 50% of its working interest to an incoming party.

Figure 5: Sum-of-parts valuation

Asset Value (US\$M)	Unrisked	Risk	Risked	Oil (2C)	BOE	US\$/BOE
	US\$M	%	US\$M	MMbbls	Net	US\$/bbl
Prospective resources & acreage						
Kuda Tasi & Jahal	229	50%	115	12.2	12.2	9.43
Other PSC-19-11 prospects	11.3	25%	3	11.3		1
UK	1		1			1.00
W.A Bedout basin	1		1	0.0		
Corporate	-25		-25			
Total E&P assets	218		95			
Cash (31 Dec 24)	7.3		7.3			
Debt & other obligations	0.0		0.0			
Total equity value	225		102			
Shares on issue	282		282			
Expected 2025 issuance	160		160			
FP deferred (FDRN)	2		2			
Per share- US\$	0.51		0.23			
Exchange rate	0.63		0.63			
Per share- A\$	0.80		0.36			

Source: MST Access

Risk factors

Reserves and production. The Kuda Tasi & Jahal fields and resources are defined from 5 wells, however there is no production history, only brief test results to inform how these fields behave over the proposed development period of +5 years.

Kuda Tasi project execution and ongoing operation. At this time, FINDER does not have a partner to contribute engineering and construction expertise and manage field operations.

Partnerships. FINDER has 100% of the PSC 19-11. Development of the discovered oil resources will require capex beyond FINDER's balance sheet so industry partners will be needed to join in to the project. If FINDER cannot find industry partners, or other avenues of funding, then development is at risk

Funding. FINDER's market capitalisation constrains its ability to invest in capex intensive drilling or field development. These activities will require FINDER to find external funds, from shareholders, debt providers, industry partners or Government agencies. These may not be forthcoming, or may come with onerous conditions.

Oil prices are a key risk. The Kuda Tasi and Jahal oil developments are small, with high upfront capex, followed by high early production and then steep decline over 5-6 years. Low oil prices at any time would threaten economics.

Sovereign risks. Timor-Leste is a developing nation dependent on oil and gas income. Future administrations may seek revised fiscal terms in favour of the state

Personal disclosures

Stuart Baker received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

Company disclosures

The companies and securities mentioned in this report, include:

Finder Energy Holdings Ltd (FDR.AX) | Price A\$0.052 | Valuation A\$0.360;

Price and valuation as at 19 February 2025 (not covered)*

Additional disclosures

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Finder Energy Holdings Ltd (FDR.AX)

Other disclosures, disclaimers and certificates

Methodology & Disclosures

MST Access is a registered business name of MST Financial Services Limited (ABN 617 475 180 "MST Financial Services"), which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (AFSL 500 557). This research is issued in Australia through MST Access, which is the research division of MST Financial Services. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

ECM and corporate advisory services: MST Financial Services provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of MST Access. As such, MST Capital may in the future provide ECM and/or corporate advisory services and, accordingly, may receive fees from providing such services. However, MST Financial Services has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital or any other division of MST Financial Services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently certified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financial Services' officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST Access encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST Financial Services to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST Financial Services' discretion.

Access & Use

Any access to or use of MST Access Research is subject to the [Terms and Conditions](#) of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST Financial Services collecting and using your personal data (including cookies) in accordance with our [Privacy Policy](#), including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST Financial Services' use of your personal data, please do not access this service.

Copyright of the information contained within MST Access Research (including trademarks and service marks) are the property of their respective owners. MST Access Research, video interviews and other materials, or any portion thereof, may not be reprinted, reproduced, sold or redistributed without the prior written consent of MST Financial Services.