

28 May 2025

Seismic data repro advances Kuda Tasi

NEED TO KNOW

- Reprocessing of the "Ikan" 3D seismic data ("repro") project over the Kuda Tasi and Jahal (KTJ) fields is complete, reducing geological and commercial risks
- A process is underway to select partners to provide funds, operational and development skills
- Cash at 31 March was \$6M. There is nil debt

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

Finalisation of the Ikan 3D seismic reprocessing is a key technical input to de-risk geology and economics and future well locations. These are important inputs into the partnering process and project design.

Partners are required to support development funding and operations and a selection process is underway. In the meantime, there are no major work programs and FDR had ~A\$6M in cash at 31 March 2025.

Investment Thesis

Moving the Kuda Tasi & Jahal (KTJ) 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 areas is substantial. FDR's 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\$65/bbl this presents a ~US\$650M revenue opportunity (gross, and before taxes and host county profit share).

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" to which we assign token value.

Valuation: A\$0.30 (Previously \$0.36) and risks

Our valuation is a DCF of risked Kuda Tasi & Jahal cashflows, to which we add nominal value for acreage in other regions. The reduction is due to a lower Brent oil price deck, from US\$75/bbl to US\$65/bbl.

Key risks are oil prices and A\$/US\$ exchange rates which impact 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.

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Finder Energy is an Australian based and ASX listed energy company with development ready assets in Timor Leste sovereign waters. Key projects are development of the Kuda Tasi and Jahal fields which have proven oil reserves, and exploration of other prospects nearby

Valuation	A\$0.300 (from A\$0.360)
Current price	A\$0.048
Market cap	A\$14M
Cash on hand	\$6M

Upcoming Catalysts / Next News

Period	
2H25	Partner selection for KTJ project
2H25	Independent KTJ reserve audit
Ongoing	Field development plan
Ongoing	Farm-out UK and WA acreage

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	0.048			
52 week range	A\$/sh	0.034	0.09		
Shares on issue (basic)	M	282.1			
Other capital	M	2.00			
Market Cap	A\$M	14			
Net Cash	A\$M	6			
Enterprise Value	A\$M	8			
A\$/US\$ conversion	cents	0.63			
EV / boe -2P	US\$/boe	0.14			

Valuation multiples	FY23A	FY24E	FY25E	FY26E	FY27E
EPS	-0.02	-0.03	0.02	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	0.03	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	73.70	65.43	66.74
A\$/US\$ rate	0.67	0.65	0.63	0.63	0.63

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 (US\$M)	Unrisked	RF	Risked
	US\$M		US\$M
Kuda Tasi & Jahal	188	50%	94
Other PSC-19-11 prospect:	11	25%	3
UK	1	0%	1
W.A Bedout basin	1	0%	1
Corp costs	-21		-21
Total E&P assets	180		77
Cash	6		6
Debt / Provisions	0		0
Total Equity value	186		83
Current Shares	284		284
Exp 2025 issuance	160		160
Other capital	2		2

Per share- US\$	0.42	0.19
A\$ US\$ rate	0.63	0.63
Per share- A\$M	0.66	0.30

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
Ohther	2.7	0.0	0.0	0.0	0.0
Revenue	3.0	0.2	10.2	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	2.1	2.0	2.0
EBITDAX	1.2	-1.5	8.2	-1.4	-1.4
Exploration exp.	3.7	2.7	2.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	0.0
EBIT	-2.5	-4.3	6.2	-1.4	-1.4
Finance charges	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	-2.5	-4.3	6.2	-1.4	-1.4
Tax	0.0	0.0	0.0	0.0	0.0
NPAT	-2.5	-4.2	6.2	-1.4	-1.4
Significant items	0.0	0.0	0.0	0.0	0.0
Reported NPAT	-2.6	-4.2	6.2	-1.4	-1.4
Share count EOP (M)	158	158	284	444	444

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	-4.1	-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	-2.7	-1.4	-1.4
Development capex	0.0	0.0	-1.0	0.0	-75.0
Acquisitions/divestment:	0.0	0.0	-3.0	0.0	75.0
Net investing	2.3	0.0	-4.0	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	5.5	4.1	2.7

Balance sheet (US\$M)	FY23A	FY24E	FY25E	FY26E	FY27E
Cash	9	6	6	4	3
Receivables & Inventory	1	1	0	0	0
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	0	9	9
Total liabilities	0	10	1	10	10
Share-holder funds	10	-3	9	-1	73

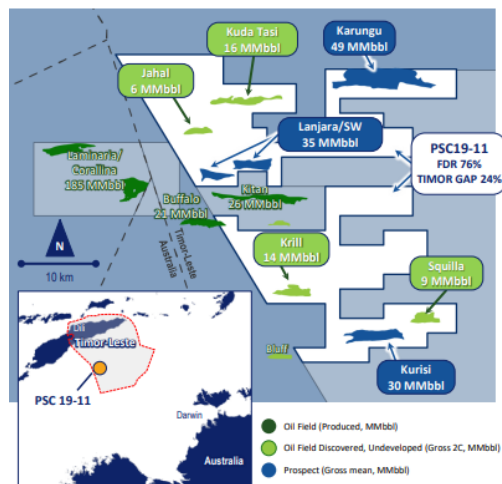
Source: MST Access estimates

Kuda Tasi & Jahal (KTJ) development is progressing

Finder is on a path to becoming a significant oil production company in CY2027, as a result of the acquisition of Production Sharing Contract (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 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. These are large resources for a small company, and are oil in a jurisdiction that is supportive of oil and gas development.

Figure 2: FDR fields and prospects in the regional context



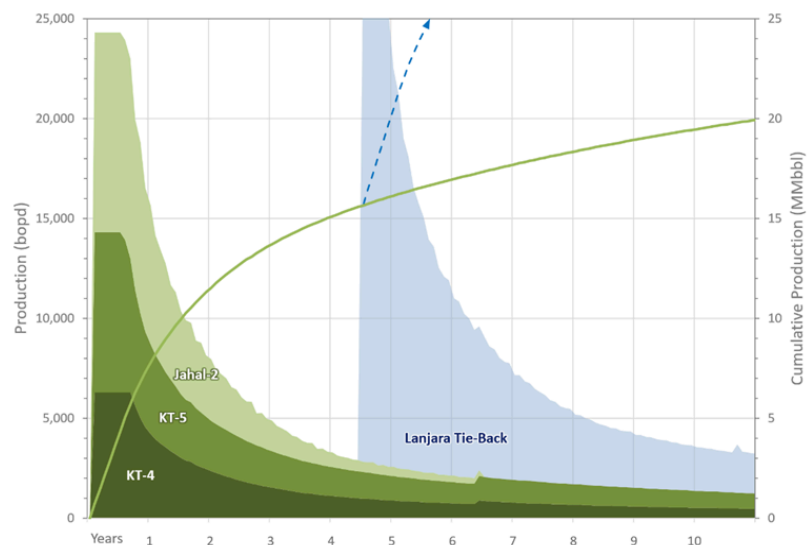
Source: FDR

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.

Field modelling shows 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: ASX Release 19 Feb 2025

Importance of Ikan 3D Repro and the big picture.

Acquiring and processing seismic data is not seen as catalytic in the market, compared to say, drilling wells and testing oil. However, it is a necessary and important step in resolving geological and technical risks in order to progress development and importantly for FDR, attract industry participants to fund the work required to develop the resource. Key outcomes from the Ikan repro are:

- **support independent reserves certification.**
- **Revising reservoir and production models, and economics.**
- **Preparation of a Field Development Plan (FDP).**
- **Re-evaluation of resources potential of the discovered resources at the Krill and Squilla oil fields.**
- **Secure industry partner(s) for project funding.**

Reserves are 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.

Reserves and resources as at 31 December 2024 are in figure 4. These figures may change after full incorporation of the Ikan repro data and an independent audit.

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

Contingent Resources		FDR Equity	Net	Net	Net		
			1C	2C	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

Valuation: A\$0.30 (Prev: A\$0.36)

Our principal valuation tool is DCF of potential KudaTasi & Jahal cashflows. The main reason for lower valuation is the reduction in oil price assumption. Refer to figure 5.

Other assumptions are:

- Brent oil price of US\$65/bbl in CY 2025 (previously US\$75/bbl) and escalated at 2% p.a.
- A\$/US\$ exchange rate for conversion of US\$ cashflows to A\$ of 63c (unchanged)
- 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 and timing.
- 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. This is TBD
- Net after tax cash flows discounted at 12%.
- Cash at 31 March 2024 was \$6M.
- 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. This is speculative and depend on FDR's partnering process.
- We assume that FDR farms-down 50% of its working interest to an incoming party for a carry through the development phase.

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	188	50%	94	12.2	12.2	7.74
Other PSC-19-11 prospects	11	25%	3	11.3		1
UK	1		1			1.00
W.A Bedout basin	1		1	0.0		
Corporate	-21		-21			
Total E&P assets	180		78			
Cash (31 March 25)	6.0		6.0			
Debt & other obligations	0.0		0.0			
Total equity value	186		84			
Shares on issue	284		284			
Expected 2025 issuance	160		160			
FP deferred (FDRN)	2		2			
Per share- US\$	0.42		0.19			
Exchange rate	0.63		0.63			
Per share- A\$	0.66		0.30			

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 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

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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.

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Finder Energy Holdings Ltd (FDR.AX) | Price A\$0.048 | Valuation A\$0.300;

Price and valuation as at 28 May 2025 (not covered)*

Additional disclosures

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