

30 June 2025

Alliance with Global Expert SLB de-risks KTJ project engineering

NEED TO KNOW

- A strategic alliance with the worlds' leading oil service company SLB Inc, brings substantial international experience and expertise to the Kuda Tasi and Jahal (KTJ) oil project
- This de-risks project execution and shortens development timeline with FID possible in late 2026, and first oil late CY27
- Cash at 31 March was \$6M. There is nil debt. Partner selection and project funding are key next steps

SLB are the global leader in oil field services. This alliance brings substantial engineering expertise and experience, enabling FDR to fast track the project and de-risk the design phase.

Development of the Kuda Tasi field initially, followed by Jahal 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.

Partners are required to support development funding and operations, and a selection process is underway. In the meantime, there are no major work programs other than for KTJ. FDR had ~A\$6M in cash at 31 March 2025. We assume additional funding over the outlook for w/c and pre-FID activities.

Investment Thesis

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

The value from the KTJ 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%) and capex payback within the first year. At the current Brent spot oil price of ~US\$66/bbl this presents a ~US\$660M revenue opportunity (gross, and before taxes and host county profit share) in the first 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 "sleeper assets" to which we assign token value.

Valuation: A\$0.30 (unchanged) and risks

Our valuation is a DCF of risked Kuda Tasi & Jahal cashflows, to which we add nominal value for acreage in other regions.

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. There are operational and production risks if development wells do not meet design rates.

Equity Research Australia Energy

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Finder Energy is an Australian based energy company with development-ready oil and exploration assets in Timor Leste Sovereign waters. Key projects are the Kuda Tasi and Jahal oil fields which have proven oil reserves, and high-grade nearby exploration.

Valuation	A\$0.30 (unchanged)
Current price	A\$0.08
Market cap	A\$23M
Cash on hand	A\$6M

Upcoming Catalysts / Next News

Period	
2H25	KTJ project partner selection
2H25	KTJ independent reserve audit
2H25	FPSO vessel selection
Late 2026	Project FID
Late 2027	First oil production

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	0.081			
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	23			
Net Cash	A\$M	6			
Enterprise Value	A\$M	17			
A\$/US\$ conversion	cents	0.65			
EV / boe -2P	US\$/boe	0.32			

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	17	16
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	0.65	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 (US\$M)	Unrisked	RF	Risked
	US\$M		US\$M
Kuda Tasi & Jahal	193	50%	97
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	185		80
Cash	6		6
Debt / Provisions	0		0
Total Equity value	191		86
Current Shares	284		284
Exp 2026 issuance	160		160
Other capital	2		2

Per share- US\$	0.43	0.19
A\$ US\$ rate	0.65	0.65
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	13.0	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	13.0	0.0
Increase in cash	-1.3	-3.1	-0.8	11.6	-1.4
Cash at EOP	9.4	6.3	5.5	17.1	15.7

Balance sheet (US\$M)	FY23A	FY24E	FY25E	FY26E	FY27E
Cash	9	6	6	17	16
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	22	95
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	12	86

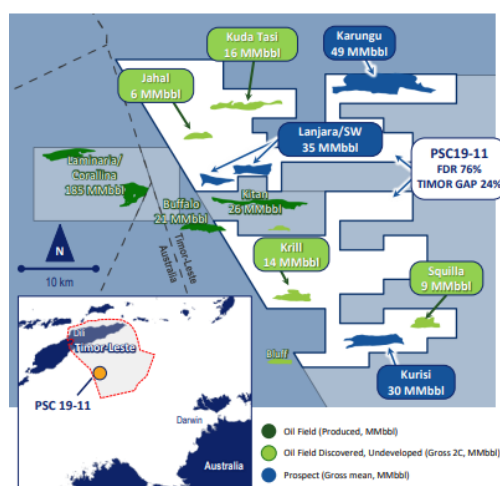
Source: MST Access estimates

Kuda Tasi & Jahal (KTJ) development in hands of experts

Finder is on a path to becoming a significant oil production company from late 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 oil resources for a small company, and are located in a jurisdiction that is supportive of oil and gas development.

Figure 2: FDR fields and prospects and regional context



Source: Company

SLB Strategic Development Alliance (SDA) brings deep skill, de-risks project engineering and execution

SLB (formerly known as Schlumberger, NYSE:SLB) is the world's largest oil field service company (by way of revenue and market value) and are recognised as a global leader in E&P specialist services. The company has ~100,000 employees, operates in over 100 countries and has had a major presence in the Australian E&P industry for >70 years. The SDA accesses the skills and deep experience that FDR will require to develop and produce the Kuda Tasi and Jahal fields, and aid the partnering process that is underway by de-risking the engineering and design phase.

Core objectives and scope of the SDA are to:

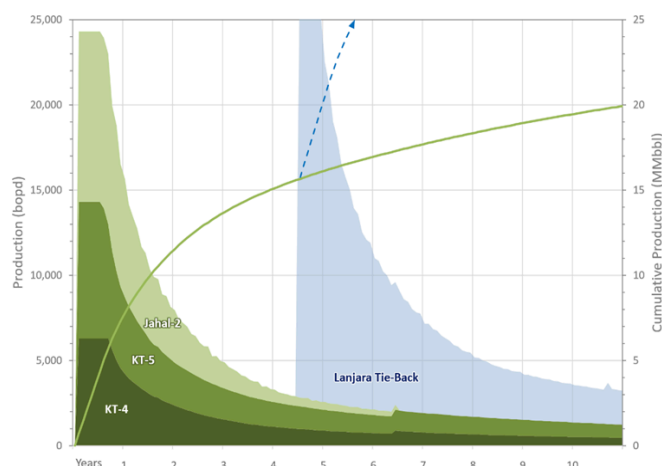
- develop and optimise subsea production systems.
- identify field architecture and equipment for earliest production with minimal technical and schedule risk.
- develop accurate equipment and services pricing to input to FID.
- identify long-lead items on critical path to first oil.

The project's basic development concept hasn't changed. The KTJ fields are well defined geologically, with excellent reservoir characteristics capable of supporting initial production rates in the 25,000-40,000BOPD range, producing from 3 wells into a leased or owned FPSO. Figure's 3 and 4.

What is yet to be determined, and the point of the SLB SDA, is the optimal design, and cost, of all the key components which split into three broad categories.

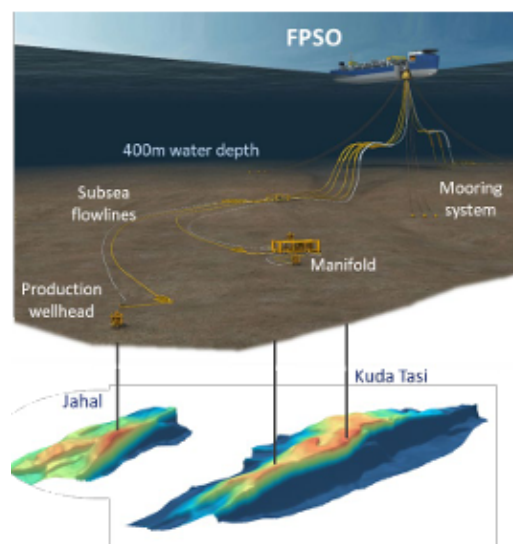
- Size of surface facilities, namely the FPSO, in terms of fluid handling rates and storage capacity.
- Sub-surface facilities being the sea-bed well-heads, flow-lines and risers connecting to the FPSO.
- Production well design and completions.

Figure 3: Production scenarios



Source: Company.

Figure 4: Broad field development concept



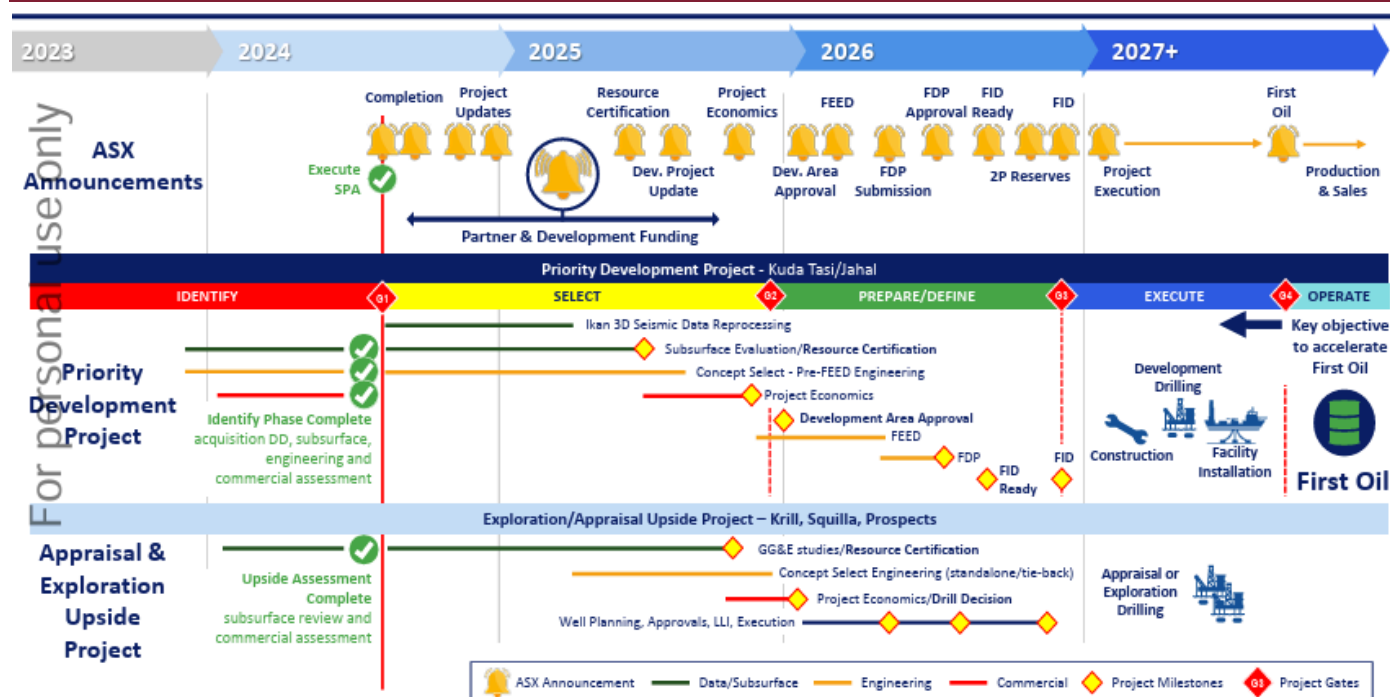
Source: Company, from ASX release 7 November 2024

Project time-line: ahead of schedule

FDR states the SDA will shorten the project schedule with key drilling and sub-sea FEED components ~12 months ahead of schedule. Scrutiny of previous indicative project timelines confirms that completion of subsea and engineering FEED work in 2025 is indeed 6-9 months ahead of schedule.

The most recent comprehensive Corporate presentation dated 21 November 2024, was given at the company's AGM and is reproduced in figure 5 to provide a comparison to the SLB SDA. Figure 5 indicates conclusion of FEED from this phase of activity ~mid CY26. The SLB SDA will likely result in this phase concluded in 2HCY25.

Figure 5: Project timeline (as per AGM presentation November 2024): Now look conservative



Source: FDR ASX release 21 November 2024

Next steps & catalysts

The engineering and design is a critical work phase, but there is work to be completed on other fronts to reach first oil which is targeted in late CY2027. Key deliverables over the balance of CY2025 are significant re-rating events, the key ones being:

- Project funding and partnering arrangements which are yet to be determined. Funding will be a function of the project's total capex, which won't be known until costs for all aspects of the project come together. The biggest cost component will be for the FPSO.
- FPSO vessel selection and negotiation, which is in progress.

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 6. These figures may change after full incorporation of the Ikan repro data and an independent audit.

Figure 6: 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 (Unchanged)

Our principal valuation tool is DCF of forecast KudaTasi & Jahal cashflows. There is no change to our valuation, however we note the SLB SDA is positive step in the execution and de-risking, and opens-up potential for early oil production.

Our current production and cashflow model assumes first oil production in 4QCY27, which is broadly in-line with the company's objectives. We apply a risk factor to the project of 50%, which arguably looks conservative now, following progress on the engineering front, however partnering and funding uncertainty remains.

Other assumptions are:

- Brent oil price of ~US\$67/bbl in CY2027 and escalated at 2% p.a.
- A\$/US\$ exchange rate for conversion of US\$ cashflows to A\$ of 65c
- 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 to be determined once a decision has been made to buy or lease an FPSO.
- 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\$13M to fund ongoing activity up to KTJ FID, and an expansion of the share count by an additional 160M shares. This is speculative and depends on FDR's partnering process and other financial strategies.
- We assume that FDR farms-down 50% of its working interest to an incoming party for a carry through the development phase. This is subjective on our part.

Figure 7: 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	193	50%	97	12.2	12.2	7.94
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	185		80			
Cash (31 March 25)	6.0		6.0			
Debt & other obligations	0.0		0.0			
Total equity value	191		86			
Shares on issue	284		284			
Expected 2025 issuance	160		160			
FP deferred (FDRN)	2		2			
Per share- US\$	0.43		0.19			
Exchange rate	0.65		0.65			
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\$0.08 | Valuation A\$0.30;

Price and valuation as at 30 June 2025 (not covered)*

Additional disclosures

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