Finder Energy Holdings Ltd

FDR.AX

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Equity Research Australia
Energy

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

Finder energy

Finder Energy is an ASX-listed oil and gas production company with development assets in Timor-Leste, and exploration acreage in Australia and the UK North Sea. The company's flagship project is the Kuda Tasi and Jahal oil fields in Timor-Leste PSC-19-11

Valuation	**A$0.800** *(unchanged)*
Current price	**A$0.445**
Market cap	**A$171M**
Cash on hand	**$9.5M (as at 4 Sept '25)**

NEED TO KNOW

- **Sophisticated re-processing of old 3D seismic data in Timor-Leste PSC 19-11 shows that the historic Krill and Squilla ~1990's oil discoveries are far larger than previously interpreted**
- **The results boost the case for appraisal drilling with potential for stand-alone development or tie-back to the planned Kuda Tasi / Jahal (KTJ) production facility**
- **Next steps are selection of FPSO, FID mid 2026 and production from KTJ in 2027**

The reprocessing of old seismic data with modern technologies continues to generate positive outcomes, with recently announced upgrades for the flagship Kuda Tasi & Jahal 2C resources and now, increased size of the Krill and Squilla rock volumes.

Development of the KTJ fields will transform FDR into a production company. The farm-out to partner TIMOR GAP (TG) brings funds and the recent resource upgrade provides increased confidence in project economics and improves bankability. Enlarged Krill and Squila fields adds to FDR's portfolio of development options.

FDR is targeting first oil production from KTJ in 2027. Key deliverables in the past months are (1) securing SLB Inc. to engineer the project (2) locking in partner participation for a significant carry through future capex (3) resource upgrade at Kuda Tasi & Jahal and (4) increases in the size of the Krill and Squilla fields.

Investment Thesis

The KTJ project, if sanctioned will bring cash flow from early FY2028 and create a hub for development of other discoveries and nearby prospects.

The farm-out to joint venture partner TIMOR GAP (TG) in September, the resource upgrade and now enhancements to historic discoveries all aid FDR's funding strategy backed by an expanding portfolio of assets.

The KTJ project is intended as a hub for further activity. The PSC has discovered resources and exploration targets other than KTJ. These become commercially attractive to pursue by leveraging the KTJ production infrastructure. The seismic repro is de-risking leads and prospects and is delivering an expanding portfolio of commercial opportunities.

Valuation: A$0.80 (unchanged) risks & catalysts

Our valuation is a DCF of Kuda Tasi and Jahal cashflows, plus nominal value for exploration prospects within the PSC. While noting the implications for Krill and Squilla, both will need appraisal wells to inform development potential and value in production.

Risks include availability of project finance for development, oil prices, drilling operations and project construction. Key catalysts over the outlook are securing finance for FDR's share of the KTJ development, locating a suitable FPSO, and FID in mid CY2026

Upcoming Catalysts / Next News

Period	
2H25	Update on project financing
2H25	Procurement of FPSO
Ongoing	Drilling contract award
1H26	Project FID

Share Price (A$)

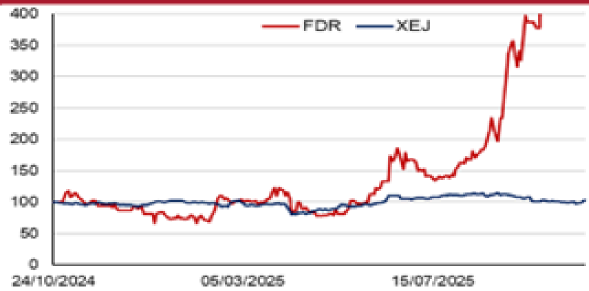
Source: FactSet, MST Access

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$/sh	0.445		
52 week range	A$/sh		0.034	0.63
Shares on issue (basic)	M	385		
Other capital	M	2		
Market Cap	A$M	171		
Cash	A$M	9.5	@4 Sept 25	
Enterprise Value	A$M	162		
A$/US$ conversion	cents	0.66		
EV / boe -2P	US$/boe	3.11		



Valuation multiples	FY24E	FY25A	FY26E	FY27E	FY28E
EPS	-0.03	0.01	0.00	0.00	0.25
PE	NM	NM	NM	NM	1.8
DPS	0	0	0	0	0
Yield-%	0	0	0	0	0
EBITDAX/sh (US cents)	0.00	0.02	0.00	0.00	0.44
EV/EBITDAX	NM	NM	NM	NM	0.9
Revenue/boe (US$/boe)					
EBITDAX/Sales-%	NM	NM	NM	NM	0.7
Net cash (Debt)	6	5	43	-33	99
ND/(ND+E)	NM	NM	NM	NM	NM

Realised prices	FY24E	FY25A	FY26E	FY27E	FY28E
Gas-0A$/GJ	NA	NA	NA	NA	NA
Oil-US$/bbl	84.51	73.70	67.50	70.70	72.11
A$/US$ rate	0.66	0.66	0.66	0.66	0.66

Production (Net)	FY24E	FY25A	FY26E	FY27E	FY28E
Gas- Bcf	0.00	0.00	0.00	0.00	0.00
Liquids (MMbbl)	0.00	0.00	0.00	0.00	2.60
MMboe	0.00	0.00	0.00	0.00	2.60
% liquids					

Resources (MMboe)-ne	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$M
Kuda Tasi & Jahal	319	75%	239
Other PSC-19-11 prospect:	11	25%	3
UK	0	0%	0
W.A Bedout basin	0	0%	0
Corp costs	-21		-21
Total E&P assets	309		221
Cash	10		10
Debt / Provisions	0		0
Total Equity value	**318**		**230**
Current Shares	385		385
Other capital	53		53
Per share- US$	**0.73**		**0.53**
A$ US$ rate	0.66		0.66
Per share- A$M	**1.10**		**0.80**

Income ($M	FY24E	FY25A	FY26E	FY27E	FY28E
Gas Revenue	0.0	0.0	0.0	0.0	0.0
Oil Revenue	0.0	0.0	0.0	0.0	234.1
Ohther	0.2	9.6	0.6	0.3	0.2
Revenue	0.2	9.6	0.6	0.3	234.3
Opex	0.0	0.0	0.0	0.0	62.0
Royalties	0.0	0.0	0.0	0.0	0.0
G&A	1.7	1.5	2.0	2.0	2.0
EBITDAX	**-1.5**	**8.1**	**-1.4**	**-1.7**	**170.3**
Exploration exp.	2.7	4.1	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0	55.8
EBIT	-4.3	4.0	-1.4	-1.7	114.5
Finance charges	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	-4.3	4.0	-1.4	-1.7	114.5
Tax	0.0	0.0	0.0	0.0	0.0
NPAT	**-4.2**	**4.0**	**-1.4**	**-1.7**	**114.5**
Significant items	0.0	0.0	0.0	0.0	0.0
Reported NPAT	-4.2	4.0	-1.4	-1.8	114.3
Share count EOP (M)	158	284	466	466	466

Cash flow (US$M)	FY24E	FY25A	FY26E	FY27E	FY28E
Receipts	0.0	1.5	0.6	0.2	234.1
Payments to suppliers	-5.0	-6.3	-2.1	-2.0	-2.0
Payments for E&A	0.0	0.0	0.0	0.0	0.0
Interest & other	0.2	0.1	0.0	0.0	0.0
Net cash from ops.	-4.8	-4.7	-1.5	-1.8	232.1
Development capex	0.0	0.0	-2.0	-75.0	-100.0
Acquistions/divestment:	0.0	-3.0	0.0	0.0	0.0
Net investing	0.0	-3.0	-2.0	-75.0	-100.0
Equity issuance	0.0	5.8	42.3	0.0	0.0
Debt Issue	0.1	0.0	0.0	50.0	0.0
Dividends / other	0.0	0.0	0.0	0.0	0.0
Net cash Financing	0.1	5.8	42.3	50.0	0.0
Increase in cash	-3.1	-1.7	38.8	-26.8	132.1
Cash at EOP	6.4	4.6	43.4	16.6	148.8

Balance sheet (US$M	FY24E	FY25A	FY26E	FY27E	FY28E
Cash	6.4	4.7	43.4	16.6	148.8
Receivables & Inventory	0.6	0.6	0.6	0.6	0.6
Exploration assets	0.0	3.1	5.1	80.1	180.1
Oil & gas properties	0.0	0.0	0.0	0.0	-55.8
other	0.0	0.1	0.1	0.1	0.1
Total Assets	**7.0**	**8.4**	**49.1**	**97.3**	**273.7**
Payables	0.5	0.5	0.5	0.5	0.5
Debt	0.1	0.0	0.0	50.0	50.0
Other	9.5	0.4	9.4	9.4	9.4
Total liabilities	10.1	0.9	9.9	59.9	59.9
Share-holder funds	-3.1	7.6	39.2	37.4	213.8

Source: MST Access estimates

Seismic reprocessing continues to yield positive surprises

Reprocessing of the Ikan 3D seismic survey acquired in 2005 continues to yield positive results. On 25 September FDR announced significant upgrades to Contingent resources for Kuda Tasi and Jahal, and advised that interpretation was ongoing over other leads and prospects within PSC 19-11.

Kuda Tasi and Jahal are the immediate priority for development, over shadowing other discovered resources from historic wells, specifically Krill and Squilla. However, the ongoing data analysis has upgraded the prospect size for Krill and Squilla by providing sharper imaging of subsurface features such as faults and improving the case for appraisal drilling on both.

The Squilla-1 exploration well was drilled by BHP in 1991 and at that time was one of the first wells to be drilled on the "Laminaria High" which subsequently yielded multiple discoveries. The well intersected a 9m net oil column but the reservoir qualities were assessed from wireline logs as relatively poor. It was interpreted that the well drilled through a fault and fracture zone into a down-dip part of the structure. The 3D repro has identified up-dip potential, away from faults affording better reservoir qualities .A 2C resource of 9 MMBBL was historically assigned.

The Krill-1 exploration well was drilled in 1994 by BHP and discovered a 17m gross oil column (10m net oil pay) within the prolific Laminaria formation. The well was not tested but wireline tools recovered oil samples of 56 degree API oil. Wireline log data evidence excellent reservoir characteristics. The well was sited on dated 2D seismic data. From the Ikan 3D repro it is interpreted the Krill structure has significant up-dip potential, adding 60% to the structures gross rock volume. Previous 2C oil resources have been assessed based on the old data, of 14MBBLS.

Figure 2 documents the changes in reservoir column height and "Gross Rock Volume" (GRV) of +60% for Krill and +243% for Squilla.

The GRV is an estimation of the size of the reservoir capacity to hold fluids, while other factors such as porosity, permeability and reservoir fluids ultimately need to be defined before resources or reserves are estimated. All other factors being equal, an increase in GRV is positive for increased resources but irrespective, these results improve the case for an appraisal well on either or both Krill and Squilla.

Figure 2: Changes in Gross Rock volume and reservoir columns

Field	OLD	NEW	OLD	NEW	Change in GRV
	Column height (m)		GRV (Million cubic meters)		%
Krill	86	114	136	217	60%
Squilla	69	128	89	305	243%

Source: Finder Energy

Value and Strategic implications

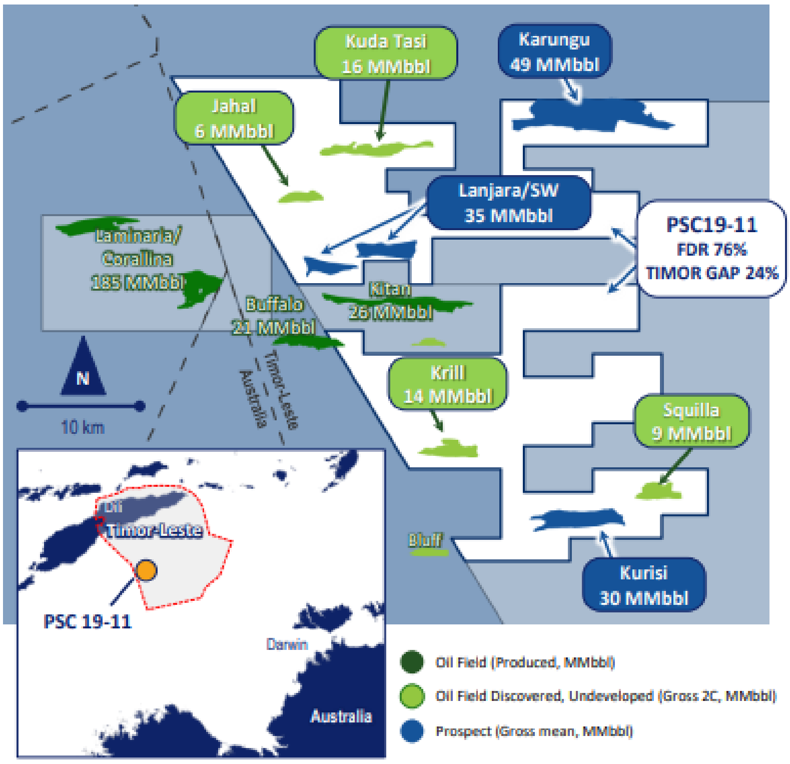
There are a number of important implications.

- The increase in GRV's is supportive of higher estimates of oil and gas resources, all other factors being equal.
- The case for drilling appraisal wells on both of these fields is improved, and in the event of success increases FDR's options to develop either stand-alone or evaluate a tie-back to the KTJ FPSO
- We assign a token value to PSC 19-11 leads and prospects due to a lack of data to enable a full economic evaluation. This will be re-assessed as FDR progresses work and drilling plans for Krill, Squilla and other leads in PSC 19-11,

Kuda Tasi and Jahal (KTJ) project recap

Finder's primary asset is its working interest in Production Sharing Contract (PSC) 19-11 in Timor-Leste. This PSC contains the undeveloped Kuda Tasi and Jahal oil fields, single-well Krill and Squilla discoveries, and numerous exploration targets. FDR's working interest in the PSC is 66%, following the farm-out of a portion of its interests to partner TIMOR GAP. Figure 3 shows the location amid other fields in the region.

Figure 3: FDR fields and prospects and regional context



Source: Company

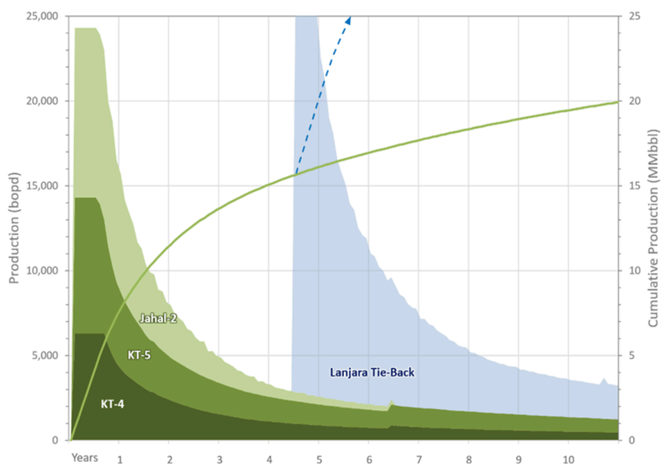
The KTJ fields are well defined geologically, with excellent reservoir characteristics capable of supporting initial production rates in the 25,000-40,000BOPD range, producing from 3 wells into a leased or owned FPSO. Figure's 4 and 5.

Ongoing engineering work required for an FID in 2026 is being conducted by world leader SLB to design and cost all the sub-surface and surface facilities. In summary these are:

- Size and specification of surface FPSO in terms of fluid handling rates and storage capacity
- Engineering of sub-surface facilities including wells, flow-lines and risers connecting to the FPSO

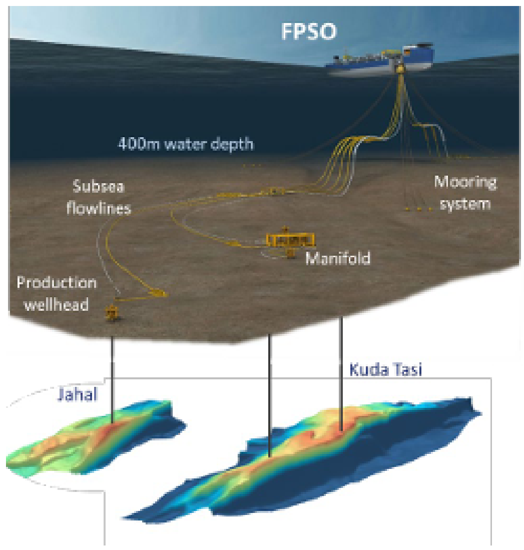
Figures 4 and 5 outline the broad production and development concept.

Figure 4: Production scenarios



Source: Company.

Figure 5: Broad field development concept



Source: Company

Valuation: A$0.80 (unchanged)

Our primary valuation method is DCF of forecast Kuda Tasi and Jahal cashflows.

Although noting the positive implications for Krill and Squilla, both fields need an appraisal well to establish a value in a production scenario, which could be either as a stand-alone development or as a tie-back to the KTJ FPSO.

Our KTJ cashflow model assumes first oil production in 4QCY27, which is in-line with the company's objectives.

Other assumptions are:

- Brent oil price of US$70/bbl in CY2027 and escalated at 2% p.a.
- A$/US$ exchange rate for conversion of US$ cashflows to A$ of 66c.
- Kuda Tasi and Jahal entering production in late 4Q2027, delivering 25.5 million barrels of oil (gross) through to economic cut-off in CY2033. Oil prices in the outer years will determine the cut-off rates and timing, in addition to plans for Krill and Squilla tie-backs.
- Development capex of US$270M, in CY2026 & CY2027 for drilling and sub-sea completions but excluding capex for an FPSO pending the JV's decision to purchase outright or lease.
- Net after tax cash flows are discounted at 12% nominal.
- Cash $9.5M as at 4 September 2025.
- Shares on issue 382.5M.

Figure 6: Sum-of-parts valuation

Asset Value (US$M)	Unrisked	Risk	Risked	Oil (2C)	BOE	US$/BOE
	US$M	%	US$M	MMbbls	Net	US$/bbl
Prospective resources & acreage						
Kuda Tasi & Jahal	319	75%	239	16.8	16.8	14.21
Other PSC-19-11 prospects	11	25%	3	11.3		1
UK	0		0			0.00
W.A Bedout basin	0		0	0.0		
Corporate	-21		-21			
Total E&P assets	309		221			
Cash (Aug 25)	9		9			
Debt & other obligations	0.0		0.0			
Total equity value	318		230			
Shares on issue	385		385			
Prerf Rights	53		53			
Per share- US$	**0.73**		**0.53**			
Exchange rate	**0.66**		**0.66**			
Per share- A$	**1.10**		**0.80**			

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. FDR have secured the services of SLB Ltd to design the KTJ project, but operators have yet to be appointed to manage day-to-day operations once the field is in production.

Funding. Even with the TG farm-out, FDR will need to source external funds, from shareholders, debt providers, industry partners or service providers. 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 particularly in the years immediately after start up when production is maximised.

Catalysts

- Lock-in project debt finance for FDR's share of capex: 2H 25.
- Locate a suitable FPSO vessel for the KTJ filed and either lease or acquire.
- Engage drilling contractors for the three well development program.
- Mid 2026: FID.
- 2H-2026-2027: Development drilling and FPSO deployment.
- Late 2027: First oil production.

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.

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Finder Energy Holdings Ltd (FDR.AX) | Price A$0.445 | Valuation A$0.800;

Price and valuation as at 27 October 2025 (not covered)*

Additional disclosures

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