

29 January 2026

KTJ Gaining Momentum

NEED TO KNOW

- Events over 2025 have come together to move FDR from a small company with a big ambition into a company with that ambition close to realisation.
- In summary, CY2025 saw the company secure funds for its flagship Kuda Tasi / Jahal (KTJ) upstream development, acquire a fully operational production vessel and bolster the balance sheet.
- Cash as at 31 January 2026 was A\$18.7M to fund the company through the engineering and design process.

FDR is on track to meet its strategic growth objectives, with many significant achievements delivered in 2025, for the delivery of the company's KTJ development, and potentially others. In summary, these were securing a fully operational production vessel (FPSO), securing funds from JV partner to carry FDR through a major portion of upstream costs, and securing ~ A\$25M in equity funds at year end 2025 to bulk up the balance sheet.

The company is now firmly in a development phase, with attendant project risks, but the company has tier-1 companies (E.g. SLB, formerly known as Schlumberger) and others to do the work thus mitigating risks inherent in the upcoming development phase.

After the most recent capital raising FDR had A\$18.7M in cash (at 31 Jan 2026) and nil debt.

Investment Thesis

The KTJ is expected to generate significant cash flow from late CY2027 and project milestones to date provide high confidence in this project delivery, with funding in place and major production equipment procured, and SLB engaged to design the project.

The KTJ project is aiming to commence production at 25,000-30,000 barrels of oil per day (BOPD) and with follow-on development to maintain or increase this figure. The revenue and cash-flow impact from such high initial rates are substantial.

KTJ is intended as a hub for further activity. The PSC has resources and exploration targets other than KTJ. This FPSO is key process infrastructure and provides a development pathway for these other prospects, principally the Krill and Squilla discoveries.

Valuation: A\$0.80 (Prev \$0.85) Risks & Catalysts

Our valuation is a DCF of KTJ cashflows, plus nominal value for exploration prospects in the PSC and the UK. The value decrease is from an increase in A\$/US\$ rate from 65c to 70c.

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.

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Energy

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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 (from A\$0.850)
Current price	A\$0.390
Market cap	A\$193M
Cash on hand	\$19M (31 Jan 26)

Upcoming Catalysts / Next News

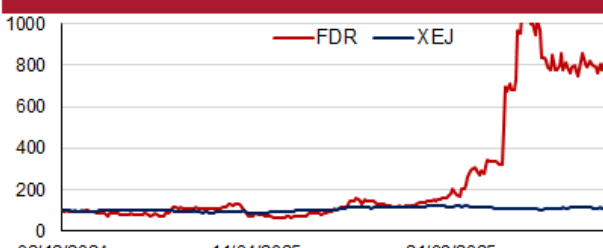
Period	
1H26	Secure project finance
1Q26	Award drilling contracts
2Q26	Complete FEED
2Q26	Book 2P reserves & FID

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			However field valuation in US\$										
Market Data		Y/E 30 June	Lo		Hi								
Share price	A\$/sh	0.390											
52 week range	A\$/sh		0.034	0.63									
Shares on issue	M	495											
Other capital	M	2											
Market Cap	A\$M	193											
Cash	A\$M	19	Jan-26										
Enterprise Value	A\$M	174											
A\$/US\$ conversion	cents	0.70											
Valuation multiples		FY24A	FY25A	FY26E	FY27E	FY28E	Income (\$M)		FY24A	FY25A	FY26E	FY27E	FY28E
EPS	cents	-0.03	0.01	0.00	0.00	0.37	Gas Revenue	0.0	0.0	0.0	0.0	0.0	0.0
PE	X	NM	NM	NM	NM	1.0	Oil Revenue	0.0	0.0	0.0	0.0	0.0	310.6
DPS	cents	0	0	0	0	0	Onther	0.2	9.6	0.6	0.3	0.2	0.2
Yield	%	0	0	0	0	0	Revenue	0.2	9.6	0.6	0.3	310.8	310.8
EBITDAX/sh	cents	0.00	0.02	0.00	0.00	0.44	Opex	0.0	0.0	0.0	0.0	0.0	88.6
							Royalties	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDAX	X	NM	NM	NM	NM	0.8	G&A	1.7	1.5	2.0	2.0	2.0	2.0
							EBITDAX	-1.5	8.1	-1.4	-1.7	220.2	220.2
Revenue/boe	A/bbl	0.0	0.0	0.0	0.0	100.3	Exploration exp.	2.7	4.1	0.0	0.0	0.0	0.0
EBITDAX/Sales	%	NM	NM	NM	NM	71%	Depreciation	0.0	0.0	0.0	0.0	0.0	29.3
Gearing							EBIT	-4.3	4.0	-1.4	-1.7	190.9	190.9
ND/(ND+E)	%	NM	NM	NM	87%	3%	Finance charges	0.0	0.0	0.0	0.0	0.0	0.0
							Pre Tax Profit	-4.3	4.0	-1.4	-1.7	190.9	190.9
							Tax	0.0	0.0	0.0	0.0	0.0	0.0
Realised prices		FY24A	FY25A	FY26E	FY27E	FY28E	NPAT Underlying		-4.2	4.0	-1.4	-1.7	190.9
Gas	A\$/GJ	NA	NA	NA	NA	NA	Significant items	0.0	0.0	0.0	0.0	0.0	0.0
Oil	US\$/bbl	84.51	73.70	65.00	65.65	66.96	Reported NPAT	-4.2	4.0	-1.4	-1.8	190.7	190.7
A\$/US\$ rate	cents	0.66	0.68	0.70	0.70	0.70	Share count EOP (M)	158	284	510	510	510	510
Production (Net)		FY24A	FY25A	FY26E	FY27E	FY28E	Cash flow		FY24A	FY25A	FY26E	FY27E	FY28E
Gas	BCF	0.00	0.00	0.00	0.00	0.00	Receipts	0.0	1.5	0.7	0.2	310.6	310.6
Liquids	MMbbis	0.00	0.00	0.00	0.00	3.10	Payments to suppliers	-5.0	-6.3	-3.0	-3.0	-88.6	-88.6
MMboe		0.00	0.00	0.00	0.00	3.10	Payments for E&A	0.0	0.0	0.0	0.0	0.0	0.0
% liquids							Interest & other	0.2	0.1	-1.2	-10.8	-12.8	-12.8
Resources-net		1C	2C	3C									
Oil	MMbbis	20.2	34.3	54.0									
Gas	BCF	0.0	0.0	0.0									
Total	MMBOE	20.2	34.3	54.0									
% oil		100%	100%	100%									
SoP Valuation (US\$M)		Unrisked	RF	Risked									
		US\$M		US\$M									
Kuda Tasi & Jahal		294	100%	294									
Other PSC-19-11 prospects		17	50%	9									
UK		2	0%	2									
W.A Bedout basin		0	0%	0									
Corp costs		-21		-21									
Total E&P assets-US\$		292		283									
Total E&P assets-A\$		417		405									
Cash		19		19									
New issue		25		25									
Total Equity value-A\$		461 <th></th> <th>449<th colspan="8"></th></th>		449 <th colspan="8"></th>									
Shares (proforma)		495		495									
Other capital		58		58									
Per share- A\$M		0.82		0.80									
A\$ US\$ rate		0.70		0.70									
Income (\$M)		FY24A	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	0.0							
Onther		0.2	9.6	0.6	0.3	0.2							
Revenue		0.2	9.6	0.6	0.3	310.8							
Opex		0.0	0.0	0.0	0.0	88.6							
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	220.2							
Exploration exp.		2.7	4.1	0.0	0.0	0.0							
Depreciation		0.0	0.0	0.0	0.0	29.3							
EBIT		-4.3	4.0	-1.4	-1.7	190.9							
Finance charges		0.0	0.0	0.0	0.0	0.0							
Pre Tax Profit		-4.3	4.0	-1.4	-1.7	190.9							
Tax		0.0	0.0	0.0	0.0	0.0							
NPAT Underlying		-4.2	4.0	-1.4	-1.7	190.9							
Significant items		0.0	0.0	0.0	0.0	0.0							
Reported NPAT		-4.2	4.0	-1.4	-1.8	190.7							
Share count EOP (M)		158	284	510	510	510							
Cash flow		FY24A	FY25A	FY26E	FY27E	FY28E							
Receipts		0.0	1.5	0.7	0.2	310.6							
Payments to suppliers		-5.0	-6.3	-3.0	-3.0	-88.6							
Payments for E&A		0.0	0.0	0.0	0.0	0.0							
Interest & other		0.2	0.1	-1.2	-10.8	-12.8							
Net cash from ops.		-4.8	-4.7	-3.5	-13.6	209.2							
Development capex		0.0	0.0	-27.0	-75.0	-100.0							
Acquisitions/divestments		0.0	-3.0	0.0	0.0	0.0							
Net investing		0.0	-3.0	-27.0	-75.0	-100.0							
Equity issuance		0.0	5.8	30.7	0.0	0.0							
Debt Issue		0.1	0.0	30.0	130.0	-30.0							
Dividends / other		0.0	0.0	0.0	0.0	0.0							
Net cash Financing		0.1	5.8	60.7	130.0	-30.0							
Increase in cash		-3.1	-1.7	30.2	41.4	79.2							
Cash at EOP		6.4	4.6	34.9	76.3	155.5							
Balance sheet		FY24A	FY25A	FY26E	FY27E	FY28E							
Cash		6.4	4.7	34.9	76.3	155.5							
Receivables & Inventory		0.6	0.6	0.6	0.6	0.6							
Exploration assets		0.0	3.1	30.1	105.1	175.7							
Oil & gas properties		0.0	0.0	0.0	0.0	0.0							
other		0.0	0.1	0.1	0.1	0.1							
Total Assets		7.0	8.4	65.6	182.0	331.9							
Payables		0.5	0.5	0.5	0.5	0.5							
Debt		0.1	0.0	30.0	160.0	160.0							
Other		9.5	0.4	9.4	9.4	9.4							
Total liabilities		10.1	0.9	39.9	169.9	169.9							
Shareholder funds		-3.1	7.6	25.7	12.1	162.0							

Source: MST Access estimates

KTJ gaining momentum, other assets on hold

Stepping back a few years, it would have been easy to dismiss FDR's ambitions to (1) buy and (2) fund and (3) embark on a development of the KTJ fields. Not so now.

Exiting 2025, a lot of progress has been delivered and forms a platform moving into 2026.

The most important is finance. FDR have secured the funds required to move through the upcoming development phase, in terms of an equity cushion, and the JV partner free-carrying FDR through the development funding.

Securing a fully operational FPSO, the "Petrojarl-1" for a very low cost, and agreements with the vendor to provide operational services, was pivotal in obtaining the necessary surface production facilities. Add to that, are contracts with SLB to design the sub-sea engineering aspects of the overall project.

Collectively, these outcomes in 2025 put in place the foundations for the next phase, which is development planning and engineering during most of 1H CY 2026, with a Final Investment Decision in ~mid-2026.

Next steps

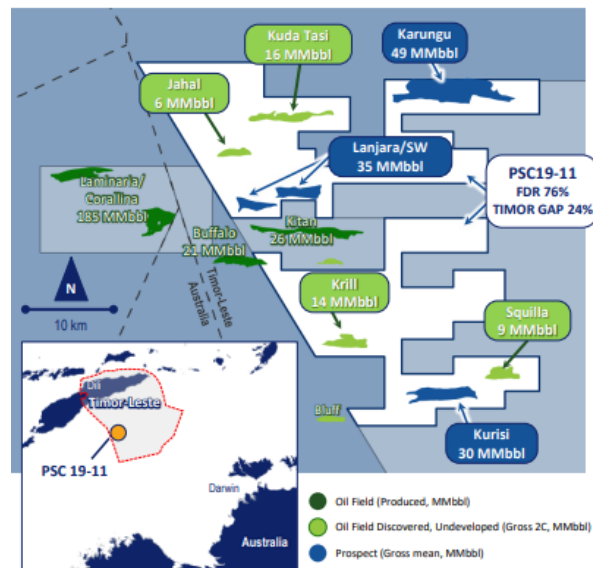
Upcoming events:

- Complete all production modeling, complete FEED and Field Development Plan ahead of independent resource certification.
- Secure a drilling rig for three development wells and long-lead items.
- Secure finance for FDR's share of capex which we estimate to be in the order of ~US\$170M.

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%.

Figure 2: 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 25,000-30,000BOPD range, producing from 3 wells into the Petrojarl-1 FPSO. Figures 4 and 5 outline the broad production and development concept. Over the course of 2026, we expect more information as to the production plan regarding field flow rates.

Other assets are paused for now

Although the KTJ project, and other prospects in PSC 19-11 are front and centre of present activity, FDR does other assets which for now are largely dormant.

FDR has two 100% exploration permits in waters offshore in the W.A. Bedout Basin and North West Shelf. Industry activity in this vast and highly prospective region has stalled due to policy uncertainty and environmental activism.

In the UK, FDR has interests in four blocks, P2610 (50%), P2655 (100%), P2530 (20%) and P2656 with the latter in the process of being relinquished. In the past quarter, FDR farmed-down a part of its interest in block P2530 to Serica Energy UK, with studies underway to develop the 19MMbbl Wagtail field, or exit.

Also in the past quarter, Norway-based Equinor drilled two discovery wells in the block adjacent to P2610, with potentially positive ramifications for the existing Boaz gas & condensate discovery.

Valuation: A\$0.80 (Prev \$0.85)

Our valuation is a DCF of forecast Kuda Tasi and Jahal cash flows. The primary reason for the decrease is due to a rising A\$/US\$ exchange rate.

Other KTJ cashflow model assumptions are:

- Brent oil price of US\$65/bbl in CY2027 and escalated at 2% p.a. (Unchanged).
- A\$/US\$ exchange rate for conversion of US\$ cashflows to A\$ of 70c (Prev. 65c).
- Kuda Tasi and Jahal entering production in late 4Q2027, delivering 27 million barrels of oil (gross) through to an economic cut-off in CY2034. This will depend on oil prices at the time, FPSO opex and production rates.
- Net after tax cash flows are discounted at 12% nominal.
- Cash \$19M as at 31 January 2026.

Figure 3: 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	294	100%	294	16.8	16.8	17.48
Other PSC-19-11 prospects	17	50%	9	11.3		1
UK	2		2			0.00
W.A Bedout basin	0		0	0.0		
Corporate	-21		-21			
Total E&P assets (USD)	292		283			
A\$/US\$ exchange rate	0.70		0.70			
Total E&P assets in A\$M	417		405			
Cash (31 Jsn 26)- A\$	18.7		18.7			
Cap raise- A\$	25.0		25.0			
Total equity value-A\$	461		449			
Share count	495		495			
Options	11		11			
Perf Rights	58		58			
Per share- A\$	0.82		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 the next 5-7 years.

Kuda Tasi project execution and ongoing operation. FDR have secured the services of SLB Ltd to design the KTJ project, and Amplus have been hired as operators and use of third-party contractors and while necessary at this juncture attenuates FDR's direct control of engineering and production.

Funding. Even with the TG farm-out and the current issuance 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. We note a capital raising has been announced, and until voted for by shareholders, the money is not guaranteed.

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: early 2026.
- Complete Petrojarl acquisition (early 2026) and win shareholder approval to complete the current equity capital raising.
- 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\$0.390 | Valuation A\$0.800;

Price and valuation as at 29 January 2026 (* not covered)

Additional disclosures

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