

16 February 2026

FEEDing finished !

NEED TO KNOW

- The Kuda Tasi / Jahal (KTJ) Front End Engineering and Design (FEED) is complete, which is another major project milestone.
- This project has advanced rapidly, and is on-track for a Final Investment Decision in ~mid-CY2026 and ultimately first oil production in late CY2027.
- Cash as at 31 January 2026 was A\$18.7M to fund the company through the engineering and design process. KTJ Capex is expected to be debt-funded and project finance activities are currently underway

The completion of FEED transitions the KTJ project from the concept phase, into procurement, financing and approvals processes.

The company is now in a development phase, with attendant project risks, but FDR enlisted tier-1 companies (e.g. SLB, formerly known as Schlumberger, and Subsea7) and others to do the work thus mitigating construction and development risk.

At 31 Jan 2025, FDR had A\$18.7M in cash to fund design activities. Project financing activities are underway to fund the company's share of capex.

Investment Thesis

Several important KTJ project engineering milestones have been met, increasing confidence in project delivery and lowering associated risks. Project finance, or other sources of funds for development capex are yet to be secured.

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. Assuming an initial 25,000BOPD production rate, the fields could deliver ~10MMBBLs (gross) in the first 18 months, generating gross revenue of ~US\$670M. (FDR share: 66%)

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

Valuation: A\$0.80, Risks & Catalysts

Our valuation is a DCF of KTJ cashflows, plus nominal value for exploration prospects in the PSC and the UK. Key variables apart from oil prices, will be the initial production rates, and size and cost of debt finance required to fund FDR's share of capex (~US\$170M)

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, and a FID decision.

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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 (unchanged)
Current price	A\$0.545
Market cap	A\$270M
Cash on hand	\$19M (31 Jan 26)

Upcoming Catalysts / Next News

Period	
1H26	Secure project finance
1Q26	Award drilling contracts
2Q26	Book 2P reserves & FID
2027	Drilling & development

Share Price (A\$)



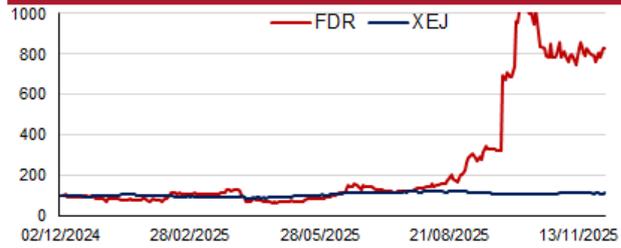
Source: FactSet, MST Access

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	0.545								
52 week range	A\$/sh	0.034	0.63							
Shares on issue	M	495								
Other capital	M	2								
Market Cap	A\$M	270								
Cash	A\$M	19	Jan-26							
Enterprise Value	A\$M	251								
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
PE	X	NM	NM	NM	NM	1.5	Oil Revenue	0.0	0.0	0.0	0.0	310.6
DPS	cents	0	0	0	0	0	Other	0.2	9.6	0.6	0.3	0.2
Yield	%	0	0	0	0	0	Revenue	0.2	9.6	0.6	0.3	310.8
EBITDAX/sh	cents	0.00	0.02	0.00	0.00	0.44	Opex	0.0	0.0	0.0	0.0	88.6
							Royalties	0.0	0.0	0.0	0.0	0.0
EV/EBITDAX	X	NM	NM	NM	NM	1.1	G&A	1.7	1.5	2.0	2.0	2.0
Revenue/boe	A/bbl	0.0	0.0	0.0	0.0	100.3	EBITDAX	-1.5	8.1	-1.4	-1.7	220.2
EBITDAX/Sales	%	NM	NM	NM	NM	71%	Exploration exp.	2.7	4.1	0.0	0.0	0.0
Gearing							Depreciation	0.0	0.0	0.0	0.0	29.3
ND/(ND+E)	%	NM	NM	NM	87%	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

Realised prices		FY24A	FY25A	FY26E	FY27E	FY28E
Gas	A\$/GJ	NA	NA	NA	NA	NA
Oil	US\$/bbl	84.51	73.70	65.00	65.65	66.96
A\$/US\$ rate	cents	0.66	0.68	0.70	0.70	0.70
Production (Net)		FY24A	FY25A	FY26E	FY27E	FY28E
Gas	BCF	0.00	0.00	0.00	0.00	0.00
Liquids	MMbbls	0.00	0.00	0.00	0.00	3.10
MMboe		0.00	0.00	0.00	0.00	3.10
% liquids						
Resources-net		1C	2C	3C		
Oil	MMbbls	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		449		
Shares (proforma)		495		495		
Other capital		58		58		
Per share- A\$M		0.82		0.80		
A\$ US\$ rate		0.70		0.70		



Source: MST Access estimates

FEED completion another major project milestone

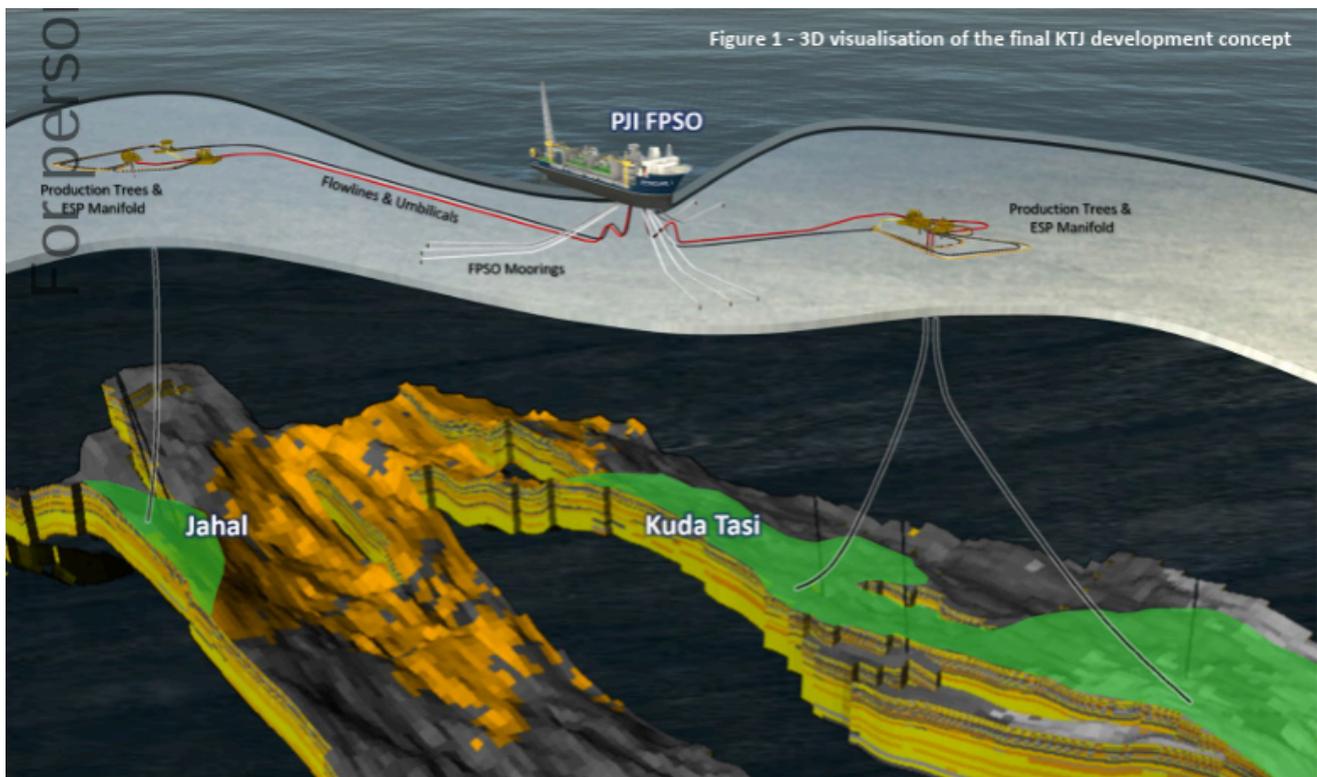
Completion of the FEED process brings to an end the concept phase and transitions the company to a development phase. The FEED process was carried out by an alliance of tier-1 contractors, SLB, Subsea7, and OneSubsea.

Critical design elements which have been defined are:

- Subsurface and reservoir studies for flow assurance and production forecasting.
- Drilling, completion and well design, for three production wells.
- Subsea production system comprising three subsea well-heads and submersible pump manifolds.
- Field construction and logistics for vessel and transport.

Figure 2 shows the development schematic.

Figure 2: Schematic of KTJ project surface, subsea and sub-surface elements



Source: Company

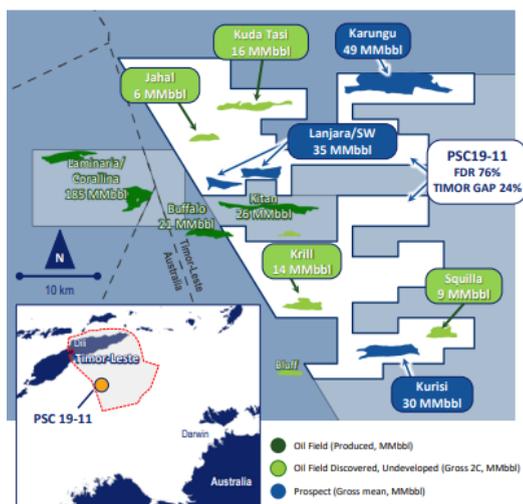
Kuda Tasi and Jahal (KTJ) basics.

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%.

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. At FID, we expect more detail as to the production rates, operating and capital costs.

The financial impacts are significant, and front-loaded due to initial high rates of production. Assuming a start-up production rate of 25,000BOPD, the project could deliver ~10MMbbls of oil in the first 18 months. At current Brent oil prices, that would net the joint venture ~US650M. At FDR's working interest share of 66%, the company's potential revenue stream in the first 18 months approximates US\$430M. Depletion rates from KTJ will be steep once the field is off plateau, but after that FDR plans development of satellite fields, Krill and Squilla, and exploration of other targets defined by last years 3D-siesmic reprocessing.

Figure 3: FDR fields and prospects and regional context



Source: Company

Valuation: A\$0.80 (Unchanged)

Our valuation is a DCF of forecast Kuda Tasi and Jahal cash flows.

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.
- Kuda Tasi and Jahal entering production in late 4Q2027, delivering 27 million barrels of oil (gross) over project life.
- Initial production rates are 25,000BOPD (gross).
- Net after tax cash flows are discounted at 12% nominal.
- Cash \$19M as at 31 January 2026.

Our valuation is sensitive to a number of variables.

- **Oil prices** over the first year of peak flow rates will be very important to pay-back time.
- **Initial production rates** will shape initial cash flows. These are TBD, but we note rates in the 25,000-30,000BOPD range are being evaluated. We assume the low end.
- **The quantum and price of project debt.** Financing activities are underway. We assume FDR is successful in securing the level of debt funds required, but if not then an equity "cushion" may be required which would necessitate a capital raising. Our forecasts do not assume this.

Figure 4: 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 and execute the KTJ project, and Amplus to operate the FPSO. Other operators and third-party contractors are necessary to operate this project over its life. The reliance on third parties brings compliance and managerial risks.

Funding. FDR will need to source external funds, from shareholders, debt providers, industry partners or service providers, for its share of development capex, which is estimated to be ~US\$170M. This 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 in terms of oil reserves, 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 debt finance for FDR's share of capex: early 2026.
- Complete Petrojarl acquisition (early 2026).
- Engage a drilling contractor for the three well development program.
- Mid 2026: Final Investment Decision (FID)
- 2H-2026-2027: Development drilling, FPSO deployment to the field, and construction activity
- Late 2027: First oil production.

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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\$0.545 | Valuation A\$0.800;

Price and valuation as at 16 February 2026 (not covered)*

Additional disclosures

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