

Acquisition of Discovered Oil Fields offshore Timor-Leste

Finder Energy Holdings Limited (**Finder** or **Company**) (ASX:FDR) is pleased to announce that it has entered into conditional sale agreements with Eni International B.V. (**Eni**) and Inpex Offshore Timor Leste Ltd (**Inpex**) to acquire a 76% interest in, and operatorship of, PSC TL-SO-T 19-11 (**PSC** or **PSC 19-11**) offshore Timor-Leste (Figure 1) (**Acquisition**). The remaining 24% is held by TIMOR GAP PSC 11-106, Unipessoal, Limitada (**TIMOR GAP**), the national oil company of Timor-Leste.

The PSC contains four discovered undeveloped oil fields, including the fully-appraised Kuda Tasi and Jahal fields, enabling rapid progress to production with additional upside provided by low-risk appraisal and exploration opportunities.

1. HIGHLIGHTS

Transformational	Transforms Finder into a balanced explorer and developer with 45 MMbbl Gross 2C Contingent Resources ¹
Discovered Resources & Upside	<p>Significant discovered resources and upside potential:</p> <ul style="list-style-type: none"> Discovered & appraised Kuda Tasi & Jahal Oil Fields with combined 22 MMbbl Gross 2C Contingent Resources¹ Discovered Krill & Squilla Oil Fields with combined 23 MMbbl Gross 2C Contingent Resources¹ Low-risk, near-field exploration potential with combined 116 MMbbl Gross Mean Prospective Resources^{1,2}
Rapid Development Potential	<ul style="list-style-type: none"> Cost-effective and efficient work program designed to rapidly progress development Strong support from Timor-Leste Government, the regulator Autoridade Nacional do Petróleo Timor-Leste (ANP) and TIMOR GAP for Finder's plan to rapidly bring on new oil production
Acquisition Terms	<ul style="list-style-type: none"> Upfront acquisition cost of US\$2 million payable on completion Additional consideration of up to US\$6.5 million is contingent on reaching a Final Investment Decision (FID) for development plus a 5% royalty on production
Near-Term Catalysts	<ul style="list-style-type: none"> Multiple near-term value catalysts as Finder immediately mobilises on work to progress the development and secure development funding partner (see Figure 2) High equity and operatorship ensures Finder is in control to deliver project milestones on schedule
Timor-Leste	<ul style="list-style-type: none"> New country entry adds further low-risk geographic diversity to Finder's portfolio Timor-Leste is a stable, developing nation whose future prosperity is closely tied to the development of its oil and gas resources
Entitlement Offer	<ul style="list-style-type: none"> Finder is undertaking a 1 for 1.26 Entitlement Offer at \$0.048 per new share to raise up to approximately \$6.0 million (before costs) Major shareholder, Longreach Capital Investment Pty Ltd (Longreach), has provided an irrevocable commitment to take up its full entitlement (approximately \$3.2 million) under the Entitlement Offer The Entitlement Offer permits existing eligible shareholders to participate in the proposed capital raising and is priced at an 18.64% discount to the last closing price on 6 August 2024 and a 15.67% discount to the 15-day VWAP prior to the announcement of the Acquisition

¹ Refer to Technical Appendix of this announcement for full details regarding Petroleum Resources.

² **ASX disclosure:** The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

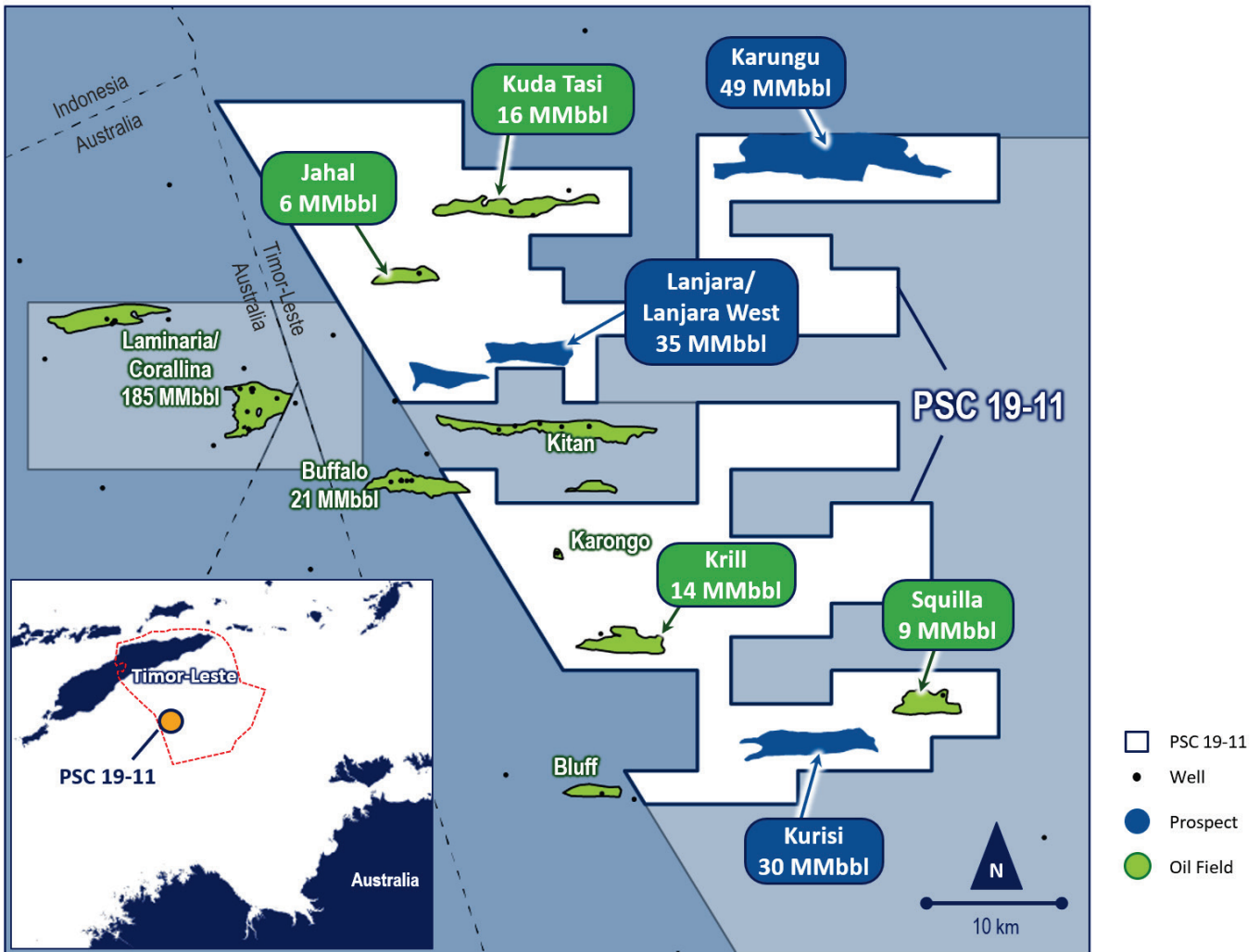


Figure 1: PSC 19-11 Location Map showing Oil Fields (green) and prospects (blue). Refer to Technical Appendix of this announcement for further details regarding Petroleum Resources (gross mean prospective resources and gross 2C contingent resources are shown).

2. STRATEGY, TIMELINE & CATALYSTS

The Acquisition transforms Finder into a balanced explorer and developer with 34 MMbbl³ of discovered, undeveloped net contingent oil resources and introduces multiple near-term value catalysts into the forward outlook (see Figure 2). The Acquisition is consistent with Finder's investment criteria which seeks low-cost entry opportunities with potential for high value creation.

Finder's strategic objectives in PSC 19-11 are:

1. To pass through the project development gates summarised below in order to achieve FID and First Oil by developing Kuda Tasi and Jahal (the **Priority Development Project**); and
2. To unlock the upside potential of the low-risk appraisal and near-field exploration opportunities (the **Appraisal & Exploration Upside Project**).

The forward work program has been designed to achieve these objectives quickly and cost-effectively. The technical work streams for the Priority Development Project and the Appraisal & Exploration Upside Project as well as indicative timing of ASX announcements as these projects progress through the milestones is outlined in Figure 2 below.

Finder follows a Quality Assurance System which requires the completion of necessary work, processes and assurance checks to progress through project decision gates and into the next phase (marked G1 to G4 in Figure 2). Finder completed the Identify

³ Refer to Technical Appendix of this announcement for full details regarding Petroleum Resources.

Phase requirements to proceed past the first decision gate (Gate 1) with completion of the Acquisition. Key work carried out during the Identify Phase included:

- Subsurface geological and geophysical evaluation and resource estimation;
- Reservoir engineering evaluation including production profile modelling of Kuda Tasi and Jahal development scenarios; and
- Preliminary development concept studies and costings undertaken by Petrofac and project economic modelling.

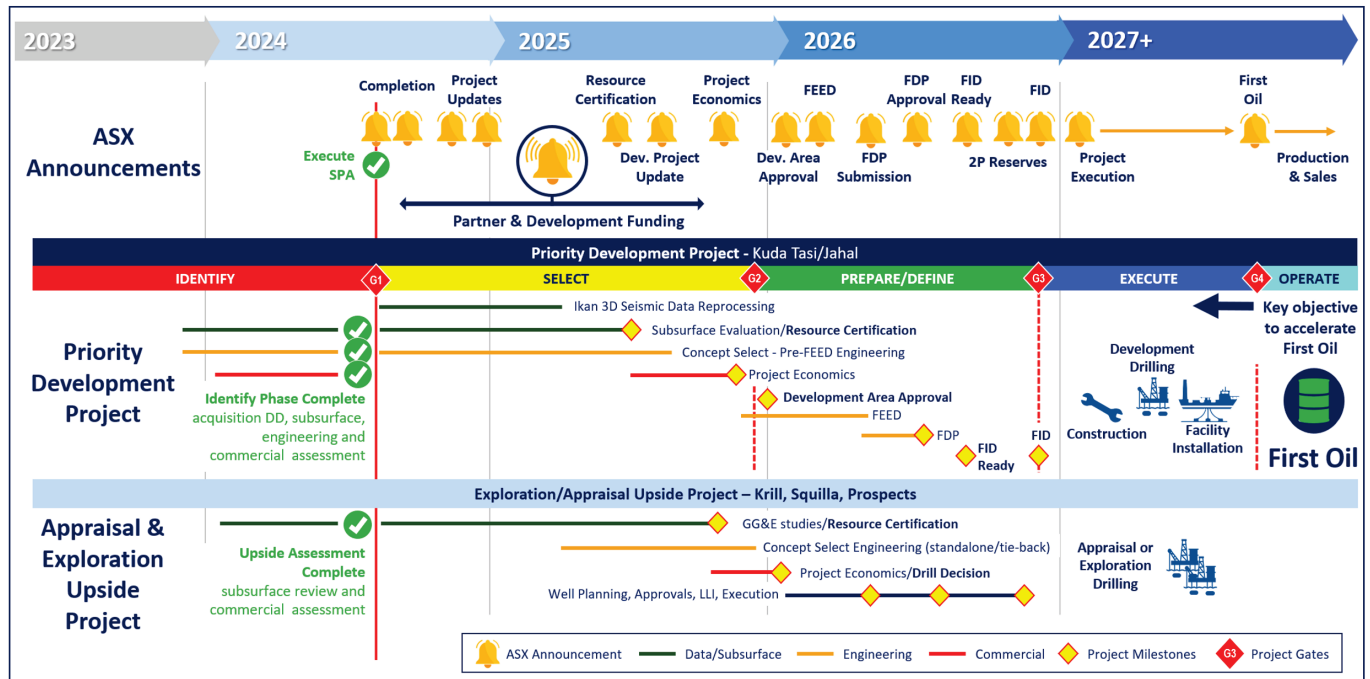


Figure 2: Indicative project timeline showing ASX announcements on achievement of project milestones.

As shown in Figure 2, the remainder of CY2024 and CY2025 will see work undertaken to progress the Priority Development Project through to completion of the Select Phase. The Select Phase includes key project milestones such as approval of the development concept (pre-FEED engineering) and associated project economics. The total budget for the Select Phase is approximately A\$3 million. At the completion of the Select Phase a decision will be made on whether to proceed through Gate 2 into the Prepare/Define Phase which concludes with approval of a Field Development Plan and FID.

With a high starting equity position (76%) Finder will seek a partner through a partial divestment process to commence immediately and targeting completion prior to Gate 2. A partial sell down will provide a ‘look-through value’ for the asset and seek to address funding requirements for the development (including the Prepare/Define and Execution Phases) and unlock the upside through appraisal and/or exploration drilling.

Finder has a strong track-record of completing value accretive deals with industry partners to secure funding. Finder believes PSC 19-11 will be seen as a very attractive asset by potential partners.

3. KEY ACQUISITION TERMS

Finder has entered into Sale and Purchase Agreements (SPAs) with each of Eni and Inpex. The Eni SPA is structured as a share sale whereby, Finder’s wholly owned subsidiary, Finder Operations Pty Ltd, will acquire all of the shares in Eni JPDA 11-106 B.V which holds a 40.53% working interest (and operatorship) of PSC 19-11. Under the Inpex SPA, Finder’s indirectly wholly owned subsidiary, Finder PSC 19-11 Pty Ltd, will acquire Inpex’s 35.47% underlying interest in PSC 19-11.

For the purposes of the summary which follows, Finder has combined those transactions and refer to Eni and Inpex as the **Sellers**. The commercial terms of each of the SPAs are equivalent to the Sellers’ existing interests in PSC 19-11 on a pro rata basis.

The consideration payable by Finder to the Sellers comprises:

- (a) US\$2.0 million on completion, subject to completion adjustments for prepayment of licence fees by the Sellers; and
- (b) subject to a Final Investment Decision (**FID**) being made for a development within the PSC, reimbursement of up to US\$6.5 million in relation to Kuda Tasi-2 well abandonment works and local content contributions towards a Data Tape and Core Storage Facility in Timor-Leste to be performed by the Sellers; and
- (c) a 5% gross royalty on production from the PSC.

The SPAs contain a number of conditions precedent for completion of the Acquisition, the main outstanding conditions under both SPAs include:

- (a) Timor-Leste Government and regulatory approvals of the Acquisition and change of operatorship from Eni to Finder; and
- (b) ANP's formal approval of the work program proposed by Finder and the corresponding 3 year extension of the PSC to 29 August 2027.

Finder anticipates completion of the Acquisition will occur in August 2024. Completion under both SPAs will occur concurrently. Subject to any extension, the SPAs will terminate if all conditions precedent to the Acquisition have not been satisfied or waived by 29 August 2024. The completion payment to the Sellers will be funded from Finder's existing cash reserves.

The SPAs otherwise contain terms typical of arrangements of this nature, including the assumption by Finder of current and future liabilities in connection with the PSC.

4. ENTITLEMENT OFFER

Finder is conducting a capital raising via a pro-rata non-renounceable entitlement offer which will be offered to eligible shareholders (**Entitlement Offer**). Finder's Board has determined to structure the capital raising as an Entitlement Offer to ensure our shareholders receive the benefit of an attractive pricing point and have the opportunity to avoid future dilution by participating pro-rata in the Entitlement Offer. The details of the Entitlement Offer will be released to the ASX platform immediately following this announcement. The Entitlement Offer is not conditional on completion of the Acquisition.

The Company has appointed Euroz Hartleys Limited and JP Equity Holdings Pty Ltd to act as joint lead managers and bookrunners to the placement of any shortfall.

Finder's major shareholder, Longreach Investment Capital Pty Ltd, has provided an irrevocable commitment to take up its full entitlement under the Entitlement Offer, representing approximately A\$3.2 million.

This ASX announcement has been authorised for release by the Board of Finder.

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Summary Information

The following disclaimer applies to this announcement and any information contained in it (the **Information**). The Information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Finder's other periodic and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au. You are advised to read this disclaimer carefully before reading or making any other use of this announcement or any Information contained in this announcement. In accepting this announcement, you agree to be bound by the following terms and conditions including any modifications to them.

Forward-looking statements

This announcement contains certain "forward-looking statements", which can generally be identified by the use of words such as "will", "may", "could", "likely", "ongoing", "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "forecast", "goal", "objective", "aim", "seek" and other words and terms of similar meaning. These forward-looking statements are based on Finder's expectations and beliefs concerning future events. Finder cannot guarantee that any forward-looking statement will be realised. Achievement of anticipated results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. You should bear this in mind as you consider forward-looking statements, and you are cautioned not to put undue reliance on any forward-looking statement. Finder makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

Contingent and Prospective Resources statements

The estimates of Contingent and Prospective Resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Further work will be performed on the PSC, including reprocessing and interpretation of 3D seismic data and integrated technical and engineering studies. No further data acquisition or exploration drilling is planned at this time on PSC 19-11.

Qualified Person statement

The information in this announcement is based on, and fairly and accurately represents, in the form and context in which it appears, information and supporting documentation prepared by, or under the supervision of, Aaron Bond, a member of the American Association of Petroleum Geologists, having sufficient experience which is relevant to the evaluation and estimation of Petroleum Resources to qualify as a Qualified Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Bond is employed by Finder as Exploration Manager and has consented to the form and context in which this statement appears.

Not for release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

APPENDIX A – PSC 19-11 TECHNICAL AND PETROLEUM RESOURCE DETAILS

PSC 19-11 Overview

PSC 19-11 is located in the Bonaparte Basin approximately 160 km SE of Suai in Timor-Leste and 550 km WNW of Darwin, Australia (Figure 1). The PSC in its current form was signed on 28 August 2019 shortly after the Australia and Timor-Leste governments ratified the Maritime Boundary Treaty between the countries. Key Terms are provided in Table 1 below.

PSC Title	TL-SO-T 19-11 PSC
Parties to the PSC	ANP (“the Ministry ”) and each of the following entities (together comprising “the Contractor ”). <i>Pre-completion:</i> Eni (40.53%) Inpex (35.47%) TIMOR GAP (24%) <i>Post-completion:</i> Finder (76%) TIMOR GAP (24%)
Term	The current exploration period expires on 29 August 2024. The transaction is subject to Finder negotiating an extension to the PSC term. Finder is in discussions with the Ministry to extend the PSC term with a forward work program that includes reprocessing the Ikan 3D and studies.
Sharing of Petroleum	Royalty for the Ministry: The Ministry is entitled to receive a ‘royalty’ equal to 5% of production in each Calendar Year. Cost Oil: The Contractor is entitled to receive up to 95% of production in each Calendar Year, equivalent to cover the costs and expenses incurred by the Contractor in carrying out the petroleum operations in accordance with the PSC. Profit Oil: Any additional petroleum (i.e. beyond what is required to cover the Contractor’s costs) shall be shared between the Ministry and the Contractor in the following proportions: 40% to the Ministry; 60% to the Contractor.

Table 1: Key PSC 19-11 Details

Notes:

Pursuant to a separate Joint Operating Agreement between the entities comprising the Contractor (the **Partners**), the petroleum which the Contractor is entitled to under the PSC; and the responsibility for the costs of the petroleum operations, are allocated between the Partners in accordance with their respective percentage interests (as noted in the table above). Under the Joint Operating Agreement, the Partners other than TIMOR GAP have also agreed to finance TIMOR GAP’s proportionate share of the costs associated with the exploration and appraisal phases, together with the initial development costs (in the event TIMOR GAP is unable to contribute towards those development costs). In return, those Partner(s) are entitled to recover the costs, plus a defined uplift, through TIMOR GAP’s share of petroleum.

PSC 19-11 Resource Estimation

PSC 19-11 is located within the prolific oil province of the Laminaria High in the Bonaparte Basin. The Laminaria High is a major intra-basinal high flanked by lows; the Sahul Syncline and Nancar Trough to the south-west and south and the Flamingo Syncline to the east (Figure 3). The major Timor Trough flanks the northern boundary of the Laminaria High. The primary hydrocarbon play for the area is the excellent quality Middle Jurassic Laminaria and Plover shallow marine fluvio-deltaic reservoir sandstones sealed by Late Jurassic marine shales of the Frigate and Flamingo Formations. Hydrocarbon charge is from the Early-Middle Jurassic Plover formation carbonaceous shales and coals.

The Laminaria High area has an excellent exploration success rate with 17 oil discoveries from 35 exploration wells. This has led to over 270 mmbbls of oil being produced from 6 oil fields (Laminaria, Corallina, Buffalo, Elang, Kakatua and Kitan). All these fields have oil within the regionally extensive Laminaria/Plover sandstone reservoir which provides strong aquifer drive for the fields. This, together with the excellent high API gravity under-saturated oil leads to favourable water flood mobility, good sweep leading to high recovery factors (up to 65% proven at Laminaria).

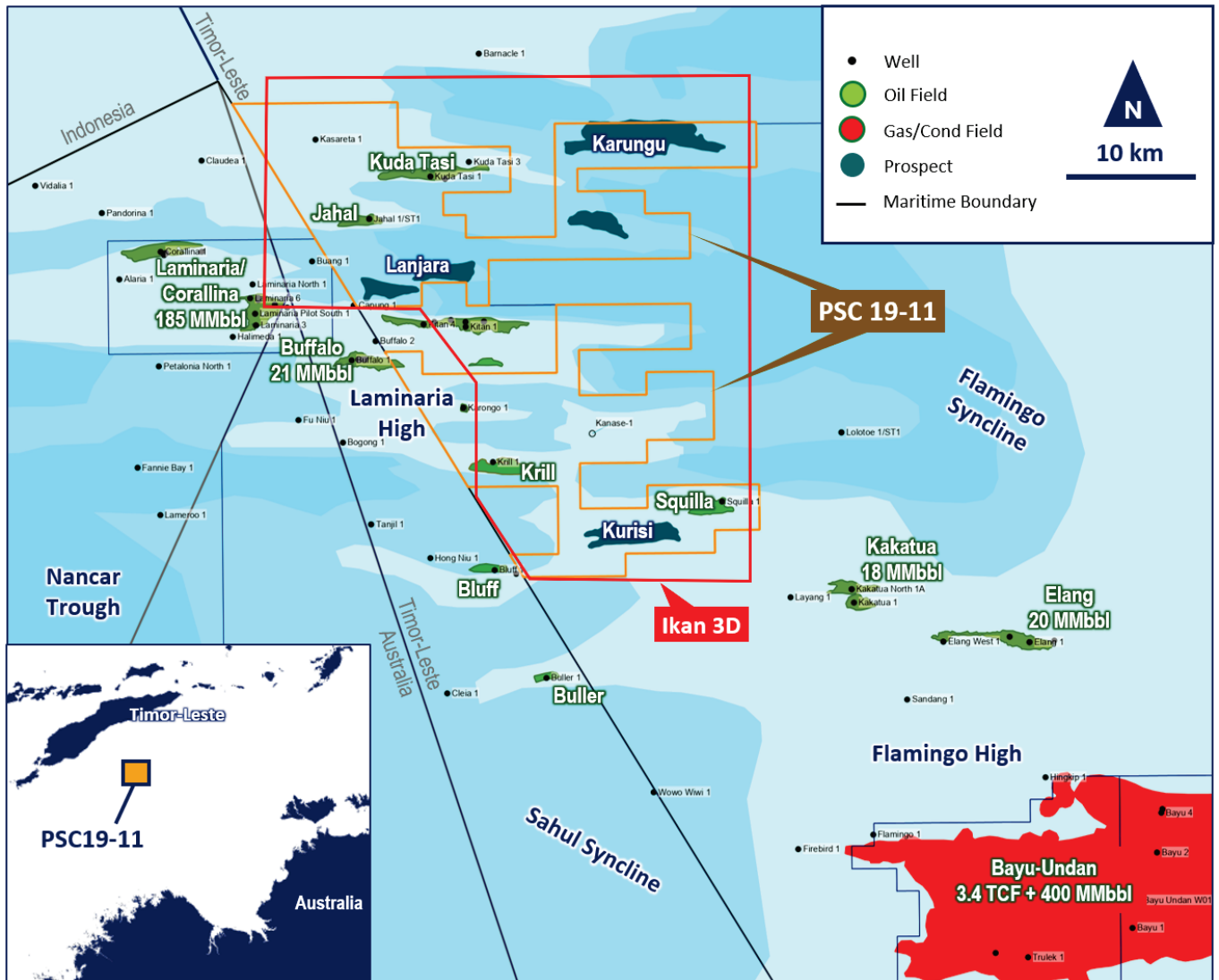


Figure 3: Laminaria High location map and PSC 19-11 oil field and prospects

Within PSC 19-11 a total of 10 exploration and appraisal wells have been drilled (Figure 3). Of the seven exploration wells, five discovered hydrocarbons (Squilla-1A, Jahal-1, Krill-1, Kuda Tasi-1 and Korongo-1) making it a 71% success rate within the area. The Ikan 3D seismic survey, acquired in 2005 also provides full coverage of PSC 19-11 and the fields and prospects.

Finder has reviewed all available openfile well and seismic data within the PSC and conducted its own interpretation and evaluation to determine contingent and prospective resource estimations of the oil fields and prospects within PSC 19-11 (Tables 2 and 3). In addition, nearby analogue field reports and data (Laminaria, Buffalo and Elang-Kakatua) was incorporated to form the basis of recovery factors with STOIP estimates to generate a range of resource volumes.

Name	Contingent Resources Oil (MMbbl)					
	Gross (100%)			Net (Finder 76%)		
	1C	2C	3C	1C	2C	3C
Kuda Tasi	9.0	15.6	24.8	6.8	11.9	18.8
Jahal	4.1	6.3	9.2	3.1	4.8	7.0
Krill	8.1	13.9	22.4	6.2	10.6	17.0
Squilla	5.4	9.2	14.8	4.1	7.0	11.2
Total	26.6	45.0	71.2	20.2	34.3	54.0

Table 2: PSC 19-11 Contingent Resources

Name	Prospective Resources Oil (MMbbl)								COS (%)
	Gross (100%)				Net (Finder 76%)				
	P90 (1U)	P50 (2U)	Pmean	P10 (3U)	P90 (1U)	P50 (2U)	Pmean	P10 (3U)	
Karungu	5.9	26.7	49.2	119.2	4.5	20.3	37.4	90.6	38
Kurisi	5.1	19.1	30.4	70.1	3.9	14.5	23.1	53.3	49
Lanjara	4.2	15.9	25.6	59.3	3.2	12.1	19.5	45.1	54
Lanjara SW	2.2	7.2	10.4	22.8	1.7	5.5	7.9	17.3	54
Total	17.4	68.9	115.6	271.4	13.3	52.4	87.9	206.3	

Table 3: PSC 19-11 Prospective Resources

Notes:

- Contingent and Prospective Resources attributed to Finder are subject to completion of the acquisition.
- These resource and risk estimates have been determined by Finder. Full details and disclosures following SPE-PRMS and ASX Chapter 5 guidelines are provided in Appendix A.
- "Gross" includes 100% of the field and prospect resource estimate.
- "Net" calculated on the basis of Finder's current working interest of 76%, with TIMOR GAP holding the remaining 24%.
- Finder uses probabilistic methods for estimation of petroleum resources used in this report.
- Where the Resources have been aggregated beyond the field level in this report by arithmetic summation, the aggregate low (1C/1U) estimate may be a very conservative estimate and the aggregate high estimate (3C/3U) may be a very optimistic estimate due to the portfolio effects of the arithmetic summation.
- Contingent Resources are estimated quantities of petroleum that are potentially recoverable but not yet considered mature enough for commercial development due to one more contingencies such as technological or business hurdles or where evaluation of the accumulation is insufficient to clearly assess commerciality. These estimates have a risk of development. Further appraisal and/or evaluation is required to mature the Contingent Resources and elevate it into the Reserves category.
- Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related to undiscovered accumulations. These estimates have both a risk of geologic discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

PSC 19-11 Forward Work Program

Going forward, the primary work program is to prioritise the development of the Kuda Tasi and Jahal contingent oil resources and unlock the appraisal and exploration potential within the PSC.

Key development studies will advance existing work completed during the acquisition phase and will include development concept engineering, well design, subsurface technical and engineering modelling and detailed cost analysis.

In addition, technical studies derisking the upside appraisal and prospective resource potential in the PSC will also be undertaken. This work will be completed concurrently with the field development program and will be focussed on evaluating

the best ranked appraisal and exploration opportunities within the PSC. Central to derisking the upside potential will be undertaking high-end modern reprocessing of the Ikan 3D seismic data. Since the 2005 acquisition of the Ikan 3D data, there have been dramatic improvements in reprocessing technologies which will significantly improve the data and assist in evaluating the updip appraisal potential of Krill and Squilla and the trap integrity of exploration prospects. The new modern dataset will also assist in the placement of development wells to maximise production in any development at Kuda Tasi and Jahal.

Appendix A - ASX Listing Rules – Chapter 5, Petroleum Resource Information

Rule	
5.25	This report contains estimates of contingent and prospective resources.
5.25.1	The evaluation date is 8 August 2024.
5.25.2	Finder calculates reserves and resources according to the Society of Petroleum Engineers Petroleum Resource Management System (SPE-PRMS) definition of petroleum resources. Finder reports reserves and resources in line with the ASX Listing Rules.
5.25.3-25.4	Total petroleum initially in place has not been disclosed.
5.25.5	Finder's net economic interest in the prospective resources is provided in Tables 2 and 3.
5.25.6	Finder uses probabilistic methods for estimation of petroleum resources used in this report.
5.25.7	Unless otherwise stated, all petroleum resource estimates are quoted at standard oilfield conditions of 14.696 psi (101.325 kPa) and 60 degrees Fahrenheit (15.56 deg Celsius). MMboe means millions of barrels of oil equivalent. Gas volumes are converted to oil equivalent volumes via a constant conversion factor, which for Finder is 6.0 mscf of dry gas per 1 bbl. Volumes of oil and condensate are converted from MMbbls (million stock tank barrels) to MMboe on a 1:1 ratio. Quoted figures are rounded to the nearest whole number.
5.26	Petroleum reserves are not reported in this report.
5.27	This report contains estimates of contingent resources.
5.27.1	Contingent Resources have been reported in the categories of 1C (low estimate), 2C (best estimate) and 3C (high estimate).
5.27.2	Finder has not included a mean resource estimate for Contingent Resources.
5.27.3	Unless otherwise stated, all petroleum estimates are aggregated by arithmetic summation by category, e.g. Contingent & Prospective Resource.
5.27.4	Where the Petroleum Resources have been aggregated beyond the field level in this report by arithmetic summation, the aggregate low estimate may be a very conservative estimate and the aggregate high estimate may be a very optimistic estimate due to the portfolio effects of the arithmetic summation.
5.28	This report contains estimates of Prospective Resources.
5.28.1	Prospective Resources have been reported in the categories of P90 (1U or low estimate), P50 (2U or best estimate) and P10 (3U or high estimate). Finder has also included the mean estimate.
5.28.2	The cautionary statement is located proximate to the reported Prospective Resources.
5.29 - 5.32	Not applicable to this report.
5.33	This is the first time estimated Contingent Resources have been reported on the PSC 19-11 project.
5.33.1	The Petroleum Resources (Contingent and Prospective) are located in the PSC 19-11 within Timor-Leste offshore waters. Details of the PSC terms are outlined in Table 1 of this announcement.
5.33.2-5.33.3	Contingent Resources reported are in relation to the historical wells Kuda Tasi 1, 2 and 3, Jahal-1, Jahal 1ST, Krill 1 and Squilla 1 which discovered hydrocarbons. Finder used open file data available in well completion reports to make its assessment. Hydrocarbons were recovered to surface via production tests (Kuda Tasi-2 and Jahal-1ST) or wireline MDT production logging and sampling (Krill-1 and Squilla-1).
5.33.4	Contingent Resources are not contingent on technology under development.
5.33.5	Contingent Resources do not related to unconventional petroleum resources.
5.34	This is the first time estimated Prospective Resources have been reported on PSC 19-11.
5.35.1	See 5.33.1
5.35.2	The estimates of Prospective Resources included in this report have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Work is ongoing in the Licence, including reprocessing and interpretation of 3D seismic data and integrated technical and engineering studies. No further data acquisition or exploration drilling is planned at this time.
5.35.3	The Geological Chance of Success (COS) is included in Table 3, which takes into account the chance of the prospect encountering the necessary elements of trap, seal, resource and hydrocarbon charge. The Prospective Resources have not been adjusted for the Chance of Development (COD). Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing.
5.35.4	Not applicable to this report.
5.36-5.40	Not applicable to this report.
5.41 – 5.43	The information in this report is based on, and fairly and accurately represents, in the form and context in which it appears, information and supporting documentation prepared by, or under the supervision of, Aaron Bond, a member of the American Association of Petroleum Geologists, having sufficient experience which is relevant to the evaluation and estimation of Prospective Resources to qualify as a Qualified Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Bond is employed by Finder as Exploration Manager and has consented to the form and context in which this statement appears.
5.44	Not applicable to this report.