

# QUARTERLY REPORT

30 January 2023

ASX:FDR



## December 2022 Quarterly

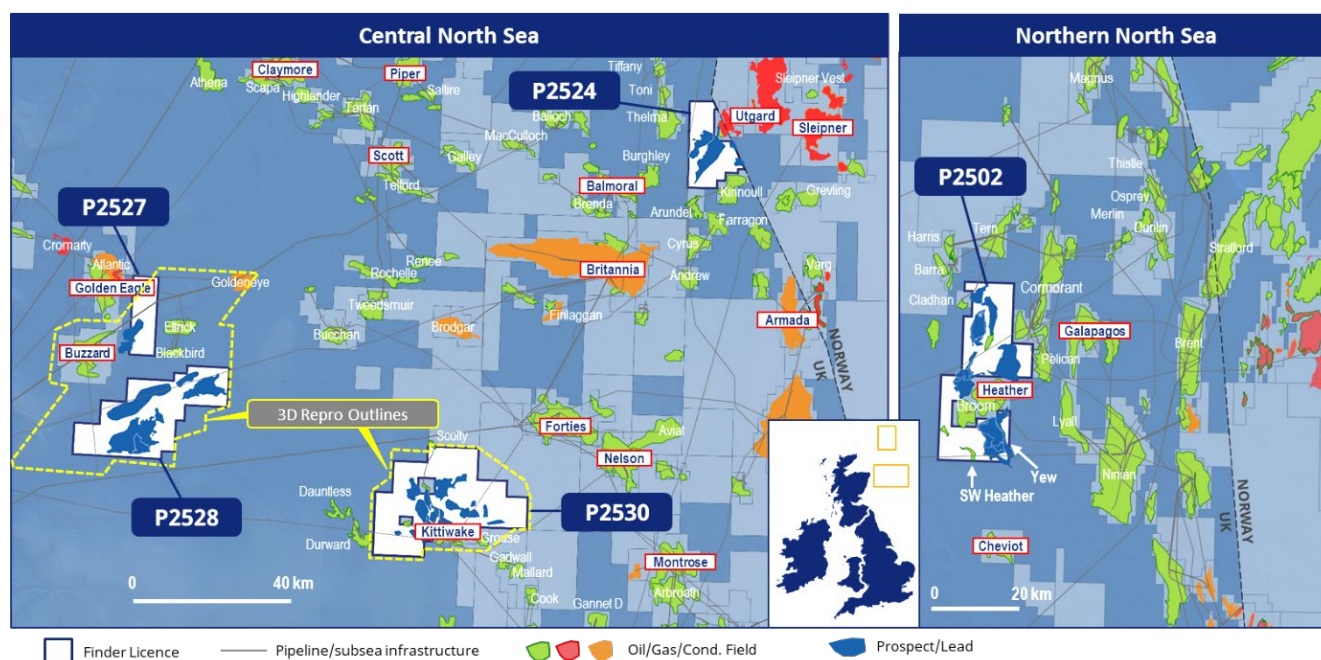
### Highlights

- The December quarter was cash flow positive with \$10.5 million cash at bank at end of quarter
- Farmout of 40% interest in each of P2527, P2528 and P2530 to Dana Petroleum were completed during the quarter with Finder retaining Operatorship for consideration of \$2.3m
- Maiden Resource Report for P2524 was released in November 2022 containing the leading Barracuda oil prospect with a gross mean prospective resource of 67 MMboe as well as the low risk Amberjack and Trevally tie back opportunities
- Finder progressed various technical and commercial work streams in support of farmout processes across the portfolio together with new venture opportunities

### Project Updates

Finder has a large portfolio of exploration acreage in two of the world's premier hydrocarbon regions, the United Kingdom (UK) North Sea and the North West Shelf (NWS) Australia (Figures 1 and 4). A summary of Finder's interests is provided in Table 2 and an update on key exploration activities is provided below.

#### UK - North Sea



**Figure 1 – Finder's UK North Sea portfolio comprising 5 licences**

Finder has built a substantial acreage position in the North Sea (Figure 1). Our entry into the North Sea was well timed ahead of the current global energy crisis, the effects of which are being felt strongly in Western Europe and this is having a positive effect on North Sea exploration.

### *P2524 – South Viking Graben*

#### *Finder 40% and Operator*

P2524 is located on the western margin of the UK-Norway international median line within the prolific South Viking Graben (see Figure 1). The licence is surrounded by oil, gas and condensate fields. The area is infrastructure-rich with multiple host facility options for oil, gas and condensate field tie backs.

During the quarter Finder announced a maiden resource report for prospectivity within P2524 (Figure 2; refer ASX announcement 20 November 2022). The highlights of the report were the:

- Barracuda oil prospect with 67 MMboe gross mean prospective resource and 31% geological chance of success (COS);
- low-risk Amberjack (72% COS) and Trevally (57% COS) Prospects ideally positioned to tie back to nearby infrastructure; and
- follow-up potential of the Bass Lead with any exploration success within the licence.

P2524 is part of Finder's Infrastructure-Led Exploration (ILX) strategy given its proximity to infrastructure and offers a range of opportunities with multiple value creation pathways. Finder is pursuing multiple workstreams to unlock this value, including:

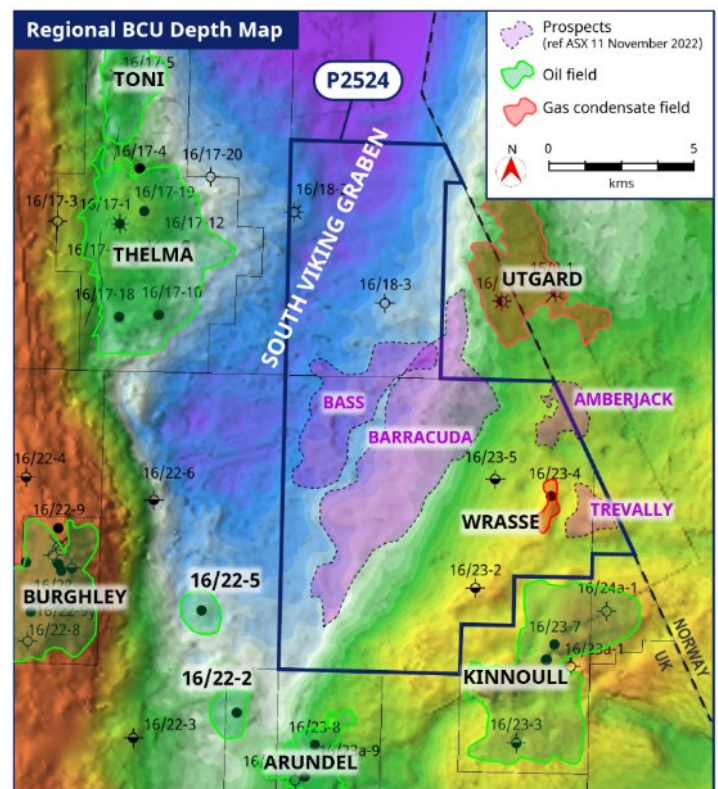
- progressing joint venture evaluations of key prospects to reach a well decision;
- a farmout process to secure an industry partner to fund potential drilling activity; and
- development concepts and economics on the Amberjack and Trevally tie back opportunities and engagement with operators of proximate host infrastructure.

### *P2527, P2528 and P2530 – South Halibut Basin and North Kittiwake Basin*

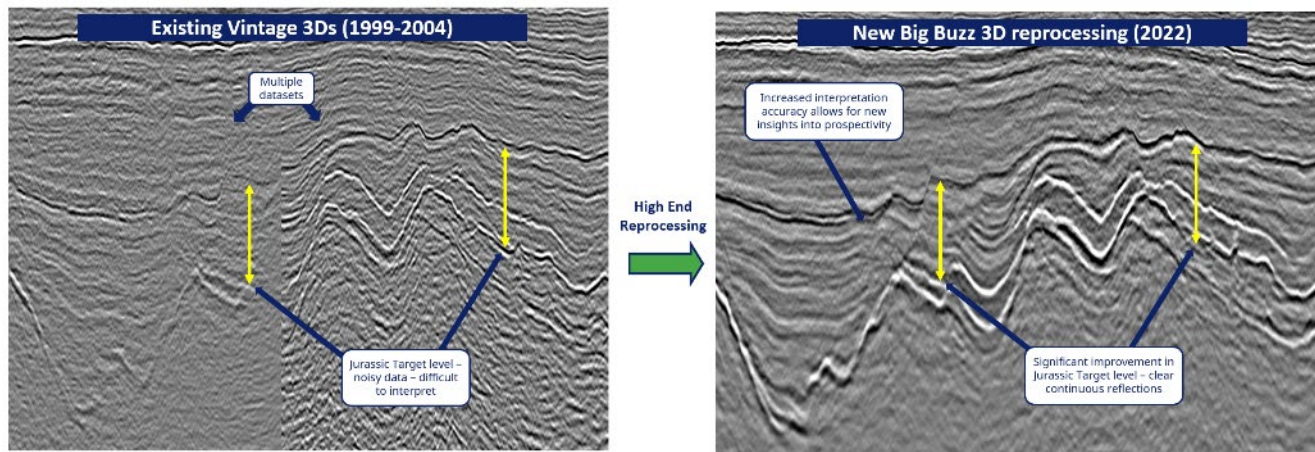
#### *Finder 60% and Operator*

During the quarter Finder announced three farmout deals with Dana Petroleum acquiring a 40% interest in P2527, P2528 and P2530. Finder retains a 60% interest and operatorship in each of the licences. Retaining a 60% interest allows for secondary farmouts to secure funding for exploration wells whilst still retaining meaningful levels of participation in any discovery.

Finder has licensed modern 3D seismic datasets and in August 2022 completed two major high end broadband pre-stack depth migration with full-waveform-inversion reprocessing projects over P2527, P2528 and P2530, called the 'Big Buzz' and 'Big Bird' 3D Repro Projects (see areas bounded by yellow dashed line in Figure 1). The results of the reprocessing projects have exceeded Finder's expectations with significant improvement in imaging at the target objectives (Figure 3).



**Figure 2 - Regional Base Cretaceous Unconformity (BCU) depth map showing P2524 prospectivity and surrounding hydrocarbon fields.**



**Figure 3 – comparison between existing vintage 3D and the recently completed Big Buzz 3D showing uplift in data quality.**

Within P2527 and P2528 the Upper Jurassic sandstones form the key objectives for stratigraphic traps identified on the vintage 3D datasets. These are the same as the productive reservoirs of the giant Buzzard Oil Field (with reserves of over a billion barrels). The Big Buzz reprocessing project took four vintage 3D surveys through a high-end processing flow to produce a final merged contiguous dataset over both licenses and surrounding analogous oil fields.

P2530 is located within the North Kittiwake Basin and is surrounded by the giant Forties and Nelson fields to the north, and the Kittiwake and Gannet Fields to the south. The key play level in the licence is the Upper Jurassic Fulmar Sandstones which are a proven and highly prolific reservoir in many nearby oil fields. Prospectivity is focussed within the Jurassic syn-rift depocenters and is associated with both salt cored highs and adjacent mini-basins. Multiple opportunities are currently identified, including historical discoveries, combination structural-stratigraphic traps and four-way dip features. Interpretation and prospect generation on the new Big Bird data is underway to better understand prospective resources and risk.

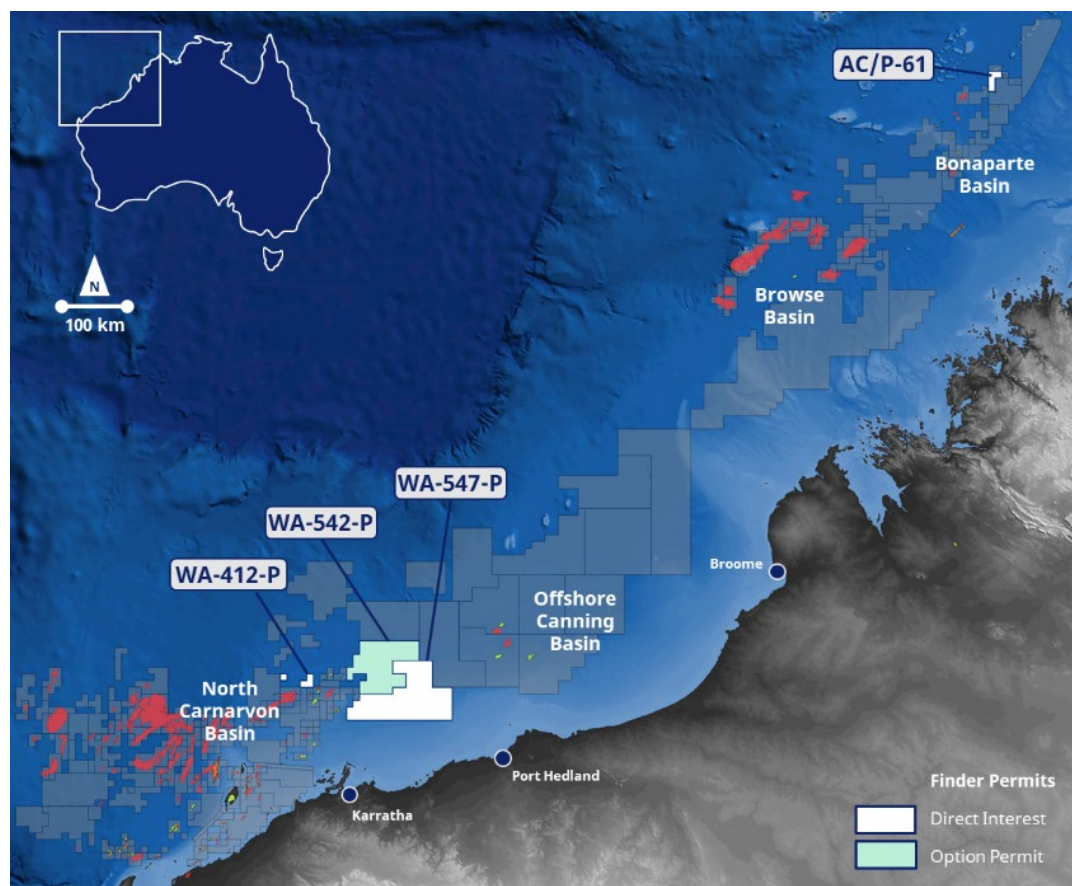
Interpretation and prospect generation on the new Big Buzz and Big Bird reprocessed data is ongoing. Once complete Finder will commence a secondary farmout process to secure a partner(s) for the drilling of the key prospect(s) that emerge from our evaluation.

### *P2502 – East Shetland Basin*

#### *Finder 50% and Operator*

The P2502 licence is located in the western part of the East Shetland Basin, where a number of nearby fields and discoveries demonstrate a working petroleum system. Finder has identified the potential of underexplored Jurassic sub-basins between these fields. During the quarter, Finder continued its technical evaluation of the licence with interpretation of the licenced 3D seismic data and integration with geological studies.

## Australia – North West Shelf



**Figure 4 – FINDER's North West Shelf portfolio**

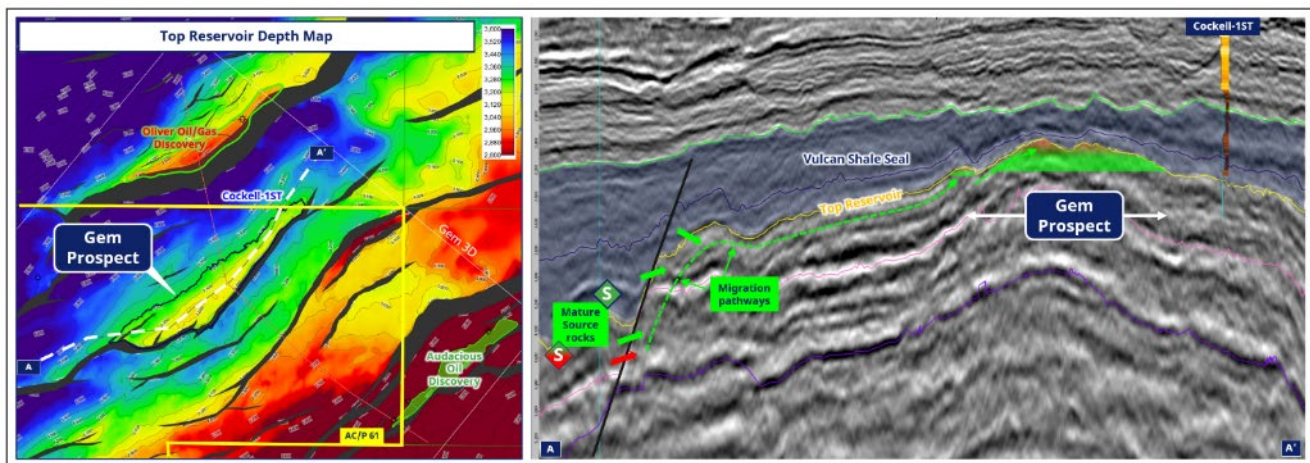
### *AC/P 61 – Gem Prospect*

#### *FINDER 50% and Operator*

The AC/P 61 exploration permit is located within the prolific Vulcan Sub-basin and is surrounded by a number of oil discoveries (see Figure 4).

The Gem Prospect has been high-graded and was independently reviewed by ERCE Australia Pty Ltd to have an estimated gross Best Case Prospective Resources of 137 MMbbl with a Chance of Success (COS) of 32% (refer Prospectus). Additional work through the second half of 2022 showed Gem to be a robust trap mapped on new 3D seismic data and ideally located to receive hydrocarbons from the proven Cartier Trough source kitchen (Figure 5). Further to this, analysis over 50 surrounding wells showed a high exploration success rate of over 60% for all wells drilled on valid traps. The findings of these studies were presented in the 2 September 2022 ASX announcement.

During the quarter, FINDER continued its farmout efforts to secure a partner to fund an exploration well to drill the Gem exploration well.



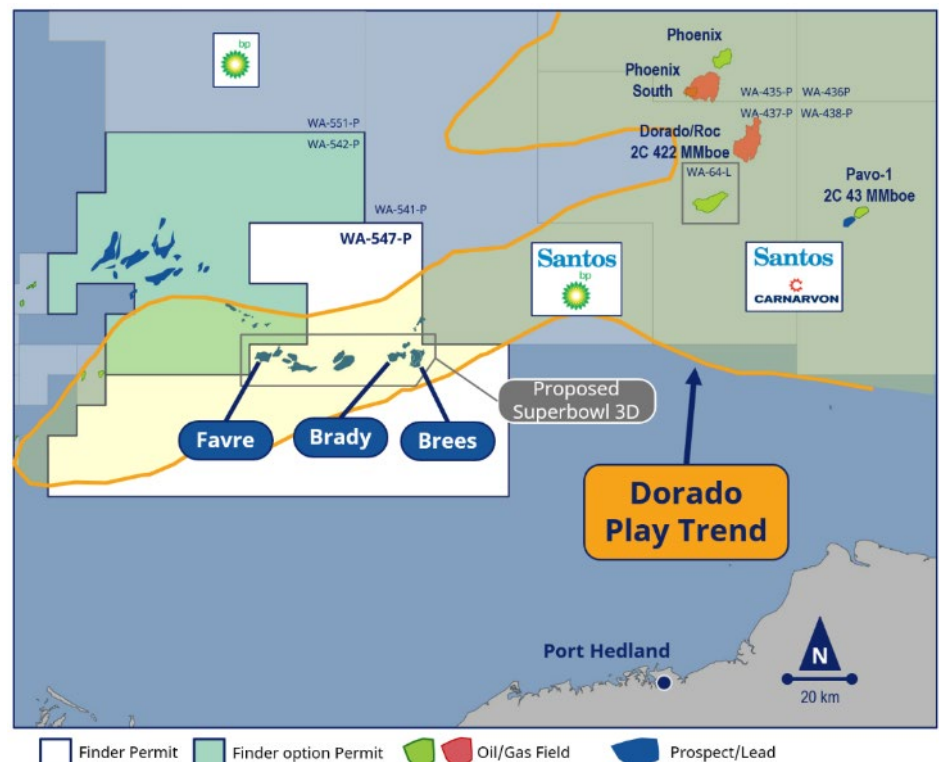
**Figure 5 - Top Plover reservoir depth map and Gem 3D seismic line showing Gem Prospect**

### *WA-547-P - Dorado play*

#### *Finder 100% and Operator*

Finder holds 100% equity in exploration permit WA-547-P comprising an area of 7,260 km<sup>2</sup> (Figure 6). The permit is located along the Dorado play trend, one of the most active exploration areas within the North West Shelf. Within the permit, Finder has identified three material prospects (Brees, Favre and Brady) and a number of satellite leads on existing 3D seismic data (Figure 6).

Modern 3D seismic data, along with exploration drilling has led to a very high exploration success rate of over 70% within the Bedout Sub-basin with five out of seven exploration wells discovering hydrocarbons. During the quarter the Company progressed with its Environmental Plan (EP) approvals for the Superbowl 3D seismic survey. A key part in the approval process is stakeholder consultation outlining details of the activities. During October the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), Australia's independent regulator for offshore hydrocarbon activities, contacted all offshore companies, including Finder, and notified them of immediate changes required in all EP's in relation to stakeholder consultation methods. As a result of this all EP's are now required to undertake additional consultation, which will take further time to complete. This additional consultation, and resultant delay in EP approvals will mean the acquisition of the Superbowl 3D will likely be delayed. An update on timing of activities will be provided in due course.



**Figure 6 – WA-547-P location map showing Dorado play trend and key prospectivity**

## New Ventures

The global energy transition is creating unprecedented opportunities in both oil and gas (due to a global energy shortage) as well as decarbonisation projects, such as Carbon Capture and Storage (CCS). Finder's experience, subsurface knowledge and extensive geodata libraries mean that we are well positioned to pursue opportunities in both these spaces.

During the quarter, Finder progressed several new opportunities to add to the portfolio. We are focussed on opportunities consistent with our strategy to utilise our subsurface capabilities and data libraries to access low entry cost opportunities with high value creation potential. These opportunities include both offshore oil and gas exploration and CCS opportunities. Finder has also formed several key partnerships with other industry groups to pursue these opportunities, bring together capabilities and provide access to existing infrastructure. Whilst Finder is unlikely to be successful in capturing all of these opportunities, we are confident of closing a number of these deals in 2023 and we look forward to announcing the details of these projects as we land them.

## Corporate & Financial

### *Appendix 5B*

The year to date cash flows are based on the financial records of Finder for the three months ended 31 December 2022. The December quarter was cash flow positive with \$10.5M cash at bank at the end of the quarter.

For the purpose of Section 6 of Appendix 5B, related party payments of A\$161K included the payment to Longreach, pursuant to the Transitional Services Agreement as per Section 7.1 of the Prospectus and sublease agreement as well as the directors' fees.

### *Use of funds*

The Company was admitted to the Australian Securities Exchange (ASX) on 8 April 2022 following the successful completion of its IPO and raising of A\$15M to fund its activities through to 31 December 2023.

Table 1 below shows the Use of Funds for the Company's actual expenditure since admission to the ASX to 31 December 2022 against the estimated expenditure in the use of funds statements as required by ASX Listing Rule 4.7(c.2) as contained in the Prospectus.

Actual cash outflows to 31 December 2022 are in line with budget estimates. As announced on 8 November 2022, as a result of farmouts completed in 2022 the Company's cash run way has been extended beyond the original guidance contained in the Prospectus by more than 12 months.

Use of Funds	Estimated Expenditure at IPO (A\$'000)	Actual Cash Outflows to 31 December 2022 (A\$'000)
Project Costs <sup>1</sup>		
Drilling	1,700	1,320
Seismic <sup>2</sup>	5,400	829
Geoscience <sup>3</sup>	4,300	1,353
<b>Total Project Costs</b>	<b>11,400</b>	<b>3,502</b>
Business development <sup>4</sup>	700	622
Corporate costs <sup>5</sup>	800	463
Expenses of the Offer	1,600	2,168
Working capital	500	80
<b>Total</b>	<b>15,000</b>	<b>6,835</b>

**Table 1 – Estimated vs actual use of funds**

- 1 See Prospectus, including the ITSr, for further details in relation to project costs. Geoscience includes project staff costs and associated overheads in relation to the Company's work programs and expenditure commitments which are reported in staff, administration and corporate costs in the Appendix 5B.
- 2 Payment of "Big Bird" and "Big Buzz" reprocessing projects during the quarter included \$138K with VAT to be recovered in the March '23 quarter.
- 3 Geoscience expenditure includes the cost of project staff costs and associated overheads allocated to Permits. During the December' 22 quarter these costs include the re-classification of \$719K of technical resources previously reported in Corporate costs in the June 2022 and September 2022 quarterly reports.
- 4 Technical and commercial staff costs incurred on evaluation of new opportunities and transaction costs.
- 5 Includes non-project related staff costs, professional fees such as audit, tax and legal, insurance and office and administration expenses. As per note 3. above, \$719K of corporate costs, as previously reported in the June and September 2022 use of funds, have been re-classified to Geoscience expenditure.

## Permits and Licenses

Permit	Location	Area (km <sup>2</sup> )	Participants (*Operator)	Interest <sup>1</sup>
WA-412-P <sup>2</sup>	Dampier Sub-basin, Northern Carnarvon Basin	323	SapuraOMV (WA)* Finder Fugro	70% 15% 15%
AC/P 61	Vulcan Sub-basin, Bonaparte Basin	335	Finder* Fugro	50% 50%
WA-520-P <sup>3</sup>	Exmouth Sub-basin, Northern Carnarvon Basin	1,281	Finder	100%
WA-547-P	Beagle Sub-basin, Northern Carnarvon Basin	7,260	Finder	100%
P2502	East Shetland Basin, Northern North Sea	424	Finder* Dana Petroleum	50% 50%
P2524	South Viking Graben, Central North Sea	171	Finder* Harbour Energy	40% 60%
P2530	North Kittiwake Basin, Central North Sea	576	Finder* Dana Petroleum	60% 40%
P2528	Peterhead Graben, Central North Sea	454	Finder* Dana Petroleum	60% 40%
P2527	Outer Moray Firth Central North Sea	110	Finder* Dana Petroleum	60% 40%

**Table 2 – Exploration Permits held at the end of the Quarter**

<sup>1</sup> The registered interest is shown in the table, details of any royalty interests and other encumbrances affecting title are contained in the Prospectus.

<sup>2</sup> Consent to surrender application submitted on 3 November 2022 for regulatory approval.

<sup>3</sup> Permit surrender approved by the regulator on 23 December 2022

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

For further information, please contact:

### INVESTORS

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### MEDIA

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## Definitions, Abbreviations and Disclaimers

Acronym	Definition
<b>3D</b>	Three dimensional seismic data
<b>Company or Finder</b>	Finder Energy Holdings Limited
<b>COS</b>	Chance of geological success
<b>ITSR</b>	ERCE Independent Technical Specialist Report dated 11 February 2022, included in the Prospectus
<b>K</b>	Thousand
<b>km</b>	Kilometres
<b>km<sup>2</sup></b>	Square kilometres
<b>Longreach</b>	Longreach Capital Investment Pty Ltd
<b>M</b>	Million
<b>MMbbl</b>	Million barrels of oil
<b>PSDM-FWI</b>	Pre-stack depth migration - full waveform inversion
<b>Prospectus</b>	Finder's prospectus dated 25 February 2022 and released on ASX on 6 April 2022

### Cautionary Statement

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

Prospective resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### Resources

All quoted Prospective Resources have been taken from the ITSR. Please refer to the ITSR for more information and the qualified petroleum reserves and resources evaluator statement. Finder is not aware of any new information or data that materially affects the information included in the ITSR and that all material assumptions and technical parameters underpinning the estimates in the ITSR continue to apply and have not materially changed.

Finder is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the estimates in this report continue to apply and have not materially changed.

### Competent person statement

The technical information in this announcement has been reviewed and 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 Listing Rules. Aaron Bond is employed by the Company as Exploration Manager and has consented to the inclusion in this announcement of those matters not covered by the ITSR based on the information he has prepared or supervised in the form and context in which that information appears.

### 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. 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.

## Appendix 5B

### *Mining exploration entity or oil and gas exploration entity quarterly cash flow report*

*Name of entity*

Finder Energy Holdings Limited

*ABN*

70656811719

*Quarter ended ("current quarter")*

31 December 2022

<b><i>Consolidated statement of cash flows</i></b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(723)	(777)
(b) development	-	-
(c) production	-	-
(d) staff costs	(969)	(1,502)
(e) administration and corporate costs	(582)	(1,054)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	26	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material): <u>Joint operation reimbursements &amp; receipts from exploration and evaluation</u>	448	791
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,800)</b>	<b>(2,514)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	2,348	2,348
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>2,348</b>	<b>2,348</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	11
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>11</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,973	10,699
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,800)	(2,514)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,348	2,348

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	11
4.5	Effect of movement in exchange rates on cash held	(7)	(30)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,514</b>	<b>10,514</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	10,514	9,973
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,514</b>	<b>9,973</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b><i>Financing facilities</i></b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b><i>Estimated cash available for future operating activities</i></b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,800)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,800)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,514
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,514
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>5.8</b>
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....

Authorised by: .....

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.