

QUARTERLY REPORT

30 October 2023

ASX:FDR



30 September 2023

Highlights

- Finder's high-end reprocessing of the Big Buzz 3D has upgraded the exciting Whitsun Prospect in P2528
- Whitsun has emerged as a material prospect in the same hydrocarbon play as the giant Buzzard Field immediately to the north
- Finder anticipates resource estimates and risking for Whitsun to be announced in the December quarter
- New venture activity gained momentum during the quarter with a number of opportunities expected to be finalised in late 2023/early 2024
- Closing cash for the quarter was \$9.0 million

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 6). A summary of Finder's interests is provided in Table 2 and an update on key exploration activities is provided below.

UK - North Sea Portfolio

Finder currently has 5 exploration licences in the UK North Sea (Figure 1). A summary of activities across these licences follows.

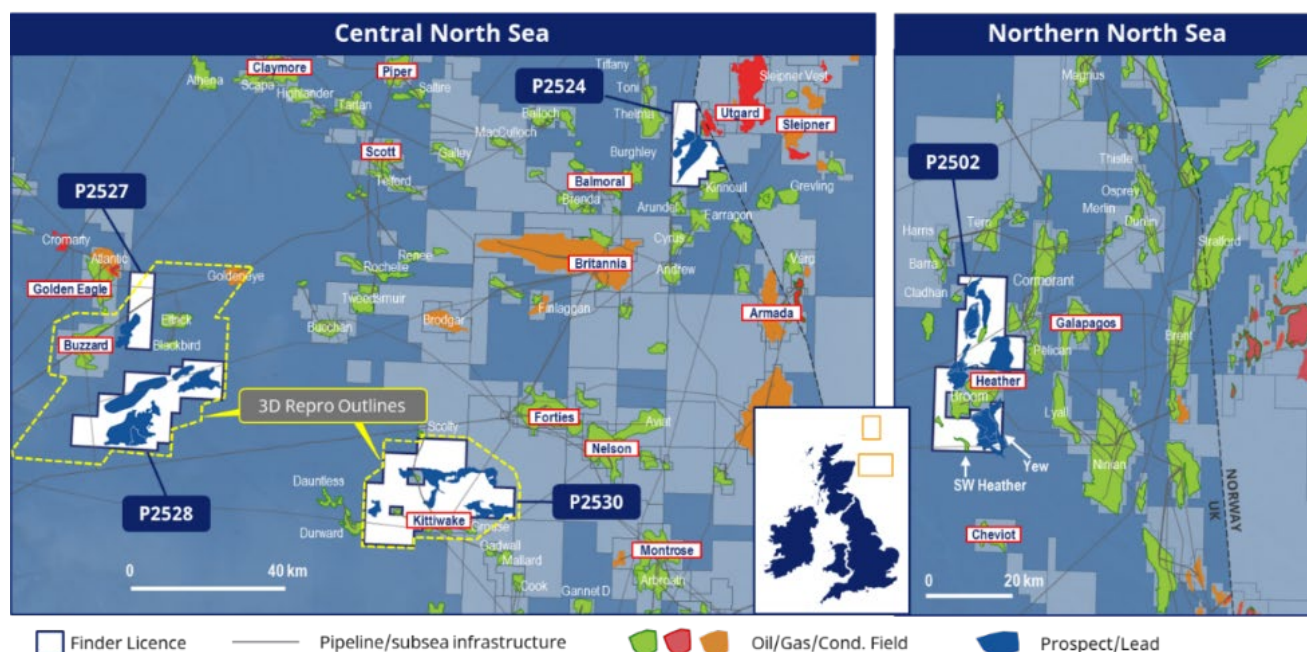


Figure 1 – Finder's UK North Sea portfolio comprising 5 licences

P2527 & P2528 – South Halibut Basin

Finder 60% and Operator

Within P2527 and P2528 the Upper Jurassic sandstones form the key objectives for stratigraphic traps identified on the vintage 3D datasets.

Finder has undertaken a broadband, full-waveform inversion, pre-stack depth migration reprocessing of the 3D seismic data over P2527 and P2528, called the 'Big Buzz 3D'. The 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. The results have exceeded Finder's expectations with significant improvement in imaging at the target objectives (Figure 2).

During the quarter, technical studies progressed with a focus on interpretation of the key prospect, Whitsun. The improved seismic imaging of the Big Buzz dataset has advanced our understanding of the key trapping mechanisms and reservoir distribution. The Whitsun Prospect is an analogue to the Buzzard Field (with reserves of over a billion barrels) located in the basin to the north. It is mapped as a stratigraphic trap of the Buzzard Sandstone reservoir sealed by the proven Kimmeridge Clay Formation deep marine shales. Forward studies in the next quarter include completing hydrocarbon charge modelling which will enable estimation of prospective resources and geological chance of success (COS).

Detailed geophysical interpretation is also ongoing on other prospects within P2527 and P2528.

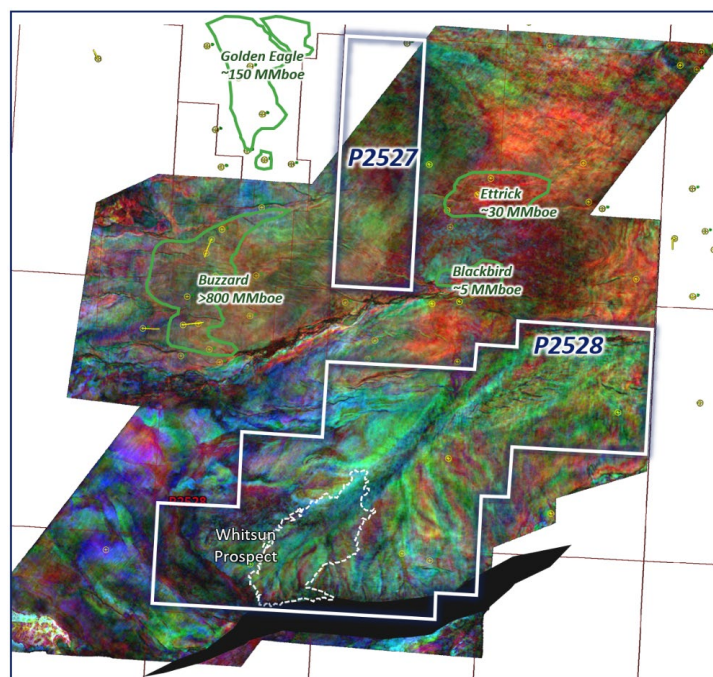


Figure 2 – Big Buzz 3D spectral image of the Upper Jurassic

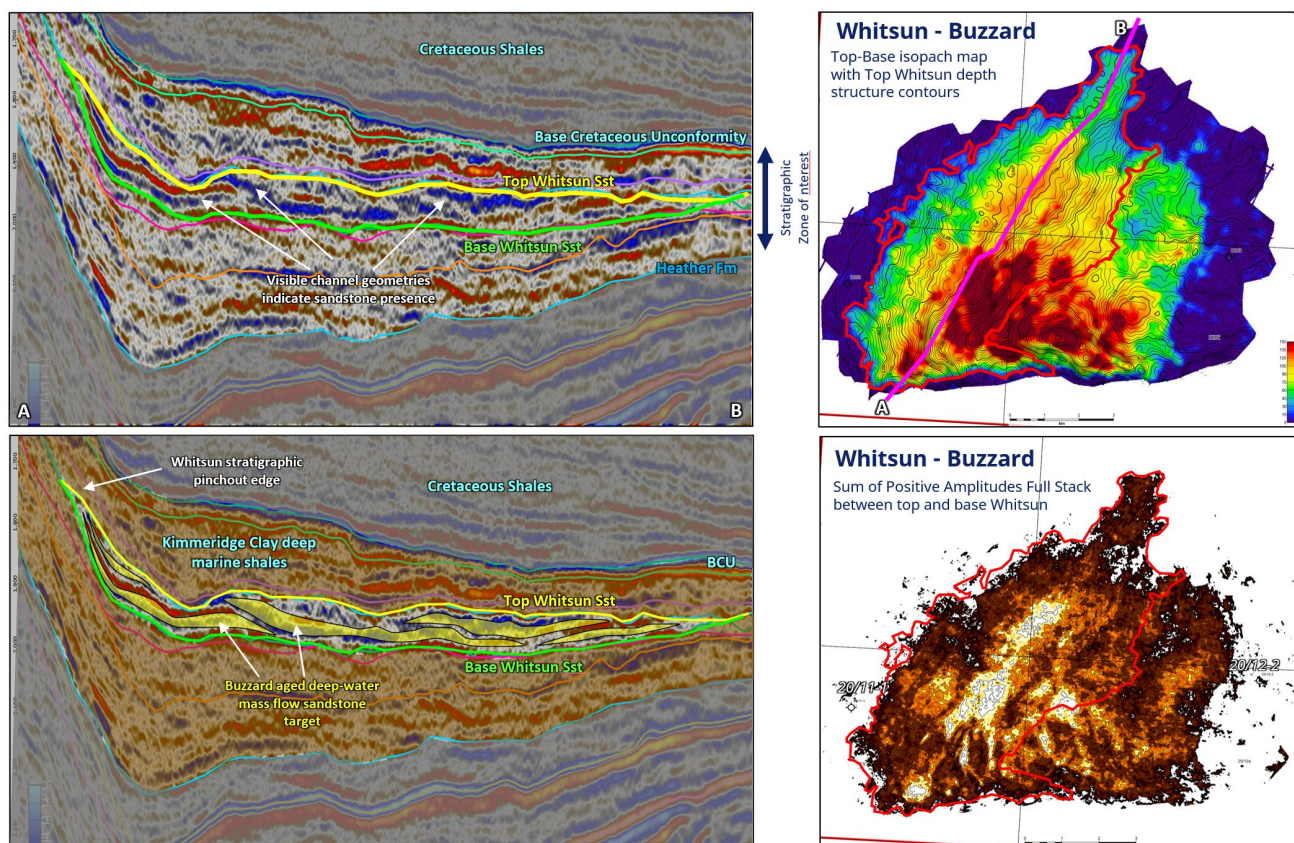


Figure 3 – Whitsun Prospect, a Buzzard Analogue

P2524 – South Viking Graben

Finder 40% and Operator

P2524 is located on the eastern 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. P2524 is part of Finder's Infrastructure-Led Exploration (ILX) strategy given its proximity to infrastructure and the leading drilling candidates include Amberjack, Trevally and Barracuda.

Phase A of the initial term of P2524 expires late November and the joint venture is currently considering its forward plans, which may include entering into the subsequent phase (Phase C which contains a well commitment over a two year period) or surrendering the licence.

P2530 - North Kittiwake Basin

Finder 60% and Operator

The Licence 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 (Figure 1). The area is infrastructure-rich with multiple host facility options for field tie-backs. The key play level in the licence is the Upper Jurassic Fulmar Formation sandstones which are a proven and highly prolific reservoir in many nearby oil fields.

During the quarter Finder secured regulatory approval to proceed into Phase B of the licence term with minimal commitments. The licence transitions from Phase A to Phase B of the initial term on 30 November 2023. Phase B is a period of two years with a drill or drop deadline decision required by November 2025 which enables time for a farmout process to secure a partner to fund the drilling of a well.

Finder has carried out detailed technical studies on the licence, with a key part being the 3D seismic reprocessing project, called 'the Big Bird 3D'. Two vintage 3D surveys acquired during the 1990's were reprocessed from field tapes with a high-end modern processing flow which included broadband, FWI and pre-Stack Depth Migration, resulting in a single, contiguous and modern dataset which covers 730 km² (Figure 1). The reprocessing project has delivered a dataset with a significantly improved clarity of the subsurface image and allowed the detailed interpretation of the target, Upper Jurassic, Fulmar Formation play objectives (Figure 4).

Key results include the detailed assessment of the historical Wagtail oil discovery and the identification of two low-risk prospects, Marsh and Bancroft, which are classic "interpod" traps similar in style to the nearby Goosander, Kittiwake and Grouse oil fields. An additional four combination trap prospects, Tye, Turner, Agar and Stoinis were also identified. Further details of the prospectivity were provided in the Contingent and Prospective Resources announcement on 27 June 2023.

P2530 is part of Finder's ILX strategy. The key low-risk appraisal and exploration prospects within P2530 are located within tie-back distance to existing production facilities opening up the potential for fast and cost-effective pathways to first production. The joint venture is progressing with evaluation of drilling candidates within P2530.

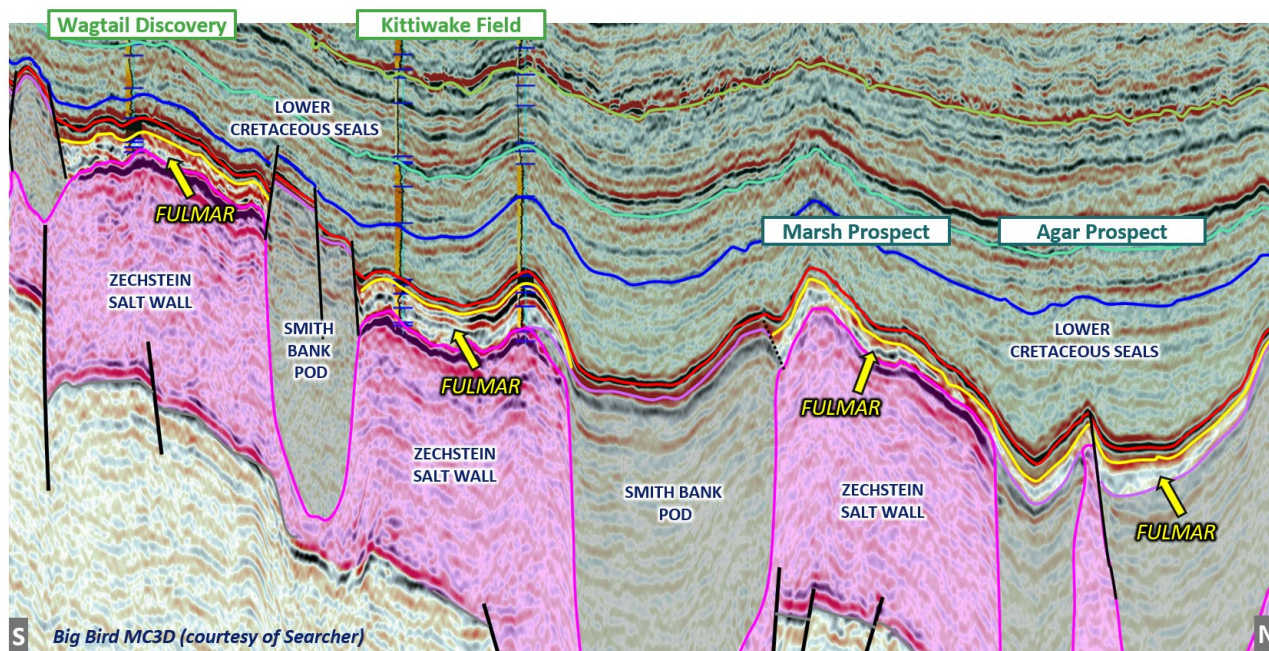


Figure 4 – Big Bird 3D seismic line through P2530

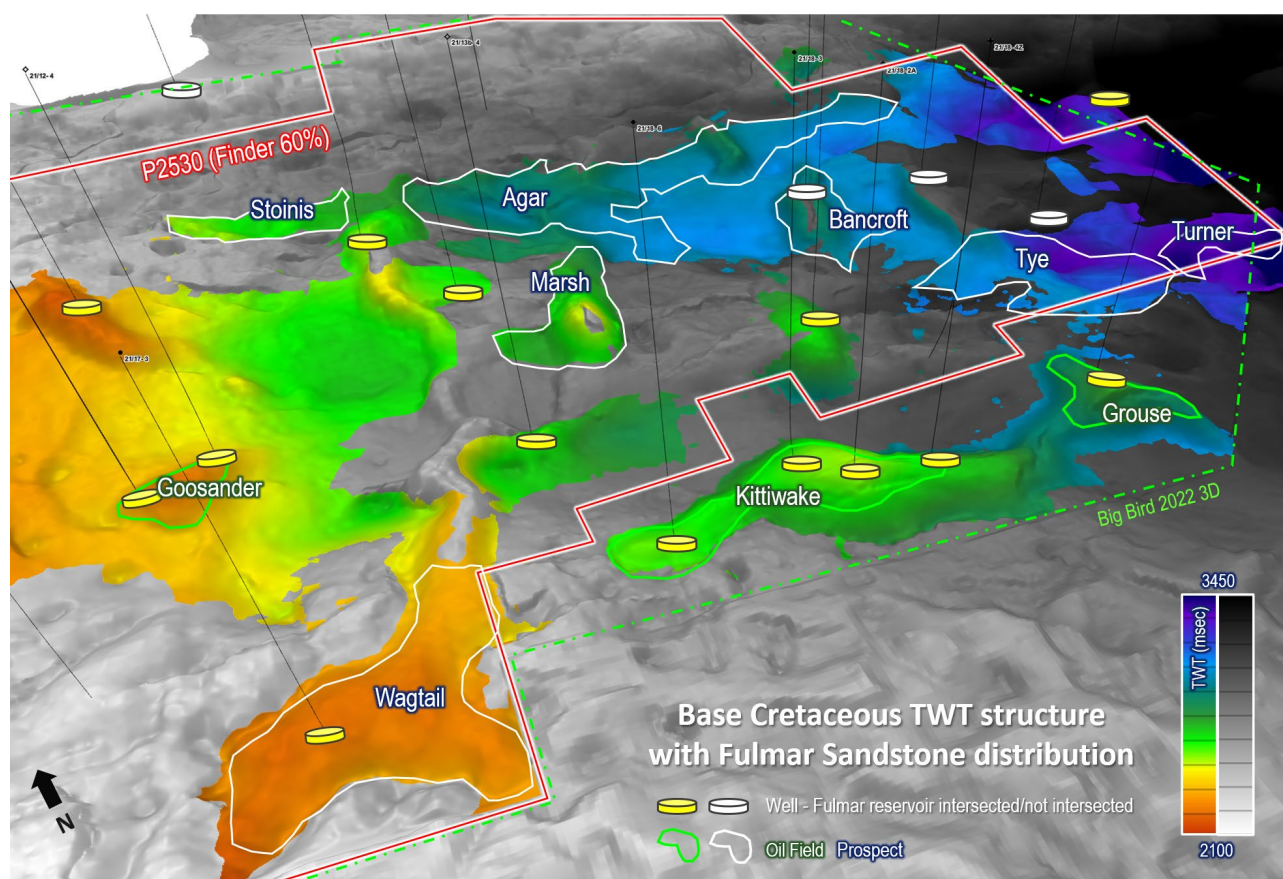


Figure 5 – 3D structure map showing Fulmar Formation sandstone distribution and key prospects

P2502 – East Shetland Basin

Finder 50% and Operator

P2502 is located in the western part of the East Shetland Basin, where a number of underexplored Jurassic sub-basins between depleted oil fields had been identified.

Finder has completed its technical evaluation of the licence and reviewed the geological uncertainty. Unfortunately, whilst several leads were identified, the seismic and geological data quality was insufficient to derisk the leads to a drill ready prospect. Additionally, recent reports of production ceasing early on nearby infrastructure hosts also reduced potential development pathways in the event of any drilling success. During the quarter Finder completed the necessary administrative process and notified the regulator of the joint venture's intention to surrender the permit. The regulator approved the surrender of P2502 with effect on 30 November 2023.

Australia – North West Shelf

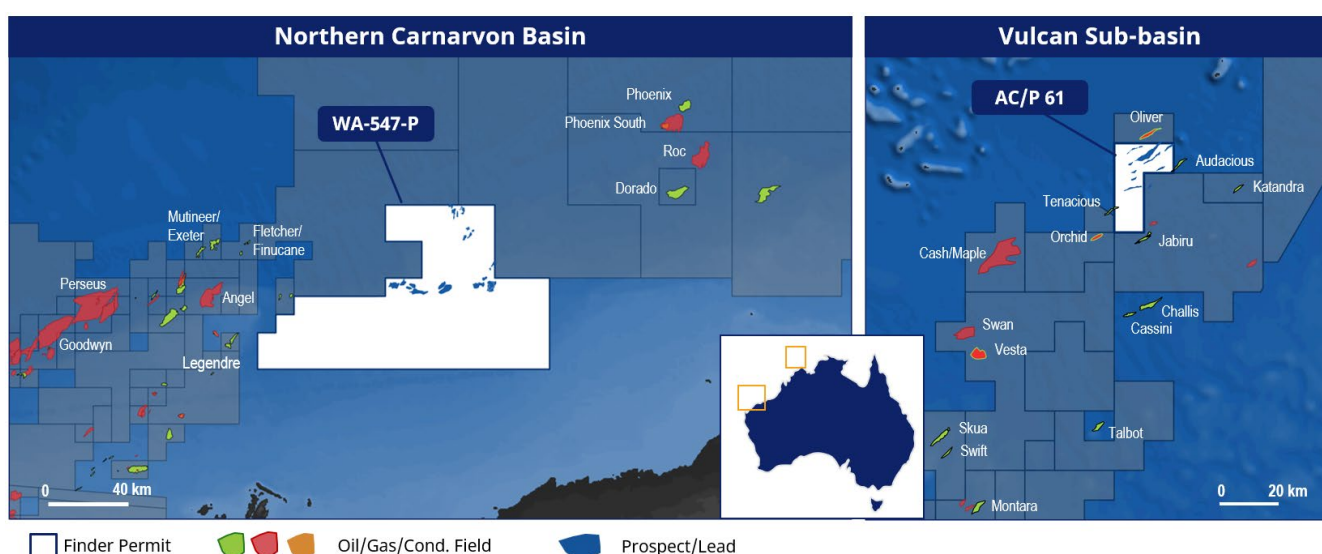


Figure 6 – Finder's North West Shelf portfolio

AC/P 61 – Gem Prospect

Finder 100% 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 6).

The Gem Prospect was independently reviewed by ERCE to contain estimated gross Best Case Prospective Resources of 137 MMbbl with a COS of 32% (refer Prospectus). Gem is a robust trap mapped on 3D seismic data acquired in 2020 and is ideally located to receive hydrocarbons from the proven Cartier Trough source kitchen (Figure 7). Further to this, analysis of over 50 surrounding wells showed an exploration success rate of over 60% for all wells drilled on valid traps.

During the quarter, the Company received regulatory approval and completed the assignment of a 50% interest in AC/P 61, increasing its ownership to 100%. Details of this transaction are contained in our announcement of 16 March 2023. This transaction provides greater leverage to a future farmout and drilling of the Gem Prospect. Finder also received approval from the regulator for their application to vary the permit and extend the drill or drop decision out to June 2024.

Finder is running a farmout process to secure a partner to fund a well to test the Gem prospect.

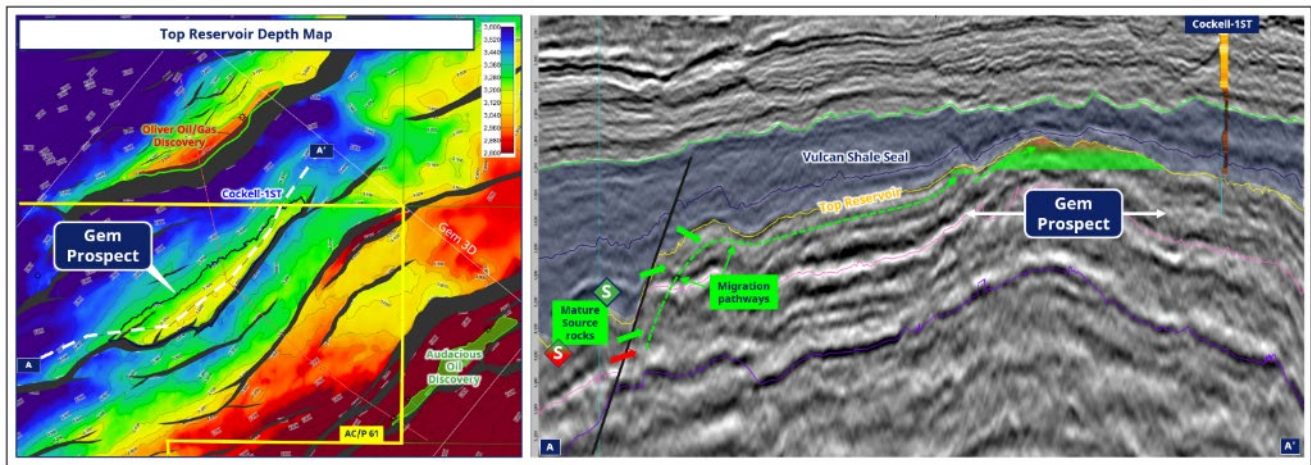


Figure 7 - Top Plover reservoir depth map and Gem 3D seismic line showing Gem Prospect

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 km² (Figure 6). The permit is located along the prolific Dorado play trend. Finder has identified three material prospects (Brees, Favre and Brady) and a number of satellite leads on existing 3D seismic data (Figure 8 & 9).

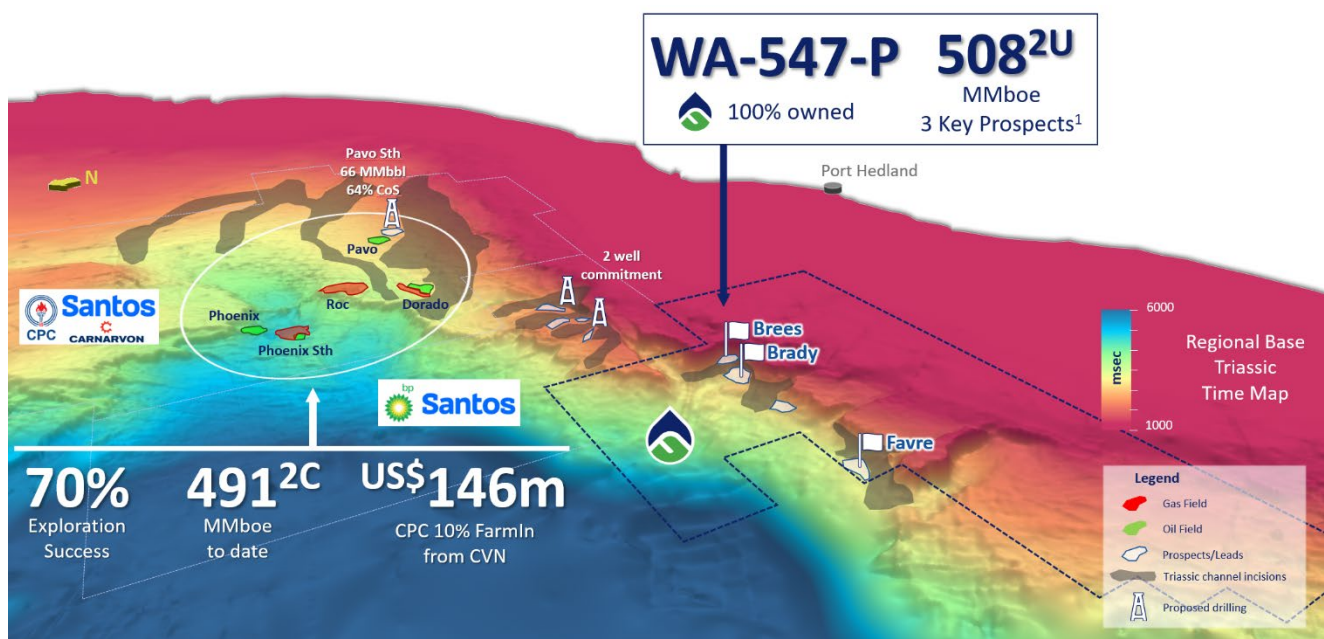


Figure 8 - Dorado play fairway map showing location of key prospects, Brees, Brady and Favre.

Modern 3D seismic data 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.

The Bedout Sub-basin is one of the most exciting and active exploration areas in Australia with the Dorado Development progressing towards FID in 2024 and recent transactional activity bringing new entrants and announcements concerning future drilling activity. We anticipate several more wells will be drilled in the area as companies pursue this play. Further discoveries will have positive implications for Finder's acreage.

During the quarter Finder continued to progress with planning for the environmental approvals required for the Superbowl 3D seismic. This includes additional stakeholder consultation in line with recent guidance issued by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). Additional time is required to complete stakeholder engagement in accordance with that guidance. As the EP approval process draws to a close, Finder will assess vessel availability and survey timing. Finder has applied to the

regulator for an extension of the current term of WA-547-P and awaits notification of the outcome of that application.

Brees Prospect

Dual Targets, 4-way trap
Pmean 235 MMbbl

Favre Prospect

Dorado look-a-like
Pmean 244 MMbbl

Dorado Discovery

2C 344 MMboe

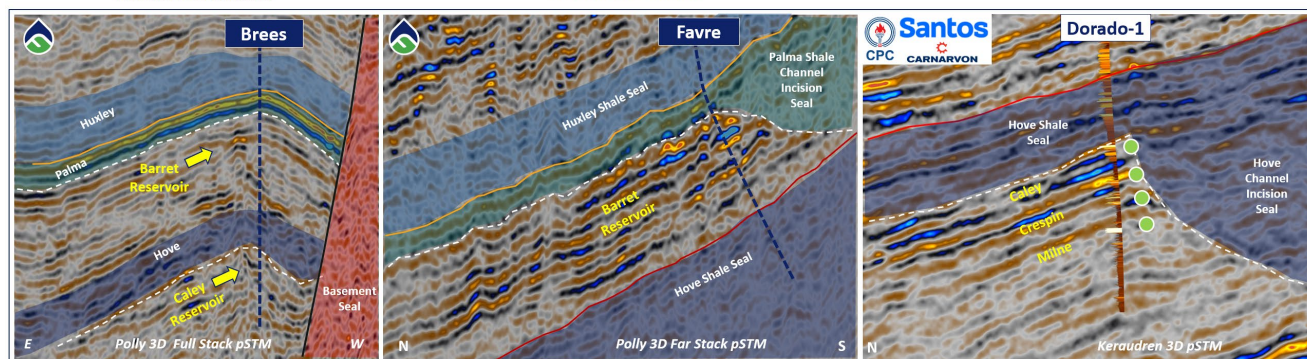


Figure 9 - Seismic line through WA-547-P Favre and Brees prospects and the Dorado Field

New Ventures

During the quarter management actively progressed new venture opportunities consistent with Finder's strategy to pursue low entry cost opportunities with high value creation potential. We anticipate that a number of these opportunities will be finalised in late 2023/early 2024. Achieving outcomes that match up to Finder's expectations requires a degree of patience and timing can be affected by counterparties, regulators and other matters that can be difficult to influence. However, we remain confident of getting one or more of these opportunities across the line in near term and we look forward to announcing the details of these projects as deals are concluded.

Corporate & Financial

Appendix 5B

The year to date cash flows are based on the financial records of Finder for the three months ended 30 September 2023. Cash at bank amounts to \$9.0M at the end of the quarter.

For the purpose of Section 6 of Appendix 5B, related party payments of A\$112K 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 30 September 2023 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 30 September 2023 are in line with budget estimates.

Use of Funds	Estimated Expenditure at IPO (A\$'000)	Actual Cash Outflows to 30 Sept 2023 (A\$'000)
Project Costs ¹		
Drilling	1,700	1,320
Seismic	5,400	829
Geoscience ²	4,300	2,618
Total Project Costs	11,400	4,767
Business development ³	700	906
Corporate costs ⁴	800	462
Expenses of the Offer	1,600	2,168
Working capital	500	41
Total	15,000	8,344

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 Geoscience expenditure includes the cost of project staff costs and associated overheads allocated to permits.

³ Technical and commercial staff costs incurred on evaluation of new opportunities and transaction costs.

⁴ Includes non-project related staff costs, professional fees such as audit, tax and legal, insurance and office and administration expenses.

Permits and Licenses

Permit	Location	Area (km ²)	Participants (*Operator)	Interest ¹
AC/P 61	Vulcan Sub-basin, Bonaparte Basin	335	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

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

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

For further information, please contact:

INVESTORS

Damon Neaves – CEO/Managing Director
Finder Energy Holdings Limited
Phone: +61 8 9327 0100
Email: investor@finderenergy.com

MEDIA

Paul Ryan
Citadel-Magnus
Mobile: +61 409 296 511
Email: pryan@citadelmagnus.com

Definitions, Abbreviations and Disclaimers

Acronym	Definition
3D	Three dimensional seismic data
Company or Finder	Finder Energy Holdings Limited
COS	Chance of geological success
ITSR	ERCE Independent Technical Specialist Report dated 11 February 2022, included in the Prospectus
K	Thousand
km	Kilometres
km ²	Square kilometres
Longreach	Longreach Capital Investment Pty Ltd
M	Million
MMbbl	Million barrels of oil
PSDM-FWI	Pre-stack depth migration - full waveform inversion
Prospectus	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")

30 September 2023

<i>Consolidated statement of cash flows</i>		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(254)	(254)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(656)	(656)
	(e) administration and corporate costs	(225)	(225)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	14
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 & receipts from exploration and evaluation</u>	504	504
1.9	Net cash from / (used in) operating activities	(617)	(617)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
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)	87	87
3.10	Net cash from / (used in) financing activities	87	87

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,506	9,506
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(617)	(617)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	87	87
4.5	Effect of movement in exchange rates on cash held	28	28
4.6	Cash and cash equivalents at end of period	9,004	9,004

5.	Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,004	9,506
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,004	9,506

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
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>		

7.	<i>Financing facilities</i> <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	<i>Estimated cash available for future operating activities</i>	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(617)
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)	(617)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,004
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,004
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	14.6
	<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: 30 October 2023

Authorised by: By the board

(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.