

Frontier secures exclusive options to increase landholding by 651 hectares adjacent to BSS Project

Frontier Energy Limited (ASX: FHE) (Frontier or the Company) is pleased to announce it has entered into exclusive options ("**Land Options**") to acquire land parcels adjacent to the **Bristol Springs Project (BSS Project)** located 120km from Perth in the South West of Western Australia.

This land holds strategic value for the Company regarding our long-term objective to produce more than 500Mw of solar energy to power our green hydrogen strategy.

HIGHLIGHTS

- **The Company has secured Land Options over an additional 651 hectares surrounding the Company's BSS Project (Figure 1). On exercising of these Land Options our total land holding would increase by 334%**
 - *The BSS Project occupies an area of 195 hectares with forecast solar production of 114Mwdc*
- **This ground has strategic value for the Company and is included in the Expansion Study being completed by the Xodus Group (part of the Subsea 7 Group of companies) that is on track to be released in August 2022**
- **Exercising these Land Options will also result in potential short-term capital savings (Stage One) whilst also accelerating the development strategy given there is currently no renewable energy land leasing option in Western Australia**
- **The Hydrogen Study for the BSS Project will be released in August 2022**

Executive Chairman Grant Davey commented: "*Securing this land is strategically important to our Western Australian green energy strategy and testament to our team working hard to secure this land in the interest of scale for this green energy project.*"

In the short term, securing this ground has the potential to reduce the capital costs for Stage One development (114Mwdc), as we will be able to have a more direct access route to Landwehr Terminal and other associated infrastructure. Owning the land also allows for accelerated development, as it eliminates the significant "red tape" that can traditionally be experienced if the ground was leased either through third parties or the government.

More importantly, in the long term, by securing this ground we now have clear sight in increasing our energy production to approximately 500MW of green energy that can be used to power our green hydrogen production as well as provide green energy onto the energy grid."

Options to acquire strategic land around the BSS Project

The Company has entered into multiple Land Options to acquire ground adjacent to the existing site for the BSS Project. The location of the ground under option compared to our current BSS Project, as well as the Landwehr Terminal, is highlighted in Figure 1.

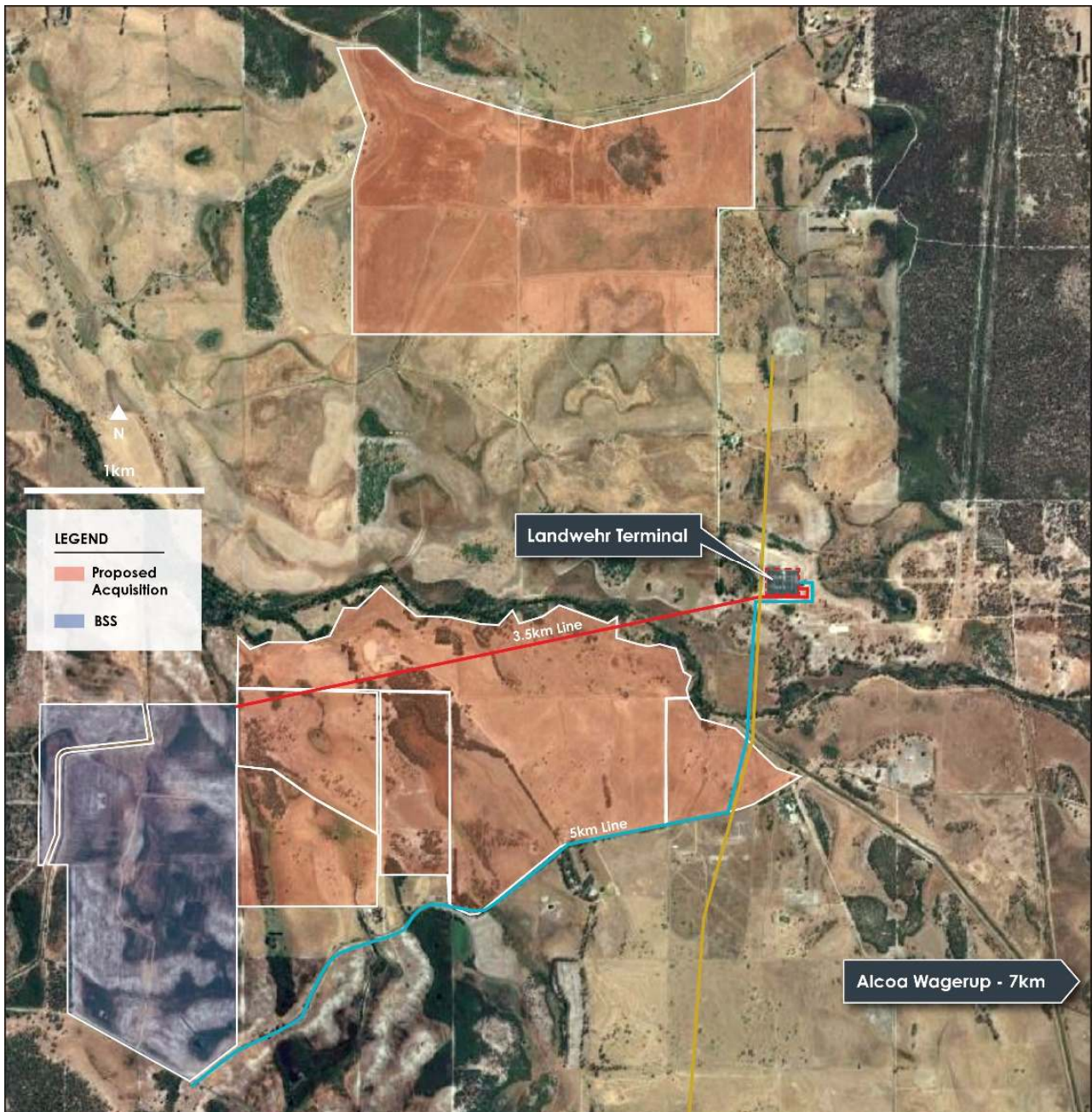


Figure 1 BSS Project and adjoining land

As noted in the Company's Prospectus dated 12 January 2022, Frontier identified that there were significant future opportunities at the BSS Project to increase the scale of the existing BSS Project, including solar.

“Additional land acquisition opportunities adjacent to the existing land at the BSS Project would allow for an increase in solar generation and the Company would undertake a study to consider any solar expansion.”

In the Supplementary Prospectus dated 1 March 2022, the Company advised it had terminated by mutual agreement the Gilham Nomination Deed and the RL Nomination Deed (“**Deeds**”) and that BSS would not proceed to purchase the parcels of land the subject of these Deeds.

Since that time, the Company has completed further work on the existing BSS Project. There has also been a notable shift in long-term demand for renewable energy, both in Western Australia and across the rest of Australia. This is being driven by government policy and proposed changes to legislation that support the Company expanding its landholding around the BSS Project.

These changes in government policy include the Western Australian Government announcing¹ in May that it would begin investigating the implementation of a Renewable Hydrogen Target to support the growth of a renewable hydrogen industry.

This approach would set targets for retailers in the SWIS to procure a certain percentage of electricity fuelled by renewable hydrogen, creating a local market which would support emerging hydrogen projects and improve grid stability.

The design of the Renewable Hydrogen Target will draw on the elements of the Commonwealth Government's Renewable Energy Target, which has successfully incentivised investment in renewable energy since 2001.

More recently, the Western Australian government announced² it would close its last coal-fired power before the end of the decade. This includes the 854-megawatt Muja power station's units near Collie, by 2029 and the 340MW Collie plant by the end of 2027. As part of these announcements the Government included plans to invest an estimated \$3.8bn in new green power infrastructure around the state.

In addition to support at State level, the recent change of Government at a Federal level has also seen greater support for increased renewable energy. Most notably this is highlighted by proposed changes to legislation that will see Australia's target emissions reduce by 43 per cent below 2005 levels by 2030 and achieve net zero by 2050³.

In addition to this, the Company has been advancing both a Hydrogen Study and Expansion Study (which includes the land the subject of the Land Options) to support the Company's move to control a greater land area surrounding the BSS Project in the future.

The Company views these additional land holdings as crucial to:

- Supporting expansion and growth opportunities
- Limiting access for competitors
- Achieving scale and therefore lower costs of production

¹ <https://www.mediastatements.wa.gov.au/Pages/McGowan/2022/05/Renewable-hydrogen-target-to-be-investigated-for-Western-Australia.aspx>

² <https://bia2model.com/science/environment/western-australia-to-become-coal-free-by-2030-with-muja-power-station-to-be-shut-down-coal/>

³ <https://www.skynews.com.au/australia-news/chris-bowen-defends-new-climate-bill-and-slams-matt-canvan-for-peddalling-lies-about-renewables/news-story/83ef67018a55ae5fb7fc1c06edd44c9>

- Reducing capex costs associated with the connection to Landwehr Terminal

These Land Options have significant strategic value, and the potential acquisition of these land parcels is aligned with the Company's strategy to increase solar generation and secure renewable energy expansion opportunities.

The Land Options comprise 8 individual properties, details as follows:

Land Parcel	Landowner	Option Expiry	Option fee \$	Land purchase price \$
1.	Galtis Pty Ltd	Q3 2023	15,000	520,000
2.	Zaxgames Pty Ltd	Q3 2023	15,000	600,000
3.	V R Nominees Pty Ltd	Q4 2022	60,000	4,187,650
4.	R A Pitter	Q4 2022	15,000	612,350
5.	Ranger Loaders Pty Ltd	Q3 2024	11,100	396,094
6.	R & A Caratti	Q4 2022	25,000	3,213,523
7.	R & A Caratti	Q4 2022	25,000	1,868,327
8.	R & A Caratti	Q4 2022	25,000	1,918,149

There are no other fees payable in connection with these Land Options or the subsequent purchase of the underlying land.

There are no other material conditions to be satisfied in relation to the Land Options.

The Company continues to review and assess other land opportunities in the region.

Funding

The Company is reviewing a number of funding options, including sale and leaseback type arrangements, whereby a property fund acquires the areas under the Land Options, and the Company enters into a long-term lease with the property fund on standard commercial terms for comparable properties with the option to acquire the property, as well as debt and equity funding structures. Discussions have been held with a number of property funds who have expressed interest in acquiring the land.

The Company disposed of shares held in Athena Resources Limited during June 2022, realising \$250,000 in proceeds which are being used to fund the option fee payments.

Authorised for release by Frontier's Board of Directors.

ENDS

To learn more about the Company, please visit www.frontierhe.com, or contact:

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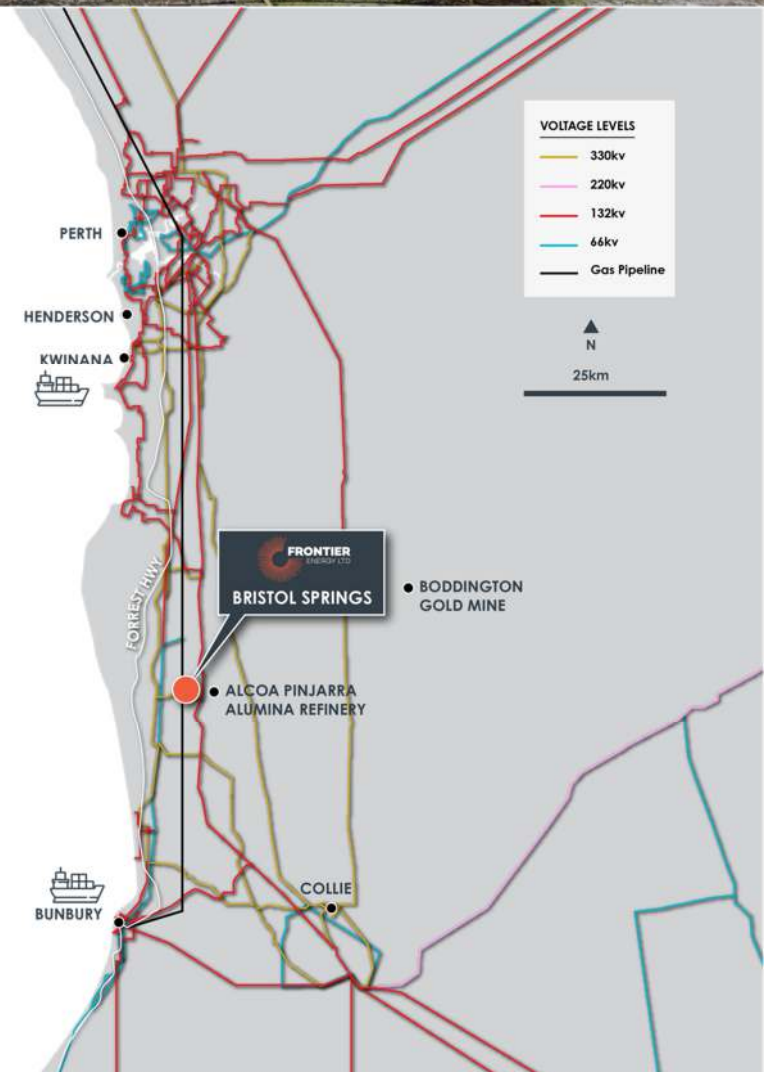


About Frontier Energy

Frontier Energy Ltd (ASX: FHE) is a clean energy company developing the Bristol Springs Solar Project (BSS Project) near Waroona in Western Australia.

The BSS Project will provide enough power for 45,000 homes and abate 180,000t of CO₂ emissions per year.

The Project is located 120 km south of Perth, and importantly is within the “Golden Triangle” of Kwinana-Bunbury-Collie, which provides both supporting infrastructure and potential offtake customers.



Directors and Management

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Mr Chris Bath
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Ms Dixie Marshall
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For a comprehensive view of information that has been lodged on the ASX online lodgement system and the Company website, please visit asx.com.au and frontierhe.com, respectively.