

Appointment of leading gas and power specialist to assist with green hydrogen offtake negotiation

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) is pleased to announce the appointment of highly experienced gas and power specialist, Equity Lifting Solutions Pty Ltd (ELS), to assist the Company regarding offtake negotiations for Stage One green hydrogen production from the Company's Bristol Springs Project (the Project).

ELS's highly regarded team has been instrumental in some of Western Australia's largest energy offtake negotiations, most notably in liquefied natural gas (LNG) exports, Western Australian Domestic Gas usage (Domgas) and trucked LNG.

HIGHLIGHTS

- **Equity Lifting Solutions has been appointed to assist the Company with offtake negotiations for Stage One green hydrogen production (4.4M kg per annum)**
- **Offtake discussions with priority targets are underway. These discussions will not be limited to end users of hydrogen through transmission and distribution pipelines, but also other participants in the energy industry**
- **A potential pathway for Stage One offtake will be through the Dampier to Bunbury Natural Gas Pipeline (DBNGP) located 0.3km from the Project**
 - *The targeted hydrogen / natural gas blend for the DBNGP is 10%. Stage One production would contribute approximately 0.2% to this target*

Managing Director, Sam Lee Mohan commented: *"ELS's experience regarding offtake in the energy sector is exceptional and I'm delighted with the proactive approach they have taken to date.*

ELS's intimate knowledge of the Western Australia gas industry and the players involved provides invaluable intel. We not only want to ensure the strongest financial returns from these offtake negotiations, but also ensure we partner with a group for the long term, as we aim to grow the Project rapidly in the future."

Equity Lifting Solution's Managing Director, Ken Chan commented: *"Hydrogen is a core part of our industry's rapid transition to low-carbon fuel sources. Frontier's Bristol Springs green hydrogen project will play a critical part in this transition - being strategically located on the doorstep of significant energy demand in Western Australia's South West and having access to the DBNGP and SWIS.*

The Project's ability to scale allows Frontier to maximise value for the local community and its stakeholders. We are incredibly impressed with the Frontier team's progress on the project and look forward to bringing our 200+ years of collective LNG and Domgas commercialisation experience to the Project."

Offtake discussion underway following advisor appointment

ELS will assist the Company with the identification of and negotiations with offtakers, with regards to both green hydrogen (4.4M kg per annum) and power purchase agreements (PPA) for excess solar energy (12MW pa).

ELS was selected due to their team's vast experience in the energy industry, most notably their contracting and offtake discussions involving major Australian and International groups that produce gas from WA's North West Shelf. Table 1 highlights recent clients and achievements.

Client	Task
Mitsui E&P Australia	Waitsia LNG and Domgas contract operationalisation (commercial operations)
Mitsui E&P Australia	Negotiation of Waitsia JV LNG allocation arrangements
Tokyo Gas Australia, Kansai Electric Australia	Burrup Hub LNG lifting and production allocation negotiation support (Scarborough Project)
Jemena	Port Kembla commercial structures – options study for East Coast Gas Pipeline Operator
Kimberley Mineral Sands - Thunderbird Project	Independent review of Trucked LNG Sales and Purchase Agreement and Power Purchase Agreements, Trucking and Storage study
Mitsui E&P Australia	Negotiation support for North West Shelf LNG lifting and gas processing arrangements
Mitsui E&P Australia	WA Domgas Supply-Demand model
CNOOC International Australia	North West Shelf LNG Scheduling Services
CNOOC International Australia	North West Shelf ORO Lifting Agreement negotiations
Osaka Gas Australia	Midstream Investment Opportunity study
China Energy Reserve and Chemicals Group Australia (CERCG)	Brokerage of northern winter LNG cargo delivered to Tianjin LNG Terminal China
Kyushu Electric Australia	Wheatstone - Domgas Ops setup and ongoing commercial support

Table 1: ELS clients and recent transactions

The material terms of the agreement with ELS are as follows:

- Monthly fee capped at \$40,800 (plus GST);
- A minimum term of 3 months; and
- A success fee of 20% of total billings. The success fees is only payable on the execution of binding heads of agreement for hydrogen gas sales or a power purchase agreement.

Given the Project's proximity to the DBNGP, 0.3km from the proposed hydrogen plant, both ELS and the Company agree the most likely pathway for Stage One offtake will be through the utilisation of this pipeline.



Image 1: DBNGP connection point located 0.3km from the Project

Offtake discussions have commenced with a select number of groups. These discussions are not limited to end users of hydrogen, through the transmission and distribution pipelines, but also other participants in the energy industry. The Company will continue to keep the market updated as these discussions progress.

Dampier to Bunbury Natural Gas Pipeline (DBNGP)

DBNGP is WA most significant gas transmission asset and provides natural gas to regional and metropolitan Western Australia. The DBNGP extends from Woodside's Karratha Gas Plant, in the State's North West to Bunbury, 170km south of Perth.

The owners of the pipeline, Australian Gas Infrastructure Group (AGIG), published a Study¹ in January 2022, to identify a practical pathway to enable hydrogen to be blended into the DBNGP. A key outcome from the Study was to identify areas of the pipeline that are already capable of immediate blending of hydrogen (Image 2).

¹ <https://www.wa.gov.au/government/publications/dampier-bunbury-natural-gas-pipeline-public-knowledge-sharing-report>

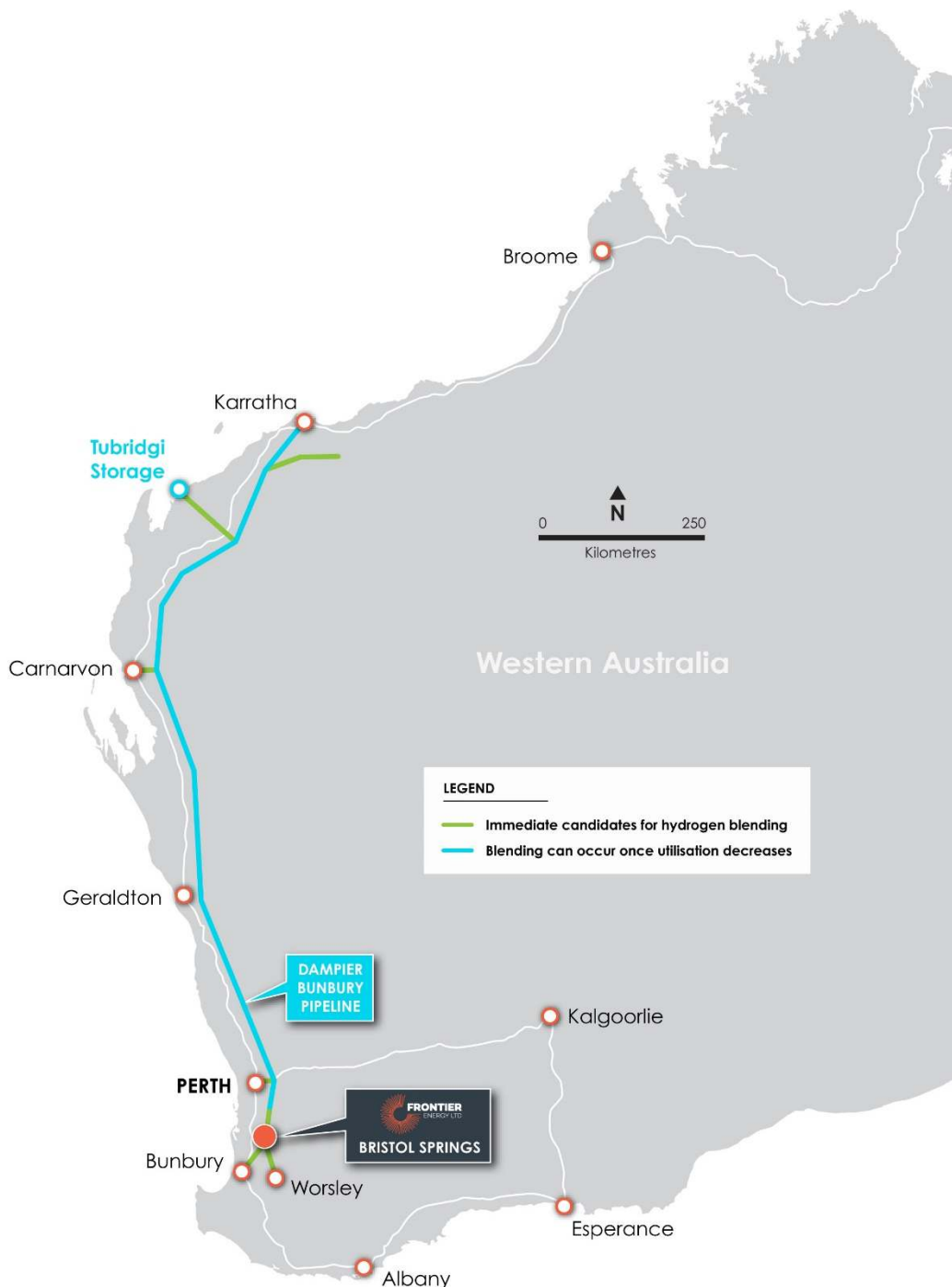


Image 2: Sections of the DBNGP identified as strong candidates for hydrogen blending²

The Study concluded that there is now a clear pathway for declaring a pipeline section as suitable for use with hydrogen/natural gas blends. It was found that mainline south, which extends from Kwinana to Bunbury, was an excellent candidate for hydrogen blending. A branching point connecting to this section of the pipeline is approximately 0.3km from the proposed hydrogen plant at the Project (Image 2).

² <https://www.wa.gov.au/government/publications/dampier-bunbury-natural-gas-pipeline-public-knowledge-sharing-report>

The Study also assessed the potential to blend less than 10% of hydrogen into the pipeline. On a daily basis the DBNGP transports c.621TJ of natural gas. Stage One of the Project is forecast to produce (on average), 1.7TJ(e) per day.

Based on this, Stage One would provide approximately 0.27% of hydrogen energy into the pipeline, significantly under the targeted capacity.

Full details of the report can be found at:

<https://www.wa.gov.au/government/publications/dampier-bunbury-natural-gas-pipeline-public-knowledge-sharing-report>.

Authorised for release by Frontier Energy's Board of Directors.

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

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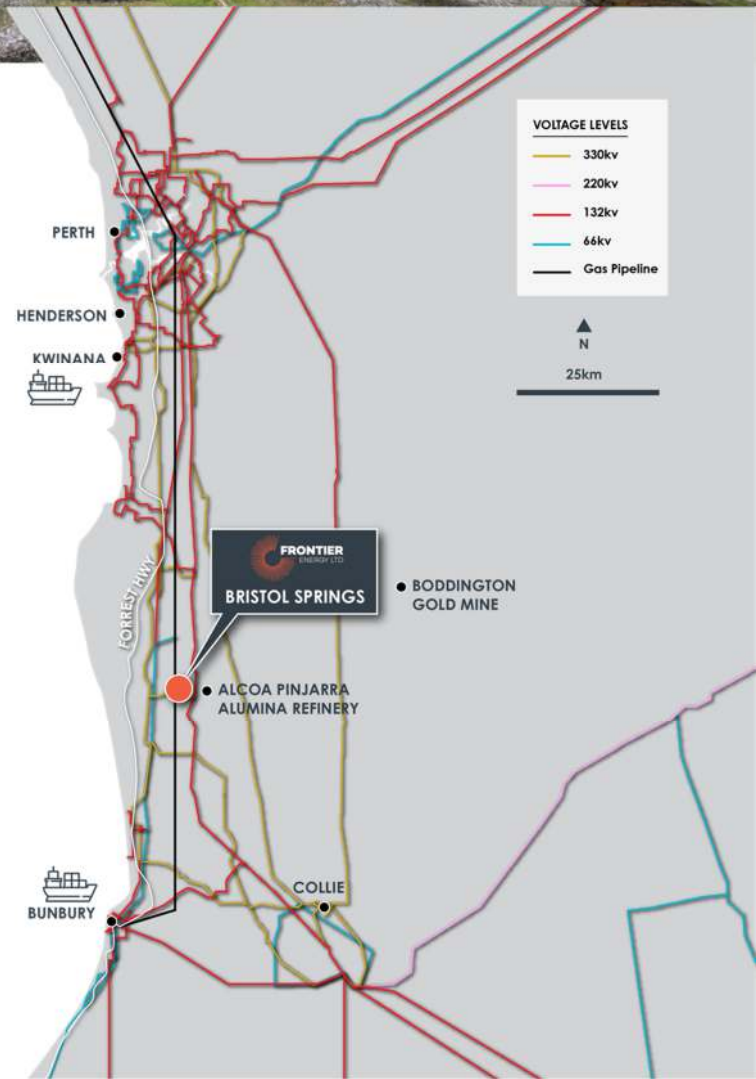
About Frontier Energy

Frontier Energy Ltd (ASX: FHE; OTCQB: FRHYF) is developing the Bristol Springs Green Hydrogen Project (the Project) located 120km from Perth in Western Australia.

The Company recently completed a Pre-Feasibility Study¹ that outlined the Project's potential to be both an earlier mover and one of the lowest cost green hydrogen assets in Australia.

The Project benefits from its unique location surrounded by major infrastructure. This reduces operating and capital costs compared to more remote hydrogen projects, whilst also being surrounded by likely early adopters into the hydrogen industry in the transition from fossil fuels.

¹ASX Announcement 4th August 2022



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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.