

Completion of strategic land acquisition adjacent to the Bristol Springs Renewable Energy Project

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) is pleased to announce the exercise of its option to acquire key ground (**Acquired Ground**) adjacent to the **Bristol Springs Renewable Energy Project (BSS Project)** and that extension of options over other land parcels (**Option Extension**) has been completed.

Securing this ground is essential for the Company's long-term strategy to produce +1GW of renewable energy in the region to power the Company's green hydrogen strategy. It also benefits Stage One's development through lower initial capital costs due to more direct access to critical infrastructure.

HIGHLIGHTS

- **The Company has exercised its option to acquire as well as extended land option agreements (ASX Announcement 2 August 2022) at the most strategic locations (Image 1) for both Stage One development (114Mw) and the Company's renewable energy expansion strategy**
 - *The acquisition cost is \$4.8 million for the Acquired Ground. This area covers 238ha and is 0.3 km from the Landwehr terminal*
 - *The Option Extension is until July 2023. This land covers 93ha and is adjacent to Stage One*
- **The Company continues to negotiate and assess additional land opportunities in the region as part of the Company's strategy for +1GW of renewable energy**
- **The Company is in advanced discussions with a property fund to finance future land acquisitions as well as the cost of the Acquired Ground**
- **The Company is close to finalising the Pre-FEED Study which remains on track to be released in the coming weeks**

Managing Director, Sam Lee Mohan commented: *"This ground holds the greatest strategic importance to the Company due to its position adjacent to Stage One (114MW). This acquisition result in lower capital cost for Stage One development, given a more direct route to essential infrastructure, whilst also eliminating potential "red tape" that can occur if ground is leased either through third parties or the government.*

In the longer term the benefit is clear as this ground will be used as part of meeting the Company's renewable energy target of +1GW in immediate vicinity to the Project.

The cost of the Acquired Ground has been funded from existing cash reserves, which remain extremely strong and are more than sufficient to take us through to FID (Stage One development). However, we are in advanced discussions with a property fund that has the potential to fund the Acquired Ground transaction retrospectively as well as all future land acquisitions.

Exercise and extension of option agreement for strategic ground at the BSS Project

The Company has issued a notice of exercise to acquire two land parcels (the Acquired Ground) in a transaction due to settle in December 2022. It has also extended land option agreements (Option Ground) on strategic land parcels adjacent to the BSS Stage One Project. Image 1 below highlights the location of these areas as well as other key infrastructure that will be utilised as part of the Project's development.

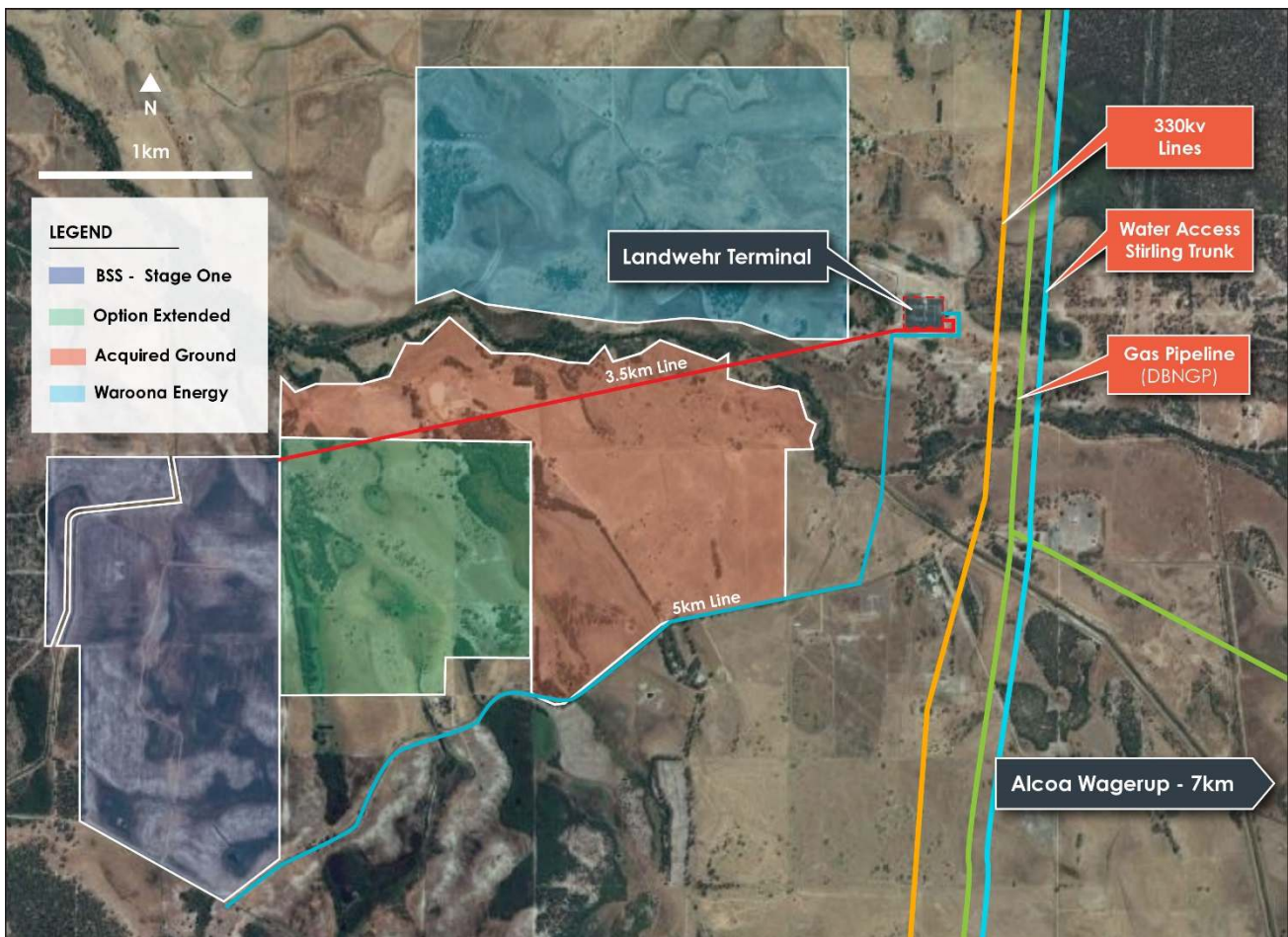


Image 1: BSS Project, adjoining land and surrounding infrastructure

The Acquired Ground will be purchased for \$4.8 million. Funding for this acquisition is from existing cash reserves of approximately \$11.3 million at the end of October 2022. Based on the Company's current forecast, the Company has sufficient funding in place through to a Final Investment Decision (FID) on the Stage One development, given the expected lower future Project cash burn due to the advanced stage of development achieved.

The Company is in advanced discussions with a property fund for a transaction that, if completed, would not only finance future land acquisition opportunities but would also refinance the Acquisition Ground transaction. The Company anticipates this arrangement to be in place during 1H2023.

In addition to closing on the Acquired Ground, the Company extended Option Agreements on ground immediately adjacent Stage One comprising two land parcels. The options on these parcels have been extended to Q3 2023 in consideration of the option extension fee detailed below.

The Company did, however, terminate previously announced land option agreements related to land parcels located to the north. The Company considered that these land parcels do not provide a benefit to the Company's near-term development strategy and that the costs of acquisition were at a considerable premium on a per hectare basis compared to both the Acquired Ground and Option Extension land parcels.

The Company continues to negotiate and assess a number of other land areas surrounding the Project. A summary updating the current position regarding all previous land parcels under option (ASX Announcement – 2 August 2022) is highlighted in Table 1 below.

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

Table 1: Land costs and current status

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

ESG Committee established

The Company takes this opportunity to confirm that it has established an ESG Committee as a sub-committee of the Board. The Committee, chaired by Amanda Reid and with Dixie Marshall and Sam Lee Mohan as members, will further develop the Company's strategy on ESG matters. An update on the Company's goals and activities will be provided in Q12023.



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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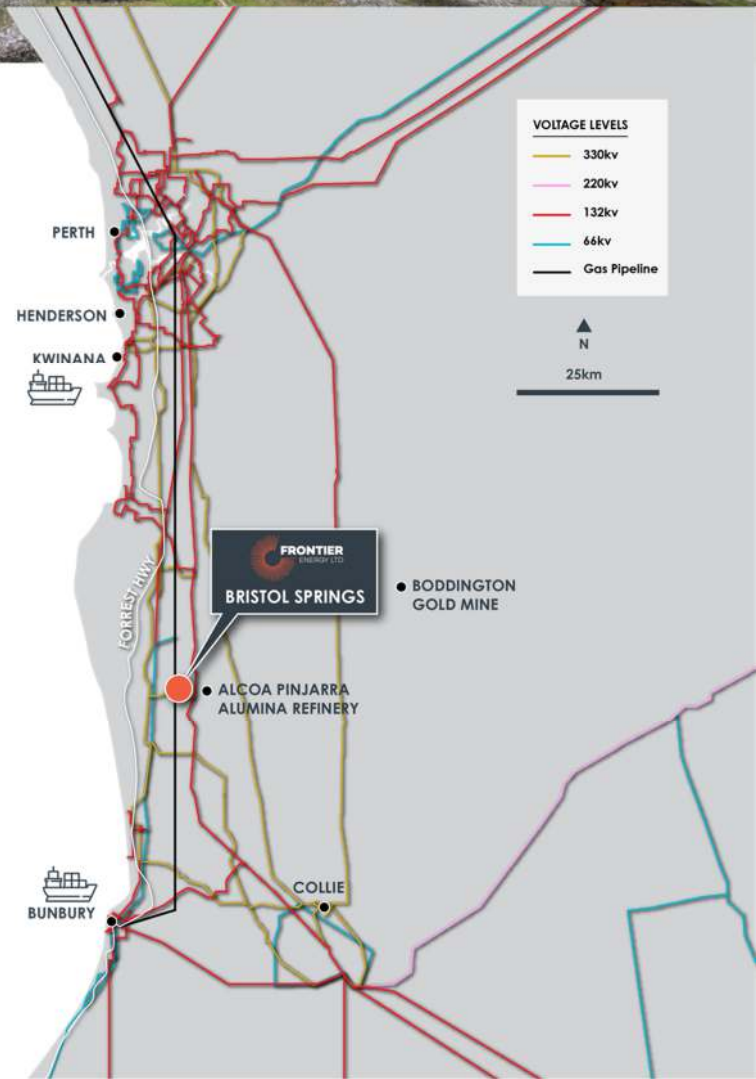
About Frontier Energy

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



Directors and Management

Mr Sam Lee Mohan
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Mr Grant Davey
Executive Chairman

Mr Chris Bath
Executive Director

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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.