

## Strategic investor process moves into Stage Two following indicative offers

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) is pleased to provide an update regarding the financing strategy for the Stage One development of the Company's Waroona Renewable Energy Project (Waroona or the Project). Stage One development of the Project comprises a 120MW of solar generation and 80MW, 4.75hr battery or 380MWh.

### HIGHLIGHTS

- **Frontier has received multiple Non-Binding Indicative Offers (NBIOS) regarding investment at the Project level**
  - *These offers are non-binding and indicative, and accordingly, investors are cautioned that there is no certainty that a transaction will be finalised*
- **The Company has shortlisted a select number of parties to advance to Stage Two of this process, which includes further due diligence, site visits, management presentations and negotiation of acceptable terms**
- **All parties have indicated a preference for involvement in Project expansions beyond Stage One and support an accelerated expansion strategy**
- **Offers were received prior to the Project's successful application for financial support under the Capacity Investment Scheme (CIS)<sup>1</sup>**
  - *CIS provides a revenue floor that is guaranteed by the Australian Government, which enhances Frontier's ability to secure project development financing*

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**Frontier CEO Adam Kiley commented:** "Securing a strategic investor is a critical step in our financing strategy for the Waroona Renewable Energy Project. It will reduce our initial equity contribution, minimising dilution for shareholders, and also enable the Company to work with an aligned strategic investor on a range of key matters that can deliver improved Project economics and more favourable financing terms. This includes debt funding, equipment selection and procurement, and engagement with key contractors.

We are committed to developing our Waroona Project and are delighted with the response we have received and the calibre of the bidding parties. Importantly, each party has indicated a preference for expansion beyond Stage One. The Company has now shortlisted parties and will work with them to ensure the optimal outcome is achieved in a timely manner."

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<sup>1</sup> For further information on the Company securing support under the CIS, see the announcement dated 24 March 2025.

## Strategic Investor Process advances to Stage Two

Following the completion of an updated Definitive Feasibility Study for Stage One of the Project in December 2024, which delivered a significant reduction in capital costs of \$21 million (7%) to \$283 million, and estimated a rapid payback of 6.1 years, the Company prioritised a process to deliver a strategic investor to support funding the development of Stage One of the Project (**Strategic Investor Process**).

Having identified a range of financing options available, the Company established that securing a strategic investor was a critical element of its financing strategy, as it reduces Frontier's equity requirement and has the potential to provide additional advantages. These advantages include the parties' capacity to leverage relationships with project financiers and equipment suppliers and support the evaluation of development alternatives, all of which may enable Frontier to achieve more favourable terms.

Frontier aims to select a partner whose strategic objectives align with those of the Company and can deliver a financing arrangement that allows for development of the Project in the least dilutive way possible, whilst also looking towards future expansions.

The Company is pleased to have received multiple NBIOs at this stage of the Strategic Investor Process and is especially encouraged by the number and calibre of interested parties, which it believes is a strong vote of confidence in the Project.

Importantly, these NBIOs were received prior to the Project being selected for financial support under the CIS. The CIS operates as a revenue underwriting scheme supported by the Australian Government and thereby enhances the capacity of the Project to secure funding. Each of the parties that has submitted an NBIO views the selection of the Project for support under the CIS as a positive development.

After assessing the merits of each NBIO, a select number of parties have now been invited to participate in the next phase of the Strategic Investor Process. This next phase includes additional due diligence, site visits, management presentations and further negotiations of acceptable terms.

Each of the NBIOs is subject to various conditions, including, without limitation:

- Satisfactory completion of due diligence;
- Investment Committee and regulatory approvals; and
- Confirmation of the assumptions that underpin the NBIOs.

The Company will look to conclude the Strategic Investor Process in a timely manner and provide further updates to the market as it progresses.

The NBIOs are non-binding and indicative, and accordingly, investors are cautioned that there is no certainty that a transaction will be finalised on terms acceptable to the Company.

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

To learn more about the Company, please visit [www.frontierhe.com](http://www.frontierhe.com), or contact:

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