

\$215 million debt finance for the Waroona Renewable Energy Project

Frontier Energy Limited (ASX: FHE; OTCQB: FRHYF) (Frontier or the Company) is pleased to announce that it has signed a senior debt mandate with Infradebt Pty Limited (Infradebt), an Australian specialist infrastructure fund, for Infradebt to provide senior project finance debt for the construction and operation of Stage One of Frontier's Waroona Renewable Energy Project (Waroona Project). Stage One of the Waroona Project comprises a 120MWdc solar facility and an 80MW/360MWh DC coupled battery energy storage system.

HIGHLIGHTS

- **Infradebt to provide up to \$215 million senior project finance debt for the Stage One development of its Waroona Project**
 - Key terms include a debt tenor of 17 years and an innovative repayment structure that allows the Project to maximise exposure to its attractive economics
 - The deal includes a long-term partnership for Infradebt to finance further battery projects developed by Frontier, including Stage Two of the Waroona Project
- **Infradebt is an Australian based infrastructure financing specialist and is a significant lender to multiple renewable energy projects in Australia**
 - Infradebt's Energy Transition Fund (ETF) is dedicated to financing grid scale batteries. Existing investments include Genex Power's 50MW/100MWh Bouldercombe Battery in Queensland and Neoen's 100MW/200MWh Capital Battery in the ACT
 - The Infradebt Ethical Fund (IEF), Australia's first ethically screened infrastructure debt fund, has a number of existing Western Australian exposures including the 180MW Warradarge Wind Farm, 40MW Greenough Solar Farm and 35MW Albany Grasmere Wind Farm
- **Infradebt investors include Australian superannuation funds and family offices**
- **Long-form facility agreement and security documentation are expected to be executed in September 2024**
- **The Company continues to pursue potential investment by a strategic partner**

CEO Adam Kiley commented: "The Company is delighted to mandate Infradebt, an Australian based infrastructure specialist, to provide debt financing of up to \$215 million for the development of Stage One of our Waroona Project.

The Company received multiple credit endorsed proposals as part of the debt financing process from several major financial institutions, however, the Infradebt offer was superior, with a highly attractive tenor and interest rate, whilst also providing greater flexibility compared to alternatives. Infradebt's proposal is also for 100% of the debt financing, meaning the Company will only deal with a single party compared to a syndicate solution."

Frontier mandates specialised infrastructure financier

Following the release of the Stage One Definitive Feasibility Study (**DFS**) in February 2024, a debt financing process commenced, led by debt advisory firm Leeuwin Capital Partners. Following receipt of multiple proposals, the Company has mandated Infradebt (**Mandate**) to provide debt financing for up to \$215 million (**Project Finance**). The DFS estimated the total capital cost for Stage One at \$304 million¹.

The Project Finance will be funded by discretionary funds managed by Infradebt and co-investors advised by Infradebt. Infradebt has confirmed that it has committed funds for the purpose of providing the Project Finance. The majority of the Project Finance will be funded by the Infradebt Energy Transition Fund, a senior debt fund mandated specifically to provide debt finance to utility-scale battery projects in Australia.

The Mandate sets out the Project Finance terms, an indicative timetable for completion of the arrangements under which the Project Finance would be provided and other provisions that are expected to be included in long-form Project Finance documentation.

The facility has a base rate (a combination of three-month BBSY and the 12-year Swap Rate) plus a margin. The facility tenor is 17 years, including the two-year construction period.

A long-form facility agreement and security documentation are expected to be executed in September 2024.

The final debt quantum will be determined after confirmation of the Reserve Capacity Price from the Australian Energy Market Operator (AEMO) in late September 2024. The Benchmark Reserve Capacity Price of \$230,000 for the 2026/27 capacity year has already been published².

About Infradebt

Infradebt is a specialist infrastructure fund manager focused on lending to Australian infrastructure projects. Infradebt was founded in 2013 and is active in the renewable energy and decarbonisation real asset space having financed over 50 projects in Australia. Infradebt is the manager of Australia's first ethically screened infrastructure debt fund, the Infradebt Ethical Fund.

For more information on Infradebt, see <https://www.infradebt.com.au/>.

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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¹ See ASX announcement 28 February 2024.

² <https://www.erawa.com.au/cproot/23833/2/2024-benchmark-reserve-capacity-price-for-the-202627-capacity-year.PDF>.



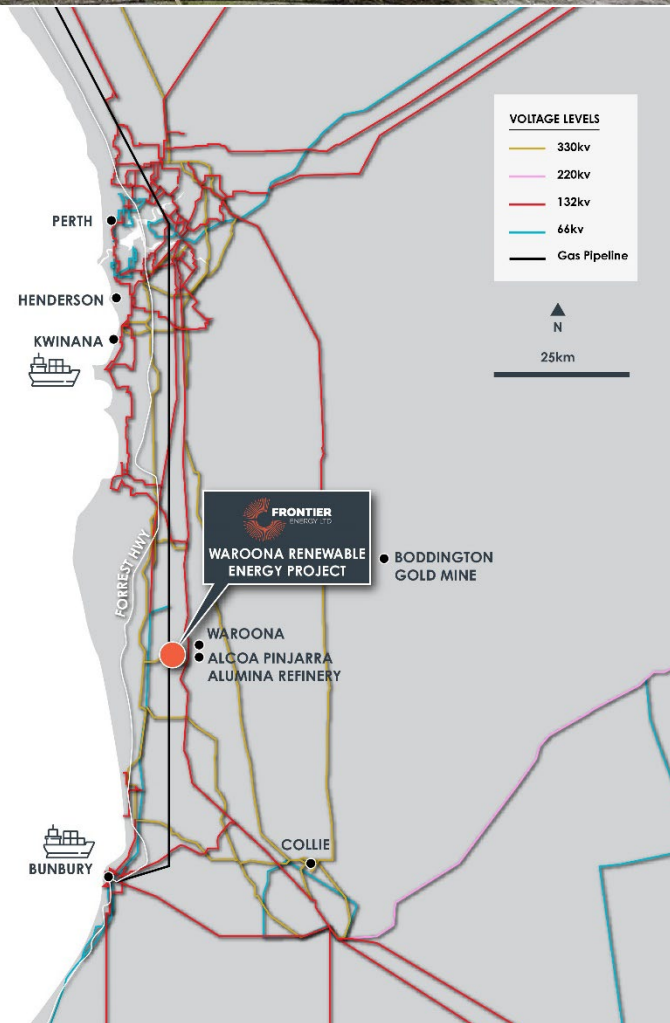
About Frontier Energy

Frontier Energy Ltd (ASX: FHE; OTCQB: FRHYF) is developing the Waroona Renewable Energy Project located 120km south of Perth in Western Australia.

Waroona has the potential to become one of Western Australia's largest standalone renewable energy projects, as the Company controls 868ha of adjoining freehold land whilst also having approvals in place for a connection onto the WA electricity network (SWIS) with a terminal adjacent to the Project.

The Company released a positive DFS on a Stage One development that consists of a 120MW solar farm and 80MW/360MWh battery.

Frontier is fully committed to making the Project one of WA's major renewable energy hubs, incorporating multiple value-adding initiatives including batteries and green hydrogen, with full renewable energy potential of more than 1GW based on connection capacity.



Directors and Management

Mr Grant Davey
Executive Chairman

Mr Adam Kiley
Chief Executive Officer

Mr Chris Bath
Executive Director

Ms Dixie Marshall
Non-Executive Director

Ms Amanda Reid
Non-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.