For personal use only

Frontier secures firm commitments for A$110m equity raising for Stage One financing

Frontier Energy Limited (ASX: FHE) (**Frontier** or the **Company**) is pleased to announce that it has received firm commitments from tier one, long only institutional investors and other professional and sophisticated investors to raise $110 million (before costs) under a conditional placement of 550 million new fully paid ordinary shares (**New Shares**) at a price of $0.20 per New Share (**Conditional Placement**).

HIGHLIGHTS

- **Commitments to raise $110 million (before costs) via a conditional placement to new and existing institutional, professional and sophisticated investors[1]**
    - *The Conditional Placement is subject to approval by Frontier shareholders for the purposes of ASX Listing Rule 7.1 and the Company receiving credit approved commitments for senior project debt finance (**Senior Debt Finance**) for the construction of Stage One of the Waroona solar-battery Project (**Stage One**)*
- **All directors of the Company have provided firm commitments in the Conditional Placement for a total of approximately $3.3 million (subject to shareholder approval)**
- **The Senior Debt Finance process now advances towards binding credit approval from a range of shortlisted banks, which is expected to be received in July 2026, with selection of the final banking syndicate to follow shortly thereafter**
- **Key conditions required to advance towards credit approved commitments for Senior Debt Finance have now been completed, including:**
    - *Detailed term sheets received from shortlisted banks – all major terms regarding tenor, rate and quantum are in line with expectations*
    - *Firm commitments for the equity component of Stage One financing*
    - *Completion of the independent technical due diligence report*
    - *Legal and tax due diligence*
- **Major fixed price contracts are nearing execution**
- **Completion of the equity and debt financing means Stage One will be fully funded and ready to commence following a Final Investment Decision by the Board**
- **Stage One updated capital estimate cost is ~$310 million pre-contingency (~$326.9 million including contingency)**

[1] *Prior to the settlement of the Conditional Placement, the Company reserves the right to increase the Conditional Placement by an additional amount utilising its available placement capacity pursuant to ASX Listing Rule 7.1. No additional shares will be issued or additional funds raised in the event that shareholders do not approve the Conditional Placement at the upcoming general meeting.*
[2] *ASX announcement 4 December 2024*

For personal use only

- *Updated capital estimate includes a larger solar facility (132MW vs 120MW) and BESS compared to the 2024 definitive feasibility study[2]*
- *Importantly, these changes increase energy generation and sales and improve the economics for Stage One*

- **General meeting for approval of the Conditional Placement to be held in July 2026**
- **Proceeds from the Conditional Placement will also help advance early-works for a Stage Two expansion**

Executive Chairman, Jamie Cullen, commented: *"The equity raising is a pivotal achievement for Frontier as it paves the way for our Stage One Senior Debt Finance to progress towards binding credit approval and then to financial close. We will then be ready to commence building Stage One and continue development work on Stage Two.*

The raising was well supported and will result in multiple high-quality new institutional investors joining the share register as well as a number of WA based family offices. Together with our already strong support from existing investors, the appetite from new investors highlights both the quality of our Stage One project, and the pipeline for future development at Waroona to create a major renewable energy precinct in the South West of WA".

Details of the Conditional Placement

The Conditional Placement comprises the issue of 550 million New Shares at a price of $0.20 per New Share to raise $110 million (before costs). For the purposes of ASX Listing Rules 7.1 and 10.11, the issuance of New Shares and director participation under the Conditional Placement requires approval from Frontier's existing shareholders which is to be sought at the upcoming general meeting.

The price of $0.20 per New Share represents a 23.1% discount to the last closing price of A$0.260 per share on 1 June 2026.

New Shares issued under the Conditional Placement will rank equally with the Company's existing fully paid ordinary shares from the date of issue.

Completion of the Conditional Placement is subject to satisfaction of two conditions:

- Frontier securing credit-approved commitments for senior debt finance to fund the development of Stage One; and
- Approval of the issue of New Shares by Frontier shareholders at a general meeting that is expected to be held in July 2026. A notice of meeting seeking approval for the issue of New Shares under the Conditional Placement, including the issue of New Shares to Frontier directors, is expected to be released to ASX in the coming days.

For personal use only

Canaccord Genuity (Australia) Limited (**Canaccord**) is acting as Lead Manager, Yelverton Capital Pty Ltd (**Yelverton**) is acting as Co-Lead Manager and CPS Capital Group Pty Ltd (**CPS**) is acting as Co-Manager. The Conditional Placement is not underwritten.

Canaccord will be paid a management fee of 1.0% of the total proceeds of the Conditional Placement (excl GST) and a selling fee of 4.0% of the proceeds raised from investors (other than investors introduced by the Company) (excl GST).

Each of Yelverton and CPS will receive a fee equal to 5% (excl GST) of the proceeds from investors introduced by Yelverton and CPS respectively.

Senior Debt Finance — Process Update

The Senior Debt Finance process has been proceeding in parallel with the Conditional Placement.

Following receipt of indicative debt terms from a range of tier-one financial institutions in March 2026, the Company selected a number of these institutions to advance to the next stage of the process, during which prospective lenders provided more detailed term sheet responses.

The more detailed terms have remained in line with previous guidance of:

- A debt facility for up to approximately 70% of total funding required for development of Stage One;
- A notional tenor (including construction) of up to 20 years; and
- Interest rate margins consistent with infrastructure project financing of this nature.

The Company is on track to receive credit approved commitments for the Senior Debt Finance in July 2026. Below is a summary of the key milestones achieved and the next steps towards closing the Senior Debt Finance.

Current status

- Detailed term sheet responses received from tier-one financial institutions;
- Completion of independent technical report by Aurecon as the independent technical engineer; and
- Legal and tax due diligence finalised.

Next steps

- Receipt of credit-approved commitments from financiers – targeting July 2026;
- Negotiation of long-form facility documentation; and
- Satisfaction of conditions precedent and financial close.

Finalisation of contracting for equipment selection and development

As part of the Stage One financing process, the Company has advanced all major EPC contracts towards the point of execution with preferred parities.

For personal use only

This includes the following major works contracts:

  - EPC contract for the Stage One facility, comprised of a 132MW solar plant and 81.5 MW (6.9 hour) battery energy storage system (**BESS**);
  - EPC contract for the 330kV Waroona Sub-station; and
  - Western Power Interconnection Works Contract.
- Key equipment supply contracts will include:
  - Photo Voltaic (PV) modules – ~200,000 panels at 660W per panel (previous 610W);
  - BESS – 81.5MW 6.9hr – 156 containers;
  - Trackers – 1,855; and
  - Power Conversion System (inverters and dc-dc converters) – 26 inverters.

The updated fixed price for the construction of the facility, including contingency is $327 million.

The increase in the capital cost compared to the December 2024 DFS[1] is related primarily to:

- Larger solar panels (from 610W to 660W per panel), which increases the total maximum generation of the solar facility to approximately 132MW (120MW in the December 2024 DFS);
- Increase in the BESS from 80MW at 4.75hr to 81.5MW at 6.9hr. The longer duration BESS was required to comply with reserve capacity obligations (minimum 6 hour duration BESS) and to allow for greater flexibility to maximise energy sales into periods of greatest demand; and
- Increase in construction costs driven largely by inflation.

The Company has completed an early contractor involvement (**ECI**) with Monford Group Pty Ltd, the major EPC contractor. The ECI process is a collaborative contracting method whereby design is carried progressed to refine cost, address any scope ambiguity and minimise the potential for variations to occur during the course of the project, ultimately resulting in alignment and risk reduction for both parties.

The Company will proceed to completion of key contracts following final pricing negotiations with shortlisted suppliers. Further detail on the use of proceeds from the Conditional Placement is set out in the presentation released to ASX this morning.

Indicative timetable for the Placement

An indicative timetable for the Conditional Placement is set out in the table below.

Event	Date
Trading halt lifted, announcement of Conditional Placement, resumption of trading of Frontier shares, and proxy form for the General Meeting	Thursday, 4 June 2026

Event	Date
Expected date of receipt of credit approved commitments for Senior Debt Finance	Friday, 3 July 2026
General meeting to: • Approve the issue of New Shares under the Conditional Placement pursuant to ASX Listing Rule 7.1 • Approve the issue of New Shares to Frontier directors	Friday, 10 July 2026
Settlement of New Shares issued[1]: • Under ASX Listing Rule 7.1 • To Frontier directors	Wednesday, 15 July 2026
Quotation and trading of New Shares	Thursday, 16 July 2026

1. Settlement of the issue of New Shares issued under ASX Listing Rule 7.1 and to Frontier directors pursuant to ASX Listing Rule 10.11 is subject to obtaining approval of Frontier shareholders.

Additional Information

The above timetable is indicative only and subject to change. The Company reserves the right to amend any and all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws, including securities laws.

Additional information in relation to the Conditional Placement and Frontier can be found in the investor presentation released to the ASX simultaneously with this announcement, which contains important information, including a breakdown of sources and uses of funds, key risks and foreign selling restrictions with respect to the Conditional Placement.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision. All amounts are in Australian dollars unless otherwise indicated.

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

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

Jamie Cullen
Executive Chairman
+61 8 9200 3428
jcullen@frontierhe.com

Adam Kiley
Chief Executive Officer
+61 8 9200 3428
akiley@frontierhe.com

For personal use only