



FRONTIER
ENERGY LTD



Definitive Feasibility Study

Waroona Renewable Energy Project – Stage One

ASX: FHE | OTCQB: FRHYF | December 2024

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ACKNOWLEDGEMENT OF COUNTRY

Frontier Energy acknowledges the traditional custodians throughout Australia and their continuing connection to the land, waters and community.
We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

Definitive Feasibility Study

WAROONA RENEWABLE ENERGY PROJECT



Stage One development

- 120MW / 80MW 4.75hr (380MWh)
- Lower capex and strong returns
- Development ready



Multiple funding options available for development

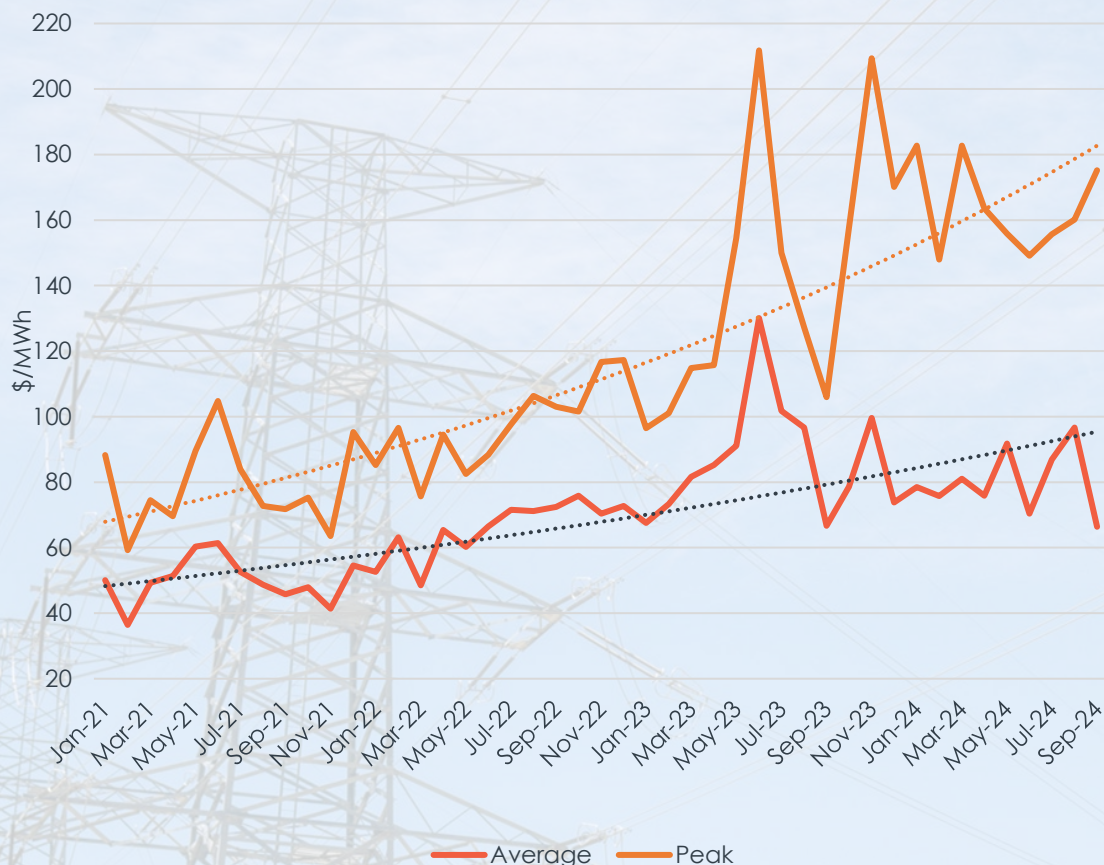


Fundamentals for grid connected electricity stronger than ever



Renewable electricity – one of the strongest commodity thematics

Monthly WA Wholesale Electricity Price¹



* Trailing twelve months to September 2024

Energy prices continue to reach record highs throughout Australia due to challenges with the energy transition

- Across Australia, grids continue to see on-going pressure resulting in record high energy prices
 - NSW – on the brink of “blackout” with sustained maximum prices and demand side management
- Government decarbonisation targets and safeguard mechanism
- Electrification of everything is still in its infancy – AI and data centres, EV and continued modernisation of households (cooling/heating)
- Grids were built for carbon emission solutions – not renewables

Energy prices continue to reach record highs in WA with further pressure to come

- Sustained increase in wholesale energy market prices since 2021 before....
 - Coal fire power closure – 30% of energy today
 - Gas (33%) – prices starting to increase with trend forecast to continue
 - Minimal new industrial generation – batteries are storage not generation

Period	2021	2022	2023	TTM*	TTM to 21
WEM – Peak Energy Price (\$/MWh)	79	97	143	168	
% change		23%	47%	17%	112%
Average Energy Price (\$/MWh)	50	66	87	81	
% change		32%	32%	-7%	63%

¹ - annual average of half-hourly prices reported by AEMO, no price cut-offs

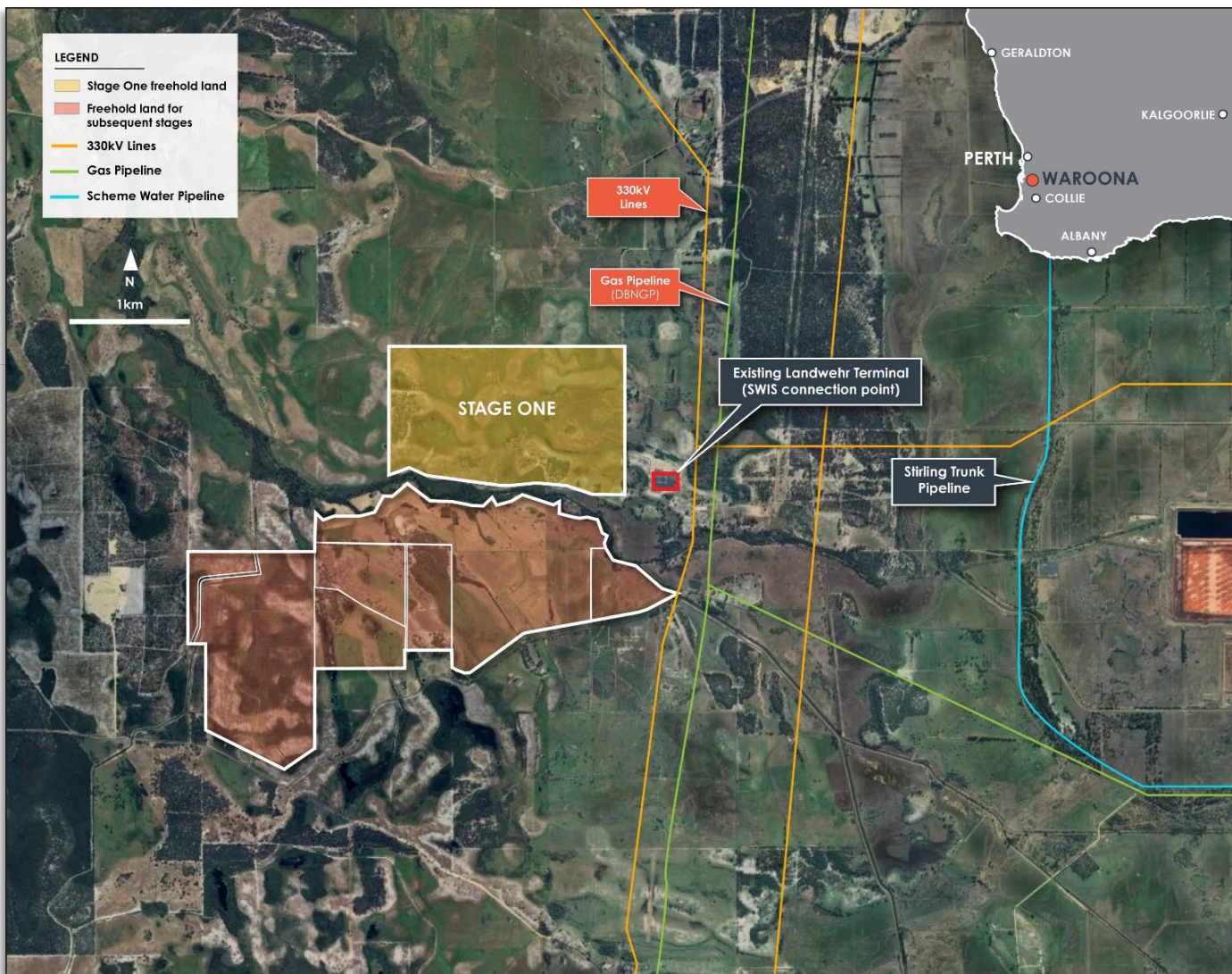
data sources:

<https://data.wa.aemo.com.au/public/market-data/wemde/referenceTradingPrice/previous/> (post Sep 2023);

<https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/data-wem/market-data-wa> (pre Sep 2023)

DFS reconfirms long-life, highly profitable Project

Waroona Renewable Energy Project – located in the heart of industrial WA



Waroona Renewable Energy Project – Development Ready

- Stage One – 120 MW solar / 80 MW 4.75hr (380Mwh) battery
 - Major potential for future expansion
- All key permits and approvals in place
- Approved connection point – ETAC
 - 330kV transmission line – exceptionally high MLF, surrounded by major industry and population
- Land – 868ha of freehold land owned by the Company

Definitive Feasibility Study - Highlights

1) Reduced Capex by \$21 million (7%) to \$282 million

- Due to lower prices of key equipment – not cost cutting (eg: larger battery used compared to original DFS)
- Prices from vendors and contractors ready for construction (high degree of confidence)

2) Robust Returns on all key metrics

- EBITDA – Average of \$57m pa over the first decade
- Payback six years (20% of the operational life)
- IRR – 15.3% (post-tax)

3) Further upside to Stage One economics

- Conservative approach on revenue assumptions

DFS outlines long-term sustainable profitability with upside



Strong returns on all key metrics

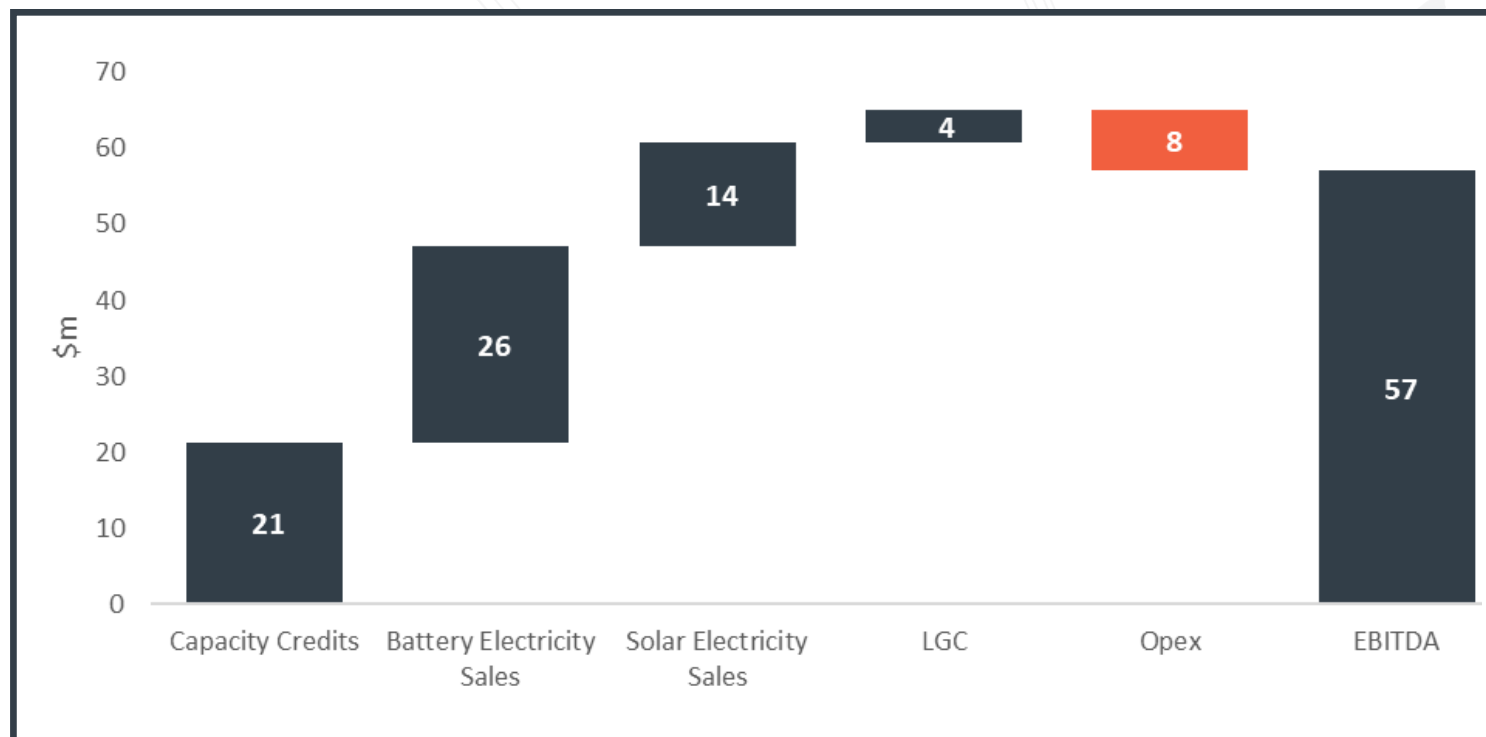


Lower capital cost despite a larger battery

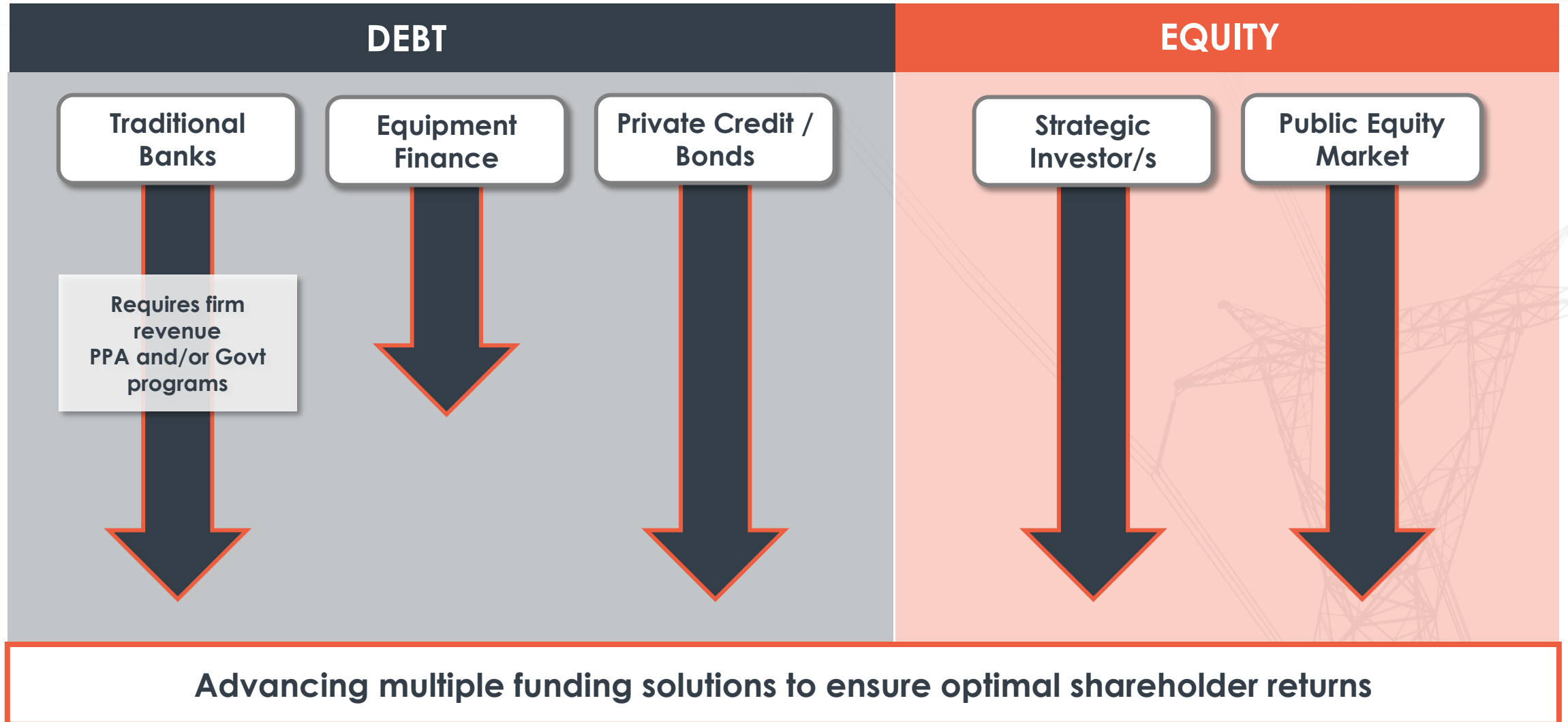


Conservative revenue assumptions provide upside

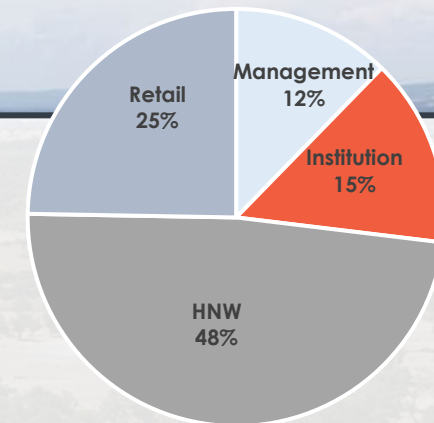
DFS – Key inputs	Units	Dec 24
Life of operation	Years	30
Energy Production (yr 1)	GWh	258
Battery duration	size/hrs / Mwh	80/4.75/380
Initial Capex – Stage One	A\$ m	\$283
Key Financial Returns (10 Yr Average)	Units	Dec 24
Revenue	A\$ m	\$65
EBITDA	A\$ m	\$58
NPV _{7%}	A\$ m	244
IRR – Ungeared (100% equity)	%	15.3%
Payback (post-tax)	Years	6.1



Progressing multiple financing streams in parallel



Near-term renewable energy production to meet increasing energy demand



CAPITAL STRUCTURE

513m

Shares on issue

~\$14.5

Nov 24
Cash

\$70m

At \$0.135 / share
Market Cap



**Stage One - ready
for development**



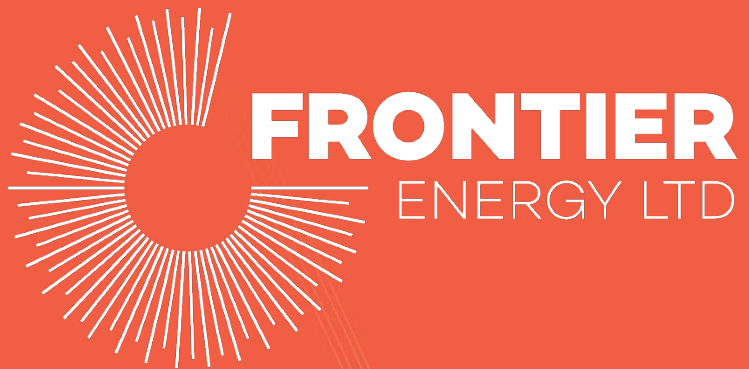
**Multiple funding
options available**



**Market fundamentals for
electricity stronger than ever**



**Major organic growth
potential to +1GW**



**For more information
contact**

**Adam Kiley
CEO**

+61 8 6117 0479
akiley@frontierhe.com



ASX: FHE | OTCQB: FRHYF | frontierhe.com