



# A\$40 million capital raising presentation

ASX: FHE | OTCQB: FRHYF | August 2024

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ENERGY LTD

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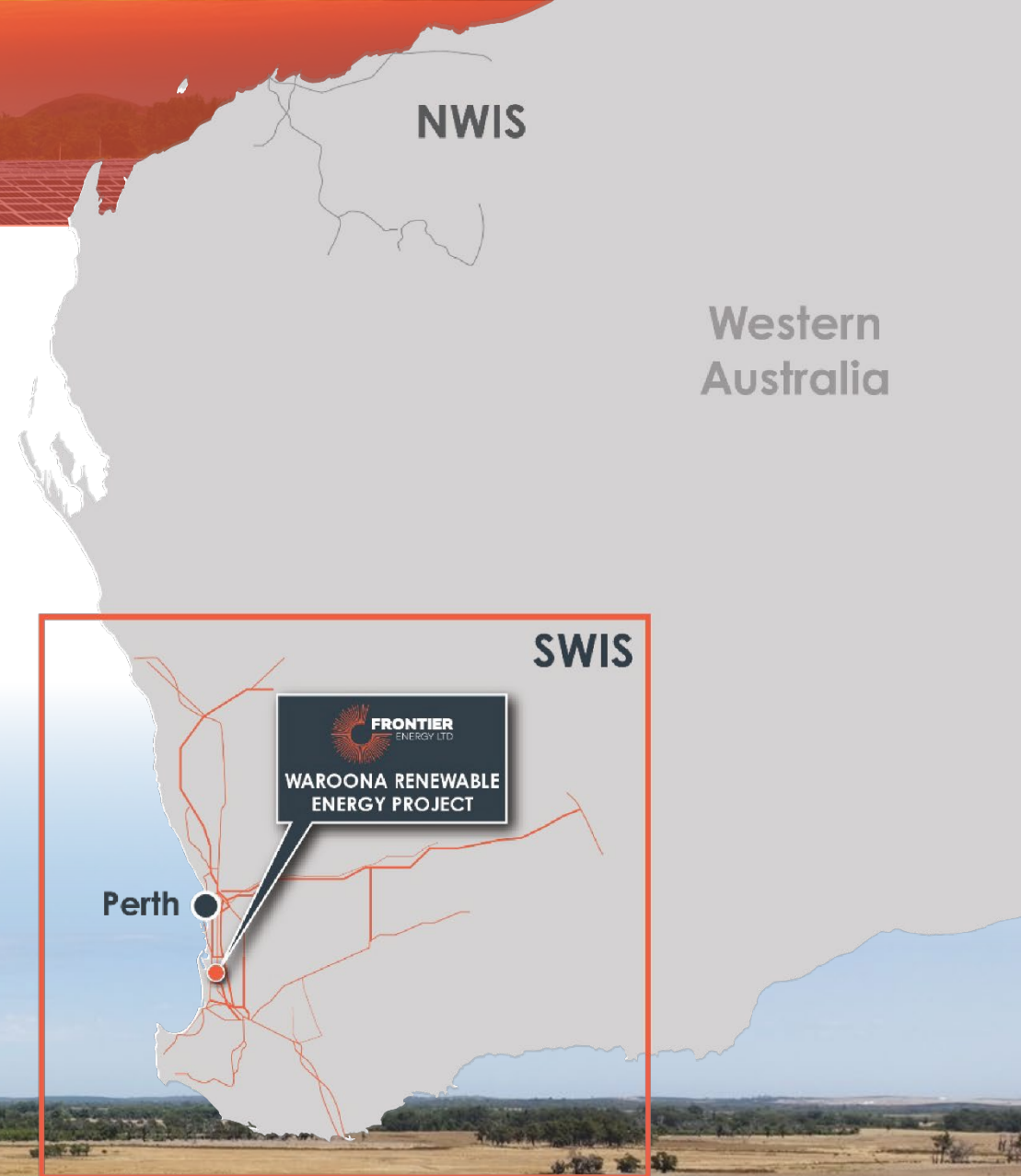
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# Overview

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## Frontier announces a A\$40 million equity raising to accelerate early works, ordering of critical long lead items and allow the Company to finalise debt financing and strategic initiatives

### 1 Capital Raising

**\$40 million capital raising to progress early works, long lead items and funding discussions for Stage One of the Waroona Renewable Energy Project (“Waroona Project”)**

- Frontier is conducting a placement and to raise ~A\$40 million
- A\$0.25 per New Share representing a 45.1% discount to the last closing price of A\$0.455 per share on 23 August 2024

1 – ASX Announcement – 28<sup>th</sup> February 2024

### 2 Project Funding

**Additional funding initiatives for Stage One are well advanced**

- Infradebt Pty Ltd (“Infradebt”) mandated to provide senior debt financing of up to \$215 million for the development of Stage One of the Waroona Project
- Strategic partnering process ongoing to consider the introduction of a strategic partner to assist in funding for Stage One and future expansion stages

### 3 Project Update

**Stage One progressing to FID**

- Certified Reserve Capacity secured from the Australian Energy Market Operator (**AEMO**) and forecasted to provide ~36% of Stage One revenue<sup>1</sup>
- Commencement of early works and ordering critical long lead items to enable first production from 2H2026
- Assessment of an accelerated development of Stage Two to be considered in parallel



## Opportunity to invest in a substantially de-risked renewables project

- Frontier's Waroona Project in Western Australia is **nearing FID and will become a key part of the State's energy transition given its advanced status, major expansion potential and the urgent requirement for renewable energy solutions in the State**
- Key permits and approvals are in place for Stage One, a 120MWdc solar farm integrated 80MW / 360MWh battery. These include a **network connection access**, environmental permits and development approvals, that will see construction commence in 2024 with first production during 2026
- Certified Reserve Capacity secured from the AEMO, **which the DFS<sup>1</sup> forecasted to provide up to 36% of Stage One revenue**
- Specialist infrastructure lender Infradebt mandated to provide up to **\$215m debt finance** over a 17-year tenor and an attractive terms



## Highly attractive financial profile

- Stage One DFS released in February 2024 forecasts **EBITDA of A\$68m per annum for the first five years**, Stage One capex of \$304m, with equity IRR of 22% (based on price forecasts from leading market forecasters and consultants)
- Additional improvements to battery capacity, capex and improved market conditions have been experienced since the DFS that would further enhance returns
- **Integrated 4½ hour battery** ensures power can be stored in the low-price mid-day period and dispatched in the peak pricing afternoon / evening period each day – maximising revenues and economic returns while minimising price risk



## Immediate expansion potential

- **Strong growth profile** as Stage One occupies only 303ha out of 868ha land, and network connection potential is 1GW+
- Future stages can apply similar development strategy and leverage connection infrastructure built to **reduce capex and time to build**
- **Stage Two assessment studies to commence during 2H24 with a Study for Stage Two targeted for 1H25**



## Opportunity to participate in an attractive electricity market

- AEMO has forecasted energy growth of **58% (202% upside case) over the next decade**, whilst the State also plans to **close State owned coal assets by 2029**. Coal currently provides 30% of energy requirements in the State
- This is forecasted to see major **capacity deficits of up to 2.88GW by 2034**



## Highly experienced management team

- **Highly-regarded and experienced management team** that has spent significant time in the energy industry
- Recent appointment of former Western Australian Premier, **Mark McGowan AC, as Non-Executive Chairman**
- Built a team with specific expertise across capital markets and debt finance, engineering, project management and construction

1 – ASX Announcement – 28<sup>th</sup> February 2024



<b>Offer Structure and Size</b>	<ul style="list-style-type: none"> <li>• Frontier is conducting the Offer to raise up to ~A\$40 million via the issue of approximately: <ul style="list-style-type: none"> <li>• 67.0 million fully paid ordinary shares ("<b>New Shares</b>") pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 ("<b>Tranche 1</b>"); and</li> <li>• 93.0 million New Shares, subject to shareholder approval ("<b>Tranche 2</b>") (together the "<b>Placement</b>" or "<b>Offer</b>")</li> </ul> </li> <li>• Up to approximately 160.0 million New Shares to be issued under the Placement representing ~35.8% of existing ordinary shares on issue</li> <li>• New Shares issued under the Offer will rank equally with existing shares on issue</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>• Offer price of A\$0.25 per share, represents a: <ul style="list-style-type: none"> <li>• 45.1% discount to the last closing price of A\$0.455 per share on Friday, 23 August 2024</li> <li>• 44.5% discount to the 15-day VWAP of A\$0.450 per share up to and including Friday, 23 August 2024</li> </ul> </li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>• Proceeds from the capital raising to provide sufficient liquidity runway to move ahead on long lead items for Stage One of the Waroona Project and advance debt financing and strategic initiatives</li> </ul>
<b>Director Participation</b>	<ul style="list-style-type: none"> <li>• Executive Director, Grant Davey, has committed to subscribe for 16 million New Shares to raise A\$4 million, which is subject to shareholder approval to be sought at an upcoming EGM in early / mid October 2024</li> </ul>
<b>JLMs</b>	<ul style="list-style-type: none"> <li>• Barrenjoey Markets Pty Limited, Unified Capital Partners Pty Ltd and Aitken Mount Capital Partners Pty Ltd are acting as Joint Lead Managers ("<b>JLMs</b>") to the Placement</li> </ul>



# 1 Capital Raising: Sources and Uses



Proceeds from the capital raising to provide sufficient liquidity runway to move ahead on long lead items for Stage One of the Waroona Project and advance debt financing and strategic initiatives

Sources of Funds	A\$m	%
Cash (as at 30 June 2024)	8.3	17.2%
Gross proceeds from capital raising	40.0	82.8%
<b>Total Sources of Funds</b>	<b>48.3</b>	<b>100.0%</b>

Uses of Funds	A\$m	%
Early works and long lead items for Stage One of the Waroona Project	37.8	66.3%
Reserve Capacity security	5.0	10.4%
Working Capital	3.0	18.2%
Transaction Costs	2.5	5.2%
<b>Total Uses of Funds</b>	<b>48.3</b>	<b>100.0%</b>

# 1 Capital Raising: Indicative Equity Raising Timetable<sup>1</sup>



<b>Trading halt lifted and announcement of completion of Placement</b>	Wednesday, 28 August 2024
<b>Settlement of New Shares issued under Tranche 1 of the Placement</b>	Monday, 2 September 2024
<b>Allotment, quotation and trading of New Shares under Tranche 1</b>	Tuesday, 3 September 2024
<b>EGM to ratify the issue of Tranche 1 Shares and approve the issue of Tranche 2 Shares</b>	Early / Mid October 2024
<b>Settlement of New Shares issued under Tranche 2</b>	Early / Mid October 2024
<b>Allotment, quotation and trading of New Shares under Tranche 2</b>	Early / Mid October 2024

1. Indicative only and dates are subject to change by the JLMs and / or the Company.

## 2 Debt Financing Summary: Process update



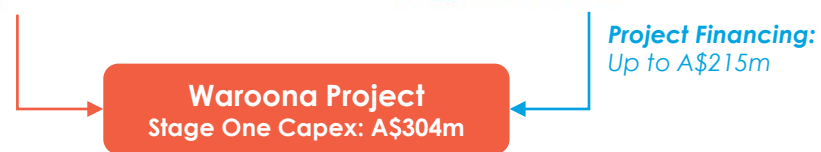
### Debt financing of up to \$215 million for the development of Stage One of the Waroona Project

Frontier has signed a senior debt mandate with Infradebt to provide up to \$215 million debt financing for Stage One of the Waroona Project

- Infradebt is an **Australian based infrastructure financing specialist** and is a significant lender to multiple renewable energy projects
  - **Renewable Western Australian** investments include the 180MW Warradarge Wind Farm, 40MW Greenough Solar Farm and 35MW Albany Grasmere Wind Farm
  - **Grid scale battery** investments include Genex Power's 50MW/100MWh Bouldercombe Battery in Queensland and Neoen's 100MW/200MWh Capital Battery in the ACT

#### Debt Financing Process Update

- ✓ Frontier concluded a rigorous debt financing process, with strong interest from a mixture of leading Australian, Asian and European banks
- ✓ Frontier received multiple credit approved term sheets as part of the debt financing process from several major financial institutions
- ✓ Infradebt proposal was the optimal solution given it was a single party approach, highly attractive tenor and interest rate, whilst also providing the greatest flexibility
- ✓ Infradebt and Frontier will work closely together to ensure rapid expansion into Stage Two development



# 3 Project Update: Frontier's path to production



## Stage One of the Waroona Project is advancing towards FID



Next step is a \$40 million Capital Raising to move ahead on Stage One long lead items



Major forecasted energy deficit in WA to provide strong on-going economic returns



Debt financing and Strategic Partnership process ongoing



Future expansion studies to shortly commence – Long term potential of up to 1GW of energy

Milestone (CY)	1Q24	2Q24	3Q24	4Q24	2025	2026	2027
DFS	Active	Completed	Completed	Completed	Completed	Completed	Completed
Debt Financing – Shortlist Banks	Active	Active	Completed	Completed	Completed	Completed	Completed
Debt Financing – Appoint Infradebt	Completed	Completed	Active	Completed	Completed	Completed	Completed
Capital Raising	Completed	Completed	Active	Completed	Completed	Completed	Completed
Commence Early Works / Order Long Lead Items	Completed	Completed	Active	Completed	Completed	Completed	Completed
Strategic Partnership Process Ongoing	Completed	Completed	Active	Active	Completed	Completed	Completed
Project Development	Completed	Completed	Active	Active	Active	Completed	Completed
First Production	Completed	Completed	Active	Active	Active	Active	Completed
Assess and finalise Stage Two Strategy	Completed	Completed	Active	Active	Active	Active	Completed

# 3 Project Update: Stage One returns



## DFS outlines long term sustainable profitability with upside

### DFS outlines the pathway to sustained production

- 120MW Solar / 80MW (4 hr / 320MWhr) battery (dc coupled)
- Strong returns: **Average EBITDA of \$68m p.a. first 5 years and \$63m p.a. first 10 years**

### Continued improvement and de-risking since the release of the DFS

- 1. Expanded battery to 4.5hr battery (380MWhr)**
  - Lower capex and improved revenue (sales and Reserve Capacity Price)
- 2. Detailed design and procurement of long-lead items for the interconnection works commenced with Western Power**
  - Identified as longest lead and critical path item meaning earlier production
- 3. Secured Certified Reserve Capacity status**
- 4. Close to finalising equipment selection and EPC providers**

DFS – Key outputs	Units	DFS	
Life of operation	Years	30	
Energy Production (yr 1)	GWh	258	
Initial Capex – Stage One	A\$ m	\$304	
Key Financial Returns	Units	5 yr Av.	10 yr Av.
Revenue	A\$ m	\$74	\$70
Operating Costs	A\$ m	\$5.9	\$6.3
EBITDA	A\$ m	\$68	\$63
Payback	Units	Pre-Tax	Post-Tax
Years (pre-tax / post-tax)	Yrs	4.6	5.8
IRR		Pre-Tax	Post-Tax
Ungeared	%	18.0%	14.8%
Geared, leverage 70%	%	27.3%	21.6%

### Cashflow Waterfall – First 5 years of production (average)



# 3 Project Update: Stage One only the beginning

## Growing energy deficits shows requirement for major Frontier expansion

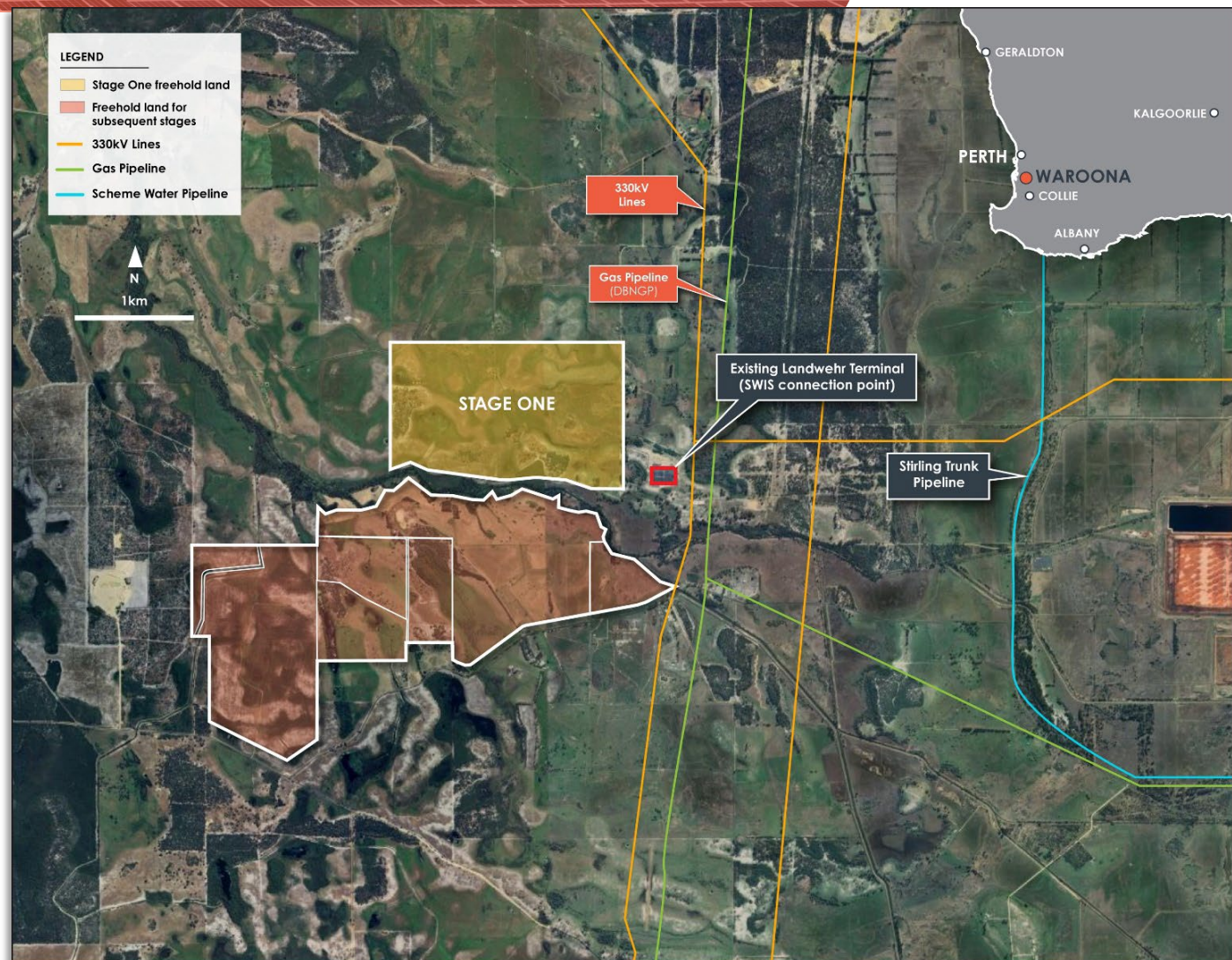
- AMEO's 2024 ESOO report highlighted 391MW of new capacity is required in the 2027-28 capacity year increasing to 2,880MW by 2033-34
- Demand forecast to increase by 57% (High Case 202%) by 2033/34, while >1 GW coal fired capacity retires

## Quickly ramp up with 1GW of energy potential

- Two existing ETAC and freehold land allows for major, rapid expansion
  - Connected to 330KV lines (largest lines on the SWIS) minimising MLF
  - Land - 868ha with additional opportunities
- Stage One developed with a 330kV 'breaker and a half' switchyard, reducing expansion timetable and capex

## Continued and on-going expansion post Stage One

- **Stage Two preliminary assessment**  
- determine optimal size and configuration
- **Stage Two Feasibility Study** –targeted completion 1H25



# Why is the WEM different from the NEM? Reserve Capacity underpins development

## Reserve Capacity Mechanism (RCM)

- RCM is unique to WA, not available in the Eastern States (NEM)
  - Trade-off for lower maximum energy price in WA compared to NEM prices
  - RCM set two years in advance
- Generators and storage can receive annual payments based on a Reserve Capacity Price (RCP) and facility potential
  - New generators can lock in the RCP for five years
- In Dec 2023<sup>2</sup>, the WA Government selected a 4-hour battery with a 330kV connection as the future benchmark technology
- When the market is in deficit a premium of up to 30% is applied

## Frontiers position and advantages

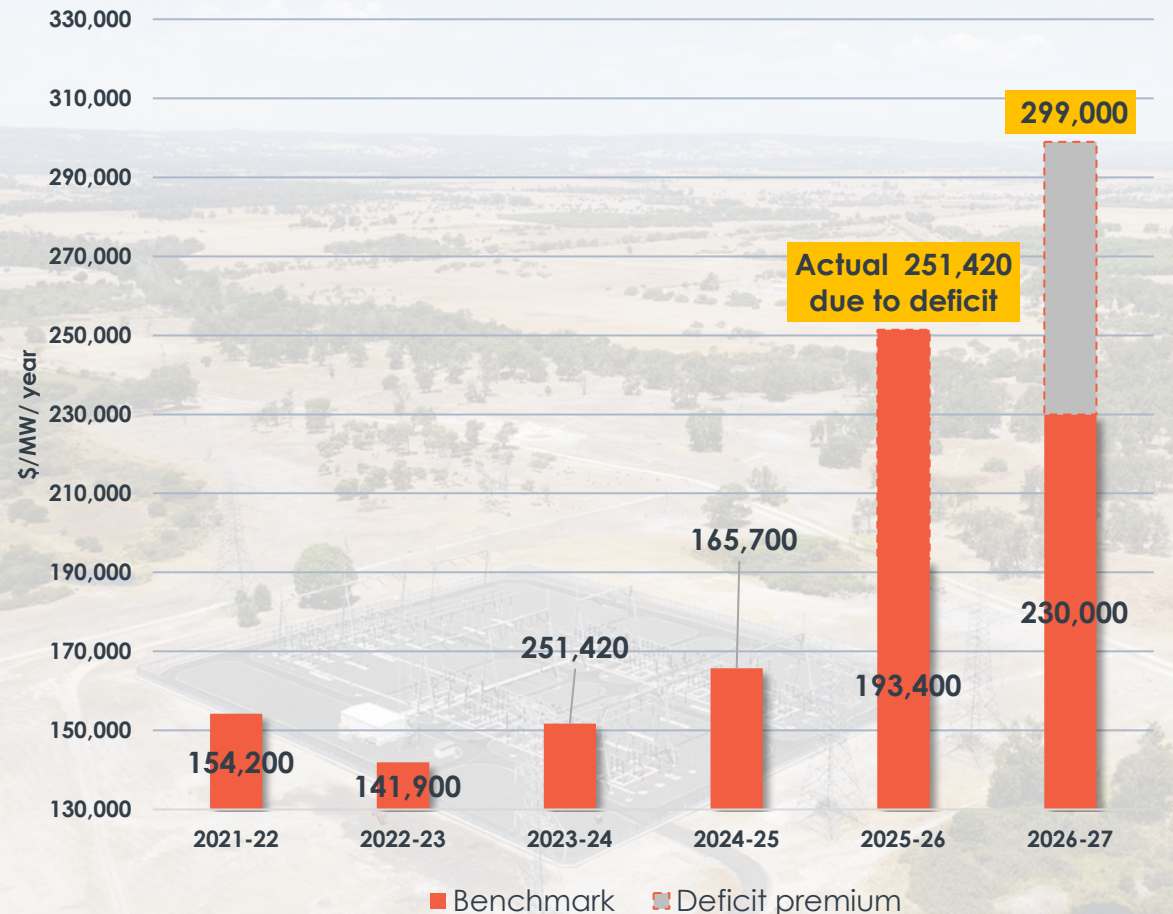
- AEMO assigns Waroona Certified Reserve Capacity
  - RCP could provide \$27m in fixed revenue over 5 years
- Enables increased leverage without requirement for a PPA
- Federal Government Capacity Investment Scheme<sup>3</sup> has potential to provide a long-term revenue floor (15 years)

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

2 - <https://www.wa.gov.au/media/43698/download?inline>

3 - See ASX announcement 4 July 2024

## Reserve Capacity Payment<sup>1</sup>



# Energy transition in WA is already seeing higher energy prices



## What is the energy transition?

- The change in the way energy is supplied and consumed as we move towards net zero (decarbonisation)
  - Supply – ~35% of electricity generated in WA (Australia 39%) is from renewables, well short of the 2030 target of 82%<sup>1</sup>
  - Demand – AEMO forecasts WA electricity demand to increase between 57% and 202% over the next decade<sup>2</sup>

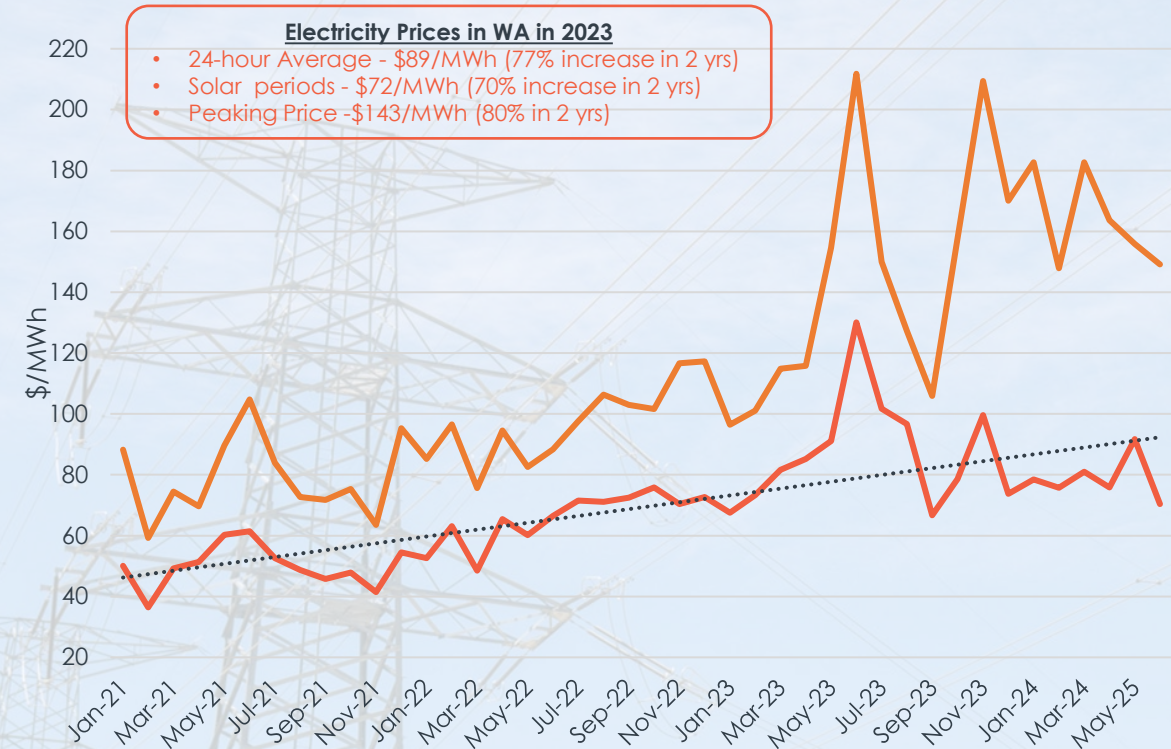
## Forecast demand and supply growth mismatch

- Demand – driven by economic growth and electrification (eg EVs)
- Supply – Industrial scale renewable energy takes significantly longer to permit, fund and develop
  - Closure of State-owned coal power stations in WA by 2029. Coal currently supplies ~30% of WA electricity<sup>2</sup>
- WA Wholesale electricity prices up by 70% in last two years

## State and Federal Governments make renewable energy a key priority

- Including the Federal \$67 billion Capacity Investment Scheme (CIS)
  - CIS offers the potential to effectively extend the fixed price that Reserve Capacity offers from 5 years to 15 years

## Monthly WA Wholesale Electricity Price<sup>4</sup>



4 - 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)



# Accessing existing energy network connections is a major obstacle to the energy transition

## Energy Networks were built for carbon emitting power stations not renewables

- Areas with existing energy networks are typically surrounded by competing industries or urban areas
  - *To build renewables you need large, flat, unpopulated land areas with consistent environmental conditions*
- Where renewable conditions are optimal, energy networks are limited and can be thermally constrained
  - *Grid expansion planned across Australia - time and cost*
- Permitting and development of new renewable power and the required grid connections can take +6 years








## Frontier's Waroona Project is development ready now

- 120km south of Perth near Waroona, WA
  - Stage One – 120MW Solar / 80MW (4 hr / 320MWhr) battery
  - Expansion potential - +1GW
- ✓ Two connection points (one approved ETAC, one in progress);
  - ✓ *330kV transmission line – exceptional high MLF, surrounded by major industry and population*
- ✓ Land - 868ha of freehold land
- ✓ Permits and approvals - majority of permits and approvals in place



# Board & Management Team



Chairman	 <b>Non-Executive Chair</b> Mark McGowan AC 25+ years Public Service, 30th Premier of WA		Executive Team	 <b>Executive Director</b> Grant Davey 30+ years Engineering and Corporate		 <b>Chief Executive Officer</b> Adam Kiley 20+ years Finance and Corporate		 <b>Chief Operating Officer</b> Warren King 25+ years Engineering and Construction		 <b>Chief Financial Officer</b> Chris Bath 30+ years Finance and Corporate		Governance and Investor Relations	 <b>Non-Executive Director</b> Dixie Marshall 40+ years Communications and Government Relations		 <b>Non-Executive Director</b> Amanda Reid 25+ years Government Relations					
	Management Team	Project/Operations Manager for Stage 1 TBC		Environment Safety and Governance Amy Sullivan		Corporate Development Manager Martin Stulpner		Company Secretary Stuart McKenzie		Commercial Manager Peter Kerr			Financial Controller Zenny Custodio		Administration Officer TBC		Safety Health Environment and Community Superintendent TBC		Project Engineer TBC	
Consultancy + Contractors		Battery Specialist Advisor SpringCity				Owners Engineer Incite Energy				Operations and Maintenance Contractor SpringCity (under negotiation)				Energy Market Operations / Energy Trading Specialist Contractor						

# Right place, time and strategy for renewable energy production now



## Highly positive Stage One DFS

- 120MW solar / 80MW (4 hr) battery



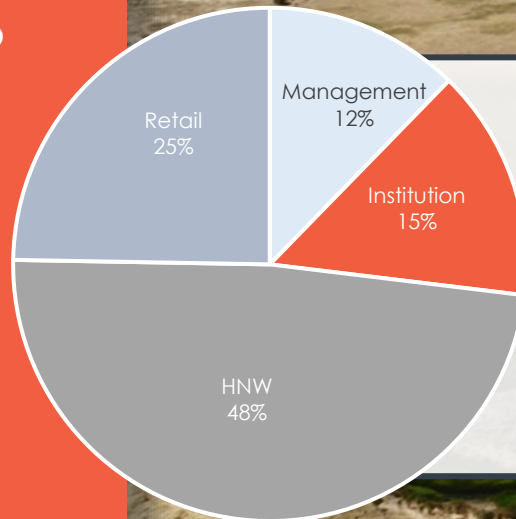
## Up to \$215m Debt financing with Infradebt



## Major organic growth potential to +1GW (based on grid connections)



## Strategy aligned to Federal and State governments' renewable energy and emissions targets



## CAPITAL STRUCTURE

**447m**  
Shares on issue

**~\$8.4**  
June 24  
Cash

**\$203m**  
At \$0.455/ share  
Market Cap

# Appendix A

## Key Risks



# Key Risks



Risk Factor	Description
<b>Conditions for Stage One to progress</b>	The progress of Stage One is contingent upon several critical conditions, including the successful completion of Infradebt project financing, and obtaining final credit approvals. Failure to secure these approvals could significantly impact the Project.
<b>Substantial Funding</b>	The Company requires substantial funding to complete Stage One. While the Company believes there is a reasonable basis to secure the necessary funds, this outcome is not guaranteed, and may adversely impact the final costs for Stage One.
<b>Infradebt project financing</b>	There is no guarantee that the debt will be secured, and the availability and final amount of the debt facility is contingent upon, among other things, the value of the Reserve Capacity Price ( <b>RCP</b> ), which will be determined on or around 30 September 2024. Generators in the wholesale electricity market receive a fixed dollar payment per megawatt from the Australian Energy Market Operator (AEMO) based on the RCP and their Certified Reserve Capacity (CRC). Depending on the actual value of the RCP, the Company may need to seek additional funding sources to advance Stage One. Any alternative or additional funding options are not guaranteed and may carry a higher cost, posing additional financial risks to the project.
<b>Strategic Partner Process</b>	The Company is engaged in a strategic partner selection process for the Waroona Project which is aimed at identifying and securing a partnership that aligns with the Company's long-term objectives. However, there is no certainty that this process will result in a successful partnership. Despite efforts to evaluate potential partners, the Company may face challenges in finding a partner or entering into an agreement with a partner who can effectively support the Company in achieving its strategic objectives.
<b>Future capital requirements</b>	Whilst the Company's available cash and the net proceeds of the Capital Raising and completion of debt financing should be adequate to fund the Company's near-term project development objectives for Stage One, the Company requires additional funding to meet the costs of developing Stage One. There can be no assurance that the Company will be able to obtain the additional funding required for completion of Stage One. There can be no guarantees that it will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. The Company may require substantial capital to undertake the next stages of development and no assurances can be given that the Company will be able to obtain additional funding.
<b>Failure to execute growth and expansion strategies</b>	While the DFS outlines long term sustainable profitability the Company has a limited operating history upon which to base an evaluation of its business performance and prospects. The Company is in the early stage of developing its assets and there are substantial risks, uncertainties, expenses and difficulties to which the Company's business is subject. To mitigate these risks and uncertainties, the Company must successfully develop and execute its business plans and strategies as well as respond to macro, project specific and competitive developments. There can be no assurance that Company will be able to effectively execute its projects, within budget and pursuant to forecasted schedules.

# Key Risks (cont.)



Risk Factor	Description
<b>Energy policy</b>	The Company's prospects are highly reliant on government policies for Australia's renewable energy industry such as the Reserve Capacity Mechanism which is unique to WA. Those policies are uncertain and any change in policy may substantially affect the Project such as increased compliance costs or alteration in the market dynamics. Policy changes may also reduce new investment in the renewable energy industry in Australia which could reduce the number of available new business prospects for the Company. Business performance may be impacted by changes in the design and rules of the existing energy market.
<b>Reserve Capacity Mechanism</b>	Given the Company's strong reliance on the Reserve Capacity Mechanism (RCM), future income cannot be guaranteed as it heavily depends on capacity payments. Equipment failures or operational issues can result in penalties or reduced payments if the promised capacity is not delivered.
<b>Loss of key personnel</b>	The Company's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Company expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so.
<b>No operating revenue</b>	The Company has no operating revenue and is unlikely to generate any operating revenue unless and until Stage One of the Waroona Project is successfully developed and commercially operational.
<b>Competition</b>	Existing competitors in the renewable energy industry, as well as new competitors entering the industry, may develop superior and more efficient technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially and adversely impact the Company's ability to conduct its business such as the Company may be forced to make additional investment to remain competitive.
<b>Reliance on third party providers</b>	There is a risk that goods and services that are required for the Stage One development, and operation are difficult to procure, or will not be delivered on time or to the necessary quality or expected cost. A failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Company and its financial performance.
<b>Liquidity Risk</b>	The Company intends to be a medium to long-term investor in renewable energy assets that are generally illiquid in nature. If it were necessary or desirable for the Company to sell one or more of its assets, it may not be able to do so in a short period of time or it may not be able to realise an investment for the amount at which the Company has valued it. Any protracted sale process, inability to sell an asset or sale at a price that is less than the Company's valuation may adversely affect the Company's financial performance.

# Key Risks (cont.)



Risk Factor	Description
<b>Litigation and dispute risks</b>	The Company may, from time to time, be the subject of complaints, litigation, inquiries or audits initiated by third parties. If the Company were found to be liable under any such claims, this could have a material adverse effect on the Company's future financial performance.
<b>Insurance</b>	The Company intends to insure its operations in accordance with industry practice. However, it is not always possible to obtain insurance against all applicable risks and, where it is available, the cost may be high. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.
<b>Solar resource</b>	The Company will be exposed to the volume of generation produced by Stage One. Fluctuations in the level of solar resource occur on a short-term basis (hourly, daily, monthly and seasonal variations) and on a longer-term basis or Stage One may not perform as expected. Resource fluctuations affect the performance of Stage One and the amount of energy it produces, and therefore, the revenue it generates.
<b>Native title and Aboriginal heritage risks</b>	The Company is not aware of Aboriginal heritage sites that exist on the land on which Stage One is proposed to be located. However, there is a risk that future heritage surveys may locate as yet identified Aboriginal sites on the land that is subject to additional land acquisition opportunities, the existence of which may preclude, limit or delay the Company's proposed activities in certain areas of Stage One.
<b>Approval risks</b>	Stage One will require further approvals from third parties before it can be developed. These may include building permit, environmental and aboriginal heritage approvals. There can be no assurance that these approvals will be obtained.
<b>WEM related risks</b>	Demand for electricity and related products is dependent on a number of factors, each of which may impact the price of electricity positively or negatively. The price that Stage One receives may fluctuate over time and there may be issues with Stage One exporting power to the electricity grid.
<b>Potential decline in asset value</b>	The value of power generation assets is closely linked to electricity demand, electricity pricing, regulations, location, asset supply and demand factors and environmental risks. Changes to any of these elements may impact the value of the Company's underlying assets and consequently an investor's investment in the Company.
<b>Operational</b>	The Company's operational assets are subject to risks that may result in the assets failing to perform in line with expectations.
<b>Construction</b>	Assets under construction are exposed to risks associated with Stage One not being completed on time, on budget, in accordance with specifications, or at all, which may result in delays in or failure of construction or increases in costs which may adversely impact the Company's performance.

# Key Risks (cont.)



Risk Factor	Description
<b>Technological Advancements</b>	The energy industry continues to evolve as technology develops. Changes to technology can change the manner, scale and location in which energy is produced and sold and the extent to which it is consumed. Such changes may result in the Company's current Project being less competitive and require further investment in technologies to remain relevant which may have a material adverse effect on the Company's performance.
<b>Environmental and Social</b>	The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. Increasing focus on environmental sustainability and social responsibility may lead to stricter laws and changes to the public and investor sentiment towards clean energy resources which may negatively impact the Company. The Company's activities are expected to have an impact on the environment. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges to the environment, or non-compliance with environmental laws or regulations.
<b>Occupational health and safety</b>	The Company operates in a technically challenging environment with electrical and mechanical assets, and in close proximity to high-voltage electricity. There is a risk that an incident could lead to a fatality or serious harm to an employee, a contractor, a joint venture/third party employee or a member of the public.
<b>Regulatory</b>	Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing licences, approvals and agreements applicable to the Company or its future projects. This could have a material adverse impact on the Company's future and planned operations in respect to Stage One.
<b>Economic</b>	Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Further, changes in the general macro-economic outlook in Australia and globally may impact the performance of the Company and its projects
<b>Market conditions</b>	Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the transactions the subject of this presentation or otherwise

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities. Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers.



# Appendix B

## International Offer Restrictions

Hong Kong, New Zealand, Singapore, United Kingdom



# International Offer Restrictions



This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# International Offer Restrictions



## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.



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