

Indicative senior debt terms received for Waroona Renewable Energy Project

Frontier Energy Limited (ASX: FHE) (Frontier or the Company) is pleased to provide an update on the Company's debt financing process for the Stage One development of its Waroona Renewable Energy Project (Stage One or the Project).

HIGHLIGHTS

- **The Company has received indicative senior debt terms from leading tier one financial institutions. Key terms include:**
 - Gearing levels of up to 70%, which equates to senior debt funding of ~ \$220 million;
 - Notional tenors of up to 25 years; and
 - Interest rate margins consistent with infrastructure project financing.
- **The Company will shortly commence shortlisting preferred banks to be taken through to final due diligence and credit approved terms**
- **In addition to the senior debt facility, mezzanine financing proposals for up to \$100 million were also received**
 - A level of mezzanine financing may be considered as part of the total funding package for the Project's development
- **The Company is close to finalising major supply contracts for key equipment, including batteries, solar panels, trackers and inverters**
 - All equipment to be used at the Project is from tier one suppliers with an established track record in the Australian market

Frontier Executive Chairman Jamie Cullen commented: "The debt financing process is progressing well, with strong interest received from multiple tier one global financial institutions looking to assist with funding the development of Stage One.

All terms were largely in-line with expectations, including gearing of up to 70%, which delivers around \$220 million of senior debt funding. We will now work closely with banks through their final due diligence, towards credit approved terms in the next quarter.

In addition to the senior debt proposals, the Company also received indicative offers to provide alternative financing solutions, including mezzanine finance. The Company will assess these proposals, together with the indicative senior debt terms, to ensure an optimal funding package for development of the Project."

Debt financing process progresses to shortlisting of preferred banks and final due diligence

In late October 2025, Frontier secured fixed price capacity credits under the Reserve Capacity Mechanism, which provides guaranteed revenue of approximately \$32 million per year through to 2032¹.

The revenue from capacity credits is in excess of forecast debt service obligations (interest expense plus principal repayment) and estimated operating costs. The fixed price capacity credits deliver a level of revenue certainty that is an important requirement of senior debt financiers and has enabled the Company to engage with banks.

In November 2025, Azure Capital, which has a strong track record in project finance in the renewable energy sector, was appointed to provide debt advisory services and lead the senior debt process.

Azure has subsequently engaged with leading tier one banks, resulting in indicative debt terms being provided to the Company. Key terms, subject to due diligence and documentation, include:

- Gearing of up to 70%, which equates to senior debt funding of ~ \$220 million;
- Notional tenor of up to 25 years;
- Interest rate margins in line with infrastructure project financing; and
- Confirmation of acceptance of key equipment and contractors, subject to final due diligence.

The Company will now commence a process to shortlist preferred banks, with the aim of working with these banks through completion of due diligence and credit approved term sheets as soon as possible.

To support the due diligence phase, the Company has appointed lawyers to undertake legal due diligence, and to assist with key procurement contracts, while Aurecon has been appointed as the independent technical engineer on behalf of potential financiers.

In addition, the Company has been working closely with preferred suppliers through the contracting phase and total pricing for key equipment contracts is in-line with expectations. All equipment to be used at the Project is from global tier one classified suppliers, who have a track record of successful application at energy projects throughout Australia. The use of tier one equipment suppliers is expected to enable an efficient commissioning process and smooth transition to operations.

It is anticipated that on successful completion of the due diligence phase, binding credit approved terms will be made available by shortlisted banks, after which, the final syndicate of financiers can be determined and financing documentation executed.

¹ See ASX announcement dated 22 October 2025.

In addition to the senior debt proposals, the Company has received a number of indicative proposals for mezzanine finance for up to \$100 million. The availability of mezzanine finance can provide additional flexibility in optimisation of the composition of the total funding package for Stage One.

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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