

Frontier's Waroona Project selected for Australian Government's Capacity Investment Scheme

Frontier Energy Limited (ASX: FHE) (Frontier or the Company) is pleased to announce that Stage One of the Waroona Renewable Energy Project (Waroona Project) has been successful in its application for Tender 6 of the Australian Government's Capacity Investment Scheme (CIS).

The CIS is an underwriting scheme backed by the Australian Government that provides the Waroona Project with a revenue floor to 2042, which enhances Frontier's ability to attract favourable project financing terms, whilst allowing for a level of upside exposure to higher energy prices.

HIGHLIGHTS

- **The Waroona Project was one of three projects selected for support under Tender 6 of the Australian Government's CIS program**
 - *Tender 6 targeted dispatchable capacity projects (projects with batteries) connected to WA's main grid, the South West Interconnecting System, that saw bids from 14GWh of storage projects¹*
- **Together with the assignment of Reserve Capacity, Stage One now has a guaranteed minimum level of revenue protection until 2042², which provides significant momentum to our existing debt funding process**
 - *The CIS mitigates downside revenue risk however allows for a level of upside exposure in higher energy price environments*
- **The CIS operates as a revenue underwriting scheme, backed by the Australian Government. If revenue falls below an agreed floor price (as determined in Frontier's CIS tender), the Government will provide top-up payments, therefore ensuring a minimum level of revenue**
 - *The CIS does not impact the forecast revenue for the Waroona Project as set out in the ASX announcement dated 27 January 2026*
 - *The financial details of the Company's CIS tender are confidential and cannot be publicly disclosed*
 - *The Company spent considerable time with prospective financiers prior to its submission to understand the terms required to enhance financing*
- **Following the success with CIS, the Company will now update shortlisted banks, with the aim of finalising the debt financing package in the near term**
 - *The Company has received indicative senior debt finance terms, with up to 70% gearing, from tier one financial institutions³*

¹ <https://www.dcceew.gov.au/energy/renewable/capacity-investment-scheme/open-cis-tenders>.

² See ASX announcement dated 22 October 2025.

³ See ASX announcement dated 12 March 2026.

Frontier Executive Chairman Jamie Cullen commented: "This is a major milestone for Frontier and the selection of our Stage One development in this highly competitive process recognises the technical strength and advanced development status of Stage One.

Combined with the fixed price capacity credits secured late last year¹, our Waroona Project now has downside revenue protection until 2042, which significantly enhances our ability to secure the most attractive debt financing package available. We are aiming to finalise the financing process in the very near term.

I would also like to thank the Australian Government for this important initiative to support the renewable energy industry in Australia."

Operation of the Capacity Investment Scheme

The CIS operates as a revenue underwriting scheme, designed to encourage investment in renewable energy and storage projects to support progress towards the Australian Government's 2030 target of 82% renewable electricity generation.

The CIS provides a long-term revenue 'floor' and 'ceiling', both of which are subject to an annual payment cap. The image below demonstrates how the CIS works.

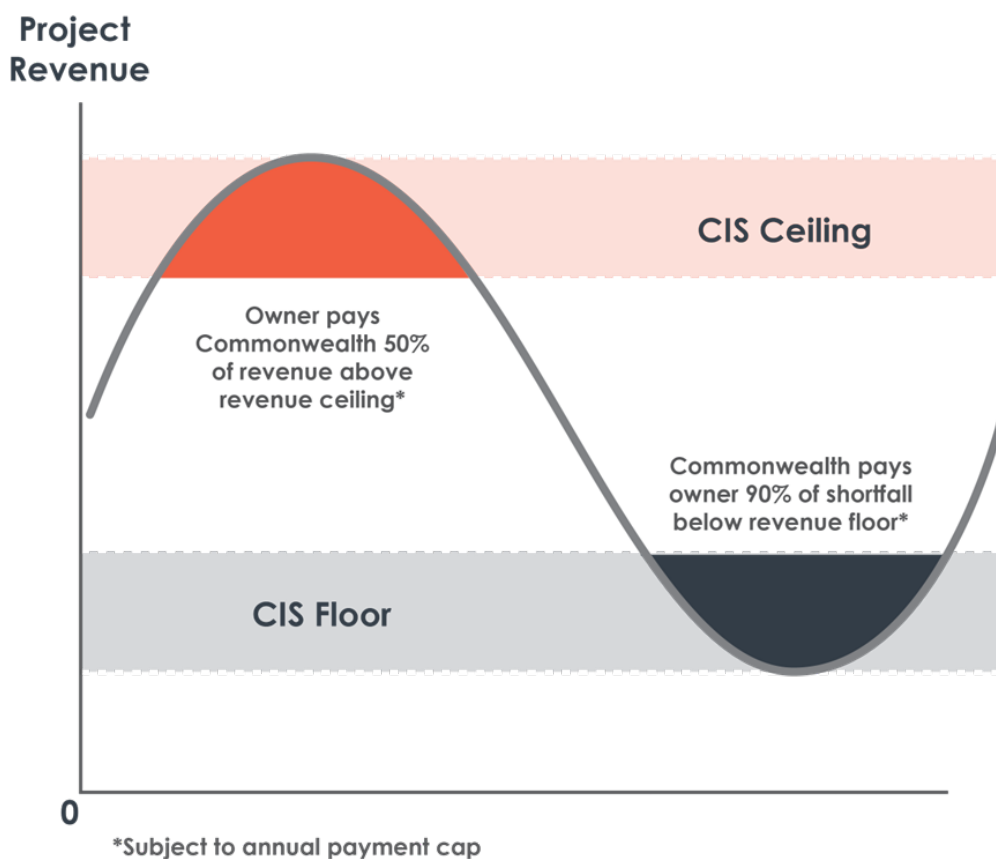


Image 1: Dispatchable CISA structure⁴

⁴ <https://www.dcceew.gov.au/sites/default/files/documents/capacity-investment-scheme-wa-design-paper-webinar.pdf>.

For the purposes of the CIS, revenue comprises all revenue generated by the battery, including market sales, bilateral contract revenues including electricity sales, capacity credits and essential system services. It excludes direct solar sales, large generation certificates or other revenue associated with the solar facility.

Projects are assessed against several criteria, including expected time frame for delivery, ability to successfully participate in the Reserve Capacity Mechanism, system benefits and contribution to local and indigenous communities

Frontier will now work with the Government to finalise the Capacity Investment Scheme Agreement.

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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