FRONTIER ENERGY LTD
Level 20,
140 St Georges Terrace,
Perth, WA, 6000

frontierhe.com

16 September 2026

Dear Shareholder

I'm writing to provide you with an update on our exciting Waroona "Stage One" project as well as the pathways opening up beyond Stage One to build shareholder value. A recent webinar covered some of the same ground in more detail and can be found at www.frontierhe.com.

What follows is my personal view of the road ahead.

Why I joined Frontier

I came into the Company around six months ago in a hands-on role after doing my own due diligence. A number of things stood out immediately.

The economics of Stage One were compelling: a minimum 30-year project, a six-year payback, around $60 million of annual EBITDA once commissioned and a geared IRR above 20%. Those numbers speak for themselves (and can be found in the latest investor presentation in the Investor section of our web site).

But what really caught my attention was the level of government revenue support. Frontier had secured annual State capacity revenue and then locked in Federal support through to 2042. The combined revenue support more than covers debt servicing and operating costs for Stage One - before we sell one electron! In all my years in this industry, I haven't seen a structure quite like it.

The Frontier team also spent years progressing studies, approvals, permits, contracts and an all-important grid connection agreement for Stage One. That work is all done and the foundations for building a long-term annuity generating asset are well and truly in place.

I believed then, and still do, that Stage One alone should drive a meaningful re-rating of the Company.

But the real long-term opportunity lies beyond Stage One. With roughly 530 hectares still available, Frontier has the ability to build out a multi-generational energy infrastructure park. Stage Two planning is already underway, and we're also exploring off-grid opportunities and broader portfolio expansion.

Opportunities of this kind - an ASX-listed portfolio of long-term power generation assets - are rare. Over the years I've observed almost all previous listed companies in this space being acquired by infrastructure funds or private equity funds due to the attractiveness and value of their long-term recurring cash flows.

Stage One is funded and underway

The last major hurdle when I joined was to secure funding for the ~$310 million capital budget. That's now behind us. We completed a $110 million equity placement and secured a funding facility of up to $250 million (including contingency), underwritten by Sumitomo Mitsui Banking Corporation and Natixis CIB.

All key supply and installation contracts have been executed. As announced on 1 September 2026, these are lump-sum, fixed-price contracts - a major de-risking milestone.

Owner's Team In Place

Strong oversight and governance are critical to managing projects such as this and we have assembled an experienced Owner's Team to oversee construction and commissioning. These are people I know well, with deep renewable energy construction and safety experience across Australia.

I am especially pleased to welcome Lee Illingworth as Chief Operating Officer. Lee has a strong track record delivering major energy projects and we previously worked together at Pacific Energy. He brings exactly the operational discipline the next phase requires.

Timeline

Our principal installation contractor, Monford Group, begins early site works this week. Once the first solar equipment arrives in December, the site will shift quickly from a quiet paddock to a full-tilt construction zone that will have up to 200 personnel working.

Our schedule shows construction finishing in February 2028 and full commissioning by July 2028. As the facility progressively exports commissioning power into the grid, revenue begins too, so cash generation starts before the final completion date.

Growth beyond Stage One

After Stage One, we still have approximately 530 hectares to build out further hybrid stages, subject to securing offtake agreements.

The broader energy market is moving in our favour. Demand for renewable energy is rising across Australia, driven by consumers, data centres, AI loads, emissions targets, and government policy.

We've been approached by operators in the digital infrastructure sector - data centres and AI factories - where access to power is a critical constraint. From our discussions, it's clear that Australia is firmly on the global radar. Waroona ticks the boxes: grid proximity, land availability, strong solar resource, world-class fibre, and proximity to Asia. Increasingly, new data centre loads are expected to bring their own renewable energy, and our site is well positioned for that.

We're also developing a go-to-market strategy for off-grid opportunities, which represent another avenue for portfolio expansion.

Looking ahead

Frontier offers something unusual: ASX-listed exposure to a developing energy infrastructure business with contracted cash flows and genuine growth potential. Of interest is that our shareholder base has grown from ~2,850 shareholders to ~3,500 shareholders in the past six months - a 23% increase. It's clear that more investors are recognising the opportunity that Frontier has on its hands.

It's an exciting time - Stage One is underway, and the next stages are taking shape at a time when near-term electricity supply is tight across the country.

Our focus is simple: Deliver Stage One well. Protect the value we've created. Build the next pieces of the portfolio.

Thank you for your continued support. I look forward to updating you as construction progresses and as the growth pathways become clearer.

Yours sincerely,

Jamie Cullen
Executive Chairman