

Enerflex Successfully Completes the Engineering Contract to Modularize KALiNA Combined Cycle Power Plants

- Successful completion of engineering contract confirms KALiNA's Cycle power plants can be cost-effectively modularized and fabricated
- Final engineering phase now underway to deliver price and schedule certainty for Full Notice To Proceed and financial close
- A major step in KALiNA's program to deploy multiple, packaged modules of the KALiNA Cycle in Alberta, as well as other markets in North America and internationally

KALiNA Power Limited (ASX: KPO) ("KPO", "KALiNA", the "Company") is pleased to report that Enerflex Ltd. (TSX:EFX) ("Enerflex") has successfully completed an important engineering contract which confirms the KALiNA Cycle® can be cost-effectively modularized and fabricated for KALiNA's Combined Cycle power plants in Alberta. Enerflex is now engaged in the final phase of detailed engineering, which will provide greater price and scheduling certainty for KALiNA's Combined Cycle power plants in Alberta, as required for Full Notice To Proceed ("FNTTP") and financial close.

Enerflex's President and CEO, Marc Rossiter stated, *"Enerflex is proud to partner with KALiNA on this innovative project. We see electric power generation derived from waste heat recovery as a driving force in our industry and it fits perfectly within our recently announced prioritization of low-carbon energy solutions that complement our natural gas business. For each 30 MW plant using a KALiNA Cycle® module, 10 MW of zero-emissions power will be generated from the waste heat – representing the CO₂ equivalent offset of approximately 40,000 tonnes per year. We are excited about the potential for this technology – not only in Alberta, but across the world – and for the future of the industry."*

KALiNA Managing Director and CEO Ross MacLachlan added, *"This important body of work by Enerflex confirms the cost structure and financial viability of modularization of the KALiNA Cycle® for our Alberta projects. The final phase of work underway with Enerflex is expected to establish a strong foundation of engineering and data with which to go after a number of new international markets. This opens up considerable opportunity for us and greatly expands the market scope. As reported recently, we are making solid progress with our activities in Alberta and expect to report on more project updates and important commercial developments over the coming month."*

The recent Front-End Engineering Design ("FEED") work completed by Enerflex delivered a Class 3 cost estimate (+20% / -10% accuracy) for an optimized and modularized 30 MW design of the KALiNA Combined Cycle power facility. KPO has also conducted a comprehensive review of the FEED deliverables and validated Enerflex's optimized modularization strategy, including:

- Confirmation of fabrication and assembly capabilities in Enerflex's quality-controlled facilities in Alberta

- Modularization significantly reduces costs for on-site installation and construction
- Modularization translates to improved cost certainty and confirmed delivery times for equipment, fabrication, and construction
- Flexibility of KALiNA Cycle® modules can be viable using waste heat paired with several different gas turbine manufacturers
- Cost estimates confirm KALiNA's project financial targets can be achieved
- Design opportunities have been identified for further cost reductions

For the final engineering phase, Enerflex will provide greater technical definition, a project execution plan, and a firm turnkey price proposal to fabricate and construct the projects. The deliverables of this final phase of engineering is scheduled to be completed June 2021.

Background on Enerflex

Alberta-based Enerflex is an international engineering, design, fabrication, construction, and commissioning company with a market cap of over AUD \$650 million (CAD \$630 million). With major fabrication facilities in Calgary and Houston, Enerflex has extensive experience with the packaging and modularization of gas compression, processing, power plants, and other industrial facilities from over 50 locations worldwide. Enerflex is also engaged with the deployment and ownership of their own power projects and have shown a strategic interest in working with KALiNA in Alberta, other markets in North America, and internationally.

Background on KALiNA and its Alberta Projects

KALiNA Power Limited is a cleantech company in the Industrial Waste Heat to Power ("WHP") sector, producing zero-emissions power from heat given off by energy-intensive industrial processes that may otherwise be wasted, and also from the heat available in geothermal resources.

KALiNA Cycle® is a competitive alternative to the established incumbent Organic Rankine Cycle Technology ("ORC") which is used widely in the Waste Heat to Power and Geothermal markets around the world today. While in many applications the two technologies perform comparably, the KALiNA Cycle® provides considerable advantages in a range of applications, especially when dealing with lower temperature sources of heat. KPO has one of the most substantial intellectual property portfolios in the sector and owns the worldwide patents relating to the KALiNA Cycle® Technology.

KPO's Canadian subsidiary, Kalina Distributed Power Limited ("KDP") is assembling a portfolio of sites to deploy its distributed power generation program in select areas in Alberta. The program involves standardized, 30 MW combined cycle power plants; configured with a 20 MW gas turbine and a KALiNA Cycle® waste heat recovery module to generate 10 MW of emissions-free power from the gas turbine's waste heat. Enerflex has been contracted to deliver cost effective, modularization of these plants.

For further information please contact:

Kalina Power Limited

Tim Horgan

Executive Director

thorgan@kalinapower.com

+61 3 9236 2800

+61 449279880

Ben Jarvis, Six Degrees Investor Relations: 0413 150 448

This announcement was approved and authorised for issue by the Board of Kalina Power Limited