

KALiNA Provides Update on Alberta Projects

- **Flagship 64MW Primary Site project advancing**
- **Pursuing site control on additional 64MW projects**
- **Total of 320MW of potential power generation now in project development**
- **Represents approximately \$900 million in potential capital investment**

Waste Heat to Power (“WHP”) technology leader, KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO) is pleased to provide an update on its Waste Heat to Power (“WHP”) projects being developed in Alberta. The Company continues to make excellent progress on its primary 64MW project (“Primary Site”) and efforts are underway to secure site control at additional 64MW locations. The Company is now developing projects, which if brought online, would generate up to 320MW.

KPO’s Canadian subsidiary, Kalina Distributed Power Limited (“KDP”) is assembling a portfolio of sites to deploy its distributed generation program in select areas in Alberta. As recently announced, KDP’s newest 64MW location has the infrastructure to accommodate two 32MW combined cycle power plants; each configured with a gas turbine and a KALiNA Cycle® waste heat to power module. This is now the Company’s Primary Site at which it intends to build its first two plants.

As part of its site selection process, KDP has conducted extensive analysis including, grid interconnection studies, environmental assessments, permitting requirements and stakeholder relations. Engineering of KDP’s projects has considered the layout and characteristics of each site to ensure suitability.

Site Control:

In addition to the recently announced new 64MW Primary Site, KDP had previously established site control at two locations that can each accommodate a single 32MW plant. KDP is also actively developing several other 64MW projects and has submitted applications for three such sites to the respective distribution facility operators (ATCO and Fortis) for preliminary interconnection studies. KDP has thus far filed a total of 320MW in applications for potential power generation that is currently in development. If brought online, this would represent approximately \$900 million of capital investment and electricity to power over 300,000 homes.

Primary Site Development:

Alberta Ministry of Environment and Parks (“AEP”) has advised KALiNA that formal documentation of the Disposition of a 30-year Crown Lease for its Primary Site will be issued shortly. Various key project development milestones are well advanced and scheduled as outlined below.

Permitting and Environmental:

KDP projects are subject to regulatory approval by the Alberta Utilities Commission (AUC) that require the completion of environmental studies and a Public Involvement Program (PIP), including Indigenous consultation, prior to the commencement of construction activities and operations.

On-site environmental evaluations have been conducted, with noise and emission studies nearing completion for the Primary Site. No concerns have been identified and KDP expects to file its AUC permit application in early June 2021. Due to covid 19 protocol concerns, the AUC has extended its timelines for processing applications and KDP anticipates approval by September 2021.

Electrical Interconnection:

The interconnection process for the Primary Site is on schedule, with no material concerns identified in the \$100,000 study being completed by ATCO and the Alberta Electric System Operator. Detailed cost estimates for interconnection are expected shortly.

Gas interconnection:

Mainline connection with TC Energy for the Primary Site is on schedule, with no material concerns identified. The gas connection will require KDP to construct a modest 3km pipeline to connect the project to the metering station on the main pipeline.

Commercial Gas Supply Arrangements:

KDP is engaged with a number of parties exploring opportunities to utilize the Primary Site and other KDP projects to convert gas to electricity under medium to long term contracts. Such arrangements will limit the counterparties' exposure to gas markets and will diversify their commodity risk.

Engineering Procurement Fabrication& Construction:

The final phase of detailed engineering for the Primary Site is underway to deliver a fixed price, turnkey contract. Geotechnical work was successfully completed in recent weeks at the Primary Site, which involved road upgrades, site clearing, interim road access, bore-hole drilling, and test pile driving. Preliminary results were positive, with the data now being analyzed to be used for the civil engineering in completing cost estimates for foundations and construction. An extensive competitive bidding process has provided firm pricing bids for the Primary Site on all major equipment together with delivery dates and schedules. Equipment selection is underway with some awards completed and the balance expected over the next month, followed by formal contracting. KDP currently expects to finalize a fixed price, turn-key contract in September 2021.

Regulatory Matters:

The Alberta Utility Commission ("AUC") has held a series of hearings to deliberate on proposals to discontinue Distribution Generator Credits ("DG Credits") for projects such as those being developed by KDP. DG Credits have been in place for the past 20 years and distribution generators such as KDP maintain they are imperative to the financial viability of small-scale, regional power generation in Alberta. Submissions were filed in recent months with the AUC and reviewed for comment by all the parties, including KDP. Following oral hearings held in March, the AUC is scheduled to provide its response in June. KDP's extensive engagement and active participation in the hearing process continues to reinforce the Company's confidence that the DG Credit system will continue substantially in its current form.

Schedule for Full Notice To Proceed ("FNTF"):

Several deliverables are now scheduled to be completed by September 2021. KDP has updated its interim schedule for FNTF that reflect the markedly increased project scope and the need to fully incorporate implications of key matters such as the additional stakeholder timeline requirements for the AUC permit and the impact on project economics with regulatory decisions such as the increased carbon tax. After considering the scope of the remaining work and possible delays from Covid-19, the Company's general guidance is to target FNTF during the fourth quarter of 2021. The Company will continue to update shareholders on project progress on a monthly basis going forward.

Comment:

Managing Director Ross MacLachlan commented: *"As today's update reflects, we are making excellent progress across a wide breadth of project development activities. Particularly noteworthy is the efforts underway to secure site control at additional 64MW locations, that if successful will establish KALiNA as an important power producer in Alberta and garner attention in international markets. As we secure more sites and increase our profile, more third parties are coming to recognise the value and solid ESG characteristics of our zero-emissions, KALiNA Cycle® waste heat to power technology. There is excellent momentum across the company now and we look forward to updating our progress in the near-term."*

About KALiNA Power

KALiNA Power Limited is a clean-tech company in the Industrial Waste Heat to Power (“WHP”) sector, producing zero-emissions power from low temperature heat given off by energy-intensive industrial processes that may otherwise be wasted, and also from the heat available in geothermal resources. The technology has been commercially deployed across a range of industrial settings and applications at 16 plants around the world. KPO owns the worldwide patents relating to the KALiNA Cycle®Technology and has one of the most substantial intellectual property portfolios in the sector.

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