

## Favourable Legislation in North America for Industrial Waste Heat to Power (WHP) and Geothermal Projects

- Legislation and policies will facilitate greater uptake of WHP and Geothermal projects
- ESG investment metrics and initiatives validated with positive legislative frameworks
- KPO pursuing grants to develop modules of the KALiNA Cycle® for range of industrial applications
- KPO investigating grant funding for its Primary 64MW site

Waste Heat to Power (“WHP”) technology leader, KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO) is pleased to update shareholders on the legislative landscape in Canada and the USA, as well as significant government funding opportunities for commercial projects and the engineering of further industrial applications of the KALiNA Cycle®.

Several important government initiatives and funding programs are now in place, with more recently announced to facilitate a major uptake of clean energy projects and technologies to reduce industrial emissions in both Canada and the USA. Included are initiatives for Waste Heat to Power (WHP) and Geothermal Power, for which the KALiNA Cycle® has established a strong value proposition. These programs will enable companies such as KALiNA to bring projects online on a more aggressive timetable than would otherwise be the case by not only reducing the cost of capital for new projects but also by pricing the cost of carbon such that emission reductions are suitably rewarded.

### USA:

- The Relief Bill, passed in December of 2020, includes funding and generation targets for green energy technologies such as geothermal, and expansion of the investment tax credit to specifically include industrial Waste Heat to Power (WHP).
- In April 2021, President Biden announced targets to create a carbon-free power sector by 2035 and to have a net zero economy by 2050.

### CANADA:

#### **Federal Government:**

- The Greenhouse Gas Pollution Pricing Act proposes to increase the minimum carbon price from \$50 to \$170 per tonne by 2030.
- The federal government’s right to impose greenhouse gas legislation on provinces was recently upheld by the Supreme Court of Canada.
- Recently announced intention to set legally binding, 5-year milestones to exceed previous 2030 emission targets and to achieve net zero greenhouse gas emissions by 2050.
- Announced the \$964 million Smart Renewables and Electrification Pathways Program to support carbon reductions from the electricity sector.
- Low Carbon Economy Leadership Fund is providing \$1.4 billion to provinces and territories to reduce carbon pollution.
- Clean Resource Innovation Network announced up to \$80 million for three large-scale technology competitions to address priority environmental challenges in the oil and gas industry.

**Alberta Provincial Government:**

- Alberta regulates greenhouse gas emissions from industrial facilities under the *Technology Innovation and Emissions Reduction Regulation* (TIER).
- TIER legislates greenhouse gas reduction targets and greenhouse gas pricing in concert with guidelines set out under the federal government's *Greenhouse Gas Pollution Pricing Act*.
- TIER provides the opportunity for low-carbon electricity producers to create additional revenue streams through the sale of carbon offsets under Alberta's Emissions Offset Program and in accordance with the Waste Heat Recovery Protocol specifically aimed at both geothermal and surface waste heat from industrial facilities.
- Emissions Reduction Alberta provides funding to projects in the deployment of clean technologies that reduce greenhouse gas emissions, attract investment, and create jobs.
- Alberta Innovates Clean Resources also invests in research and innovation to develop clean technologies that reduce greenhouse gases; including Waste Heat to Power and Geothermal Power.

Common amongst all of these policies and legislation is the goal of accelerating the deployment of technologies that can reduce emissions and the carbon footprint of industry. Technologies such as industrial Waste Heat to Power (WHP) and Geothermal Power are expected to play an important role. The Company believes the KALiNA Cycle® technology is well positioned to be a significant contributor in achieving the targets for reduced emissions in Canada and around the world.

KDP is applying for a number of government funding opportunities ideally suited for the ongoing commercialization of various applications of the KALiNA Cycle®. The Company is also engaging with various other corporate partners to investigate grant funding programs and initiatives that are available for its Primary 64MW site and its distributed power generation program. Grants that reduce the overall capex will not only further improve financial returns but accelerate the strategic deployment of the Company's projects.

**Comment**

**Managing Director Ross MacLachlan said:** *"In addition to progressing our projects in Alberta, we have been active in positioning ourselves to address opportunities in the rest of Canada and the United States. We have engaged strategic partners who are established with a strong North American presence and share our enthusiasm on the scale of the markets and legislation now driving the adoption of technologies such as ours. As well as the strong macro tailwinds of significant global investment in clean tech and green energy solutions, governments continue to pursue legislation that supports further investment and encourages industry to act. These legislative changes and investments place KALiNA in the box-seat as an obvious beneficiary. There is clearly a correlation between these legislative initiatives and the increased interest we are seeing in both our projects and applications of our technology. We will keep shareholders and stakeholders informed as additional legislation advances and how this will impact both our current projects in development and the uptake of our technology in general."*

**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 heat produced by energy-intensive industrial processes that may otherwise be wasted, as well as 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.

As previously reported, KALiNA is assembling a portfolio of sites to deploy its distributed generation program in select areas in Alberta and making good progress on its primary 64MW project ("Primary Site"). The Company is now developing projects, which if all brought online, would generate 320MW.

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