

Update on KALiNA Energy Centre – Saddle Hills

Progress on remaining key deliverables to achieve FNTF

Waste Heat to Power ("WHP") technology leader, KALiNA Power Limited ("KALiNA" or the "Company") (ASX: KPO) is pleased to provide this update on the progress of the Flagship 64MW Primary Site; the KALiNA Energy Centre – Saddle Hills ("Saddle Hills"), located in the County of Saddle Hills, Alberta, Canada.

KPO's Canadian subsidiary, KALiNA Distributed Power Limited ("KDP") reports it is formally engaged in the process to arrange project financing for its Saddle Hills project. With most of the project development milestones complete and the balance of deliverables being well advanced, the Company expects to be in a position over the next month to provide guidance on the timing to formally achieve Full Notice to Proceed ("FNTF").

Key Remaining Deliverables Required for FNTF:

1. Project Financing:

Given the power market fundamentals, the Company has decided to secure project financing based on a merchant market basis. KALiNA has been reviewing the project with several debt providers through its own contacts and has also formally engaged two, separate agents to arrange project debt and project equity to augment or replace AKIRA's right of first refusal to provide project equity. After a thorough analysis, each of the agents believe the project is financeable in the context of current market conditions. Thus far, several parties have indicated interest, signed Non-Disclosure Agreements and are actively engaged in the process.

2. Engineering Procurement Fabrication & Construction (EPFC):

- Contracting framework of agreements with major equipment vendors is largely complete.
- Enerflex Class 2 FEED detailed estimating and engineering report is now complete.
- In depth, detailed negotiations with Enerflex on the EPFC contract are ongoing to ensure terms and conditions, together with an appropriate contracting structure can deliver cost efficiencies, warranties, construction and schedule suitable for project financing.

3. Permitting and Environmental:

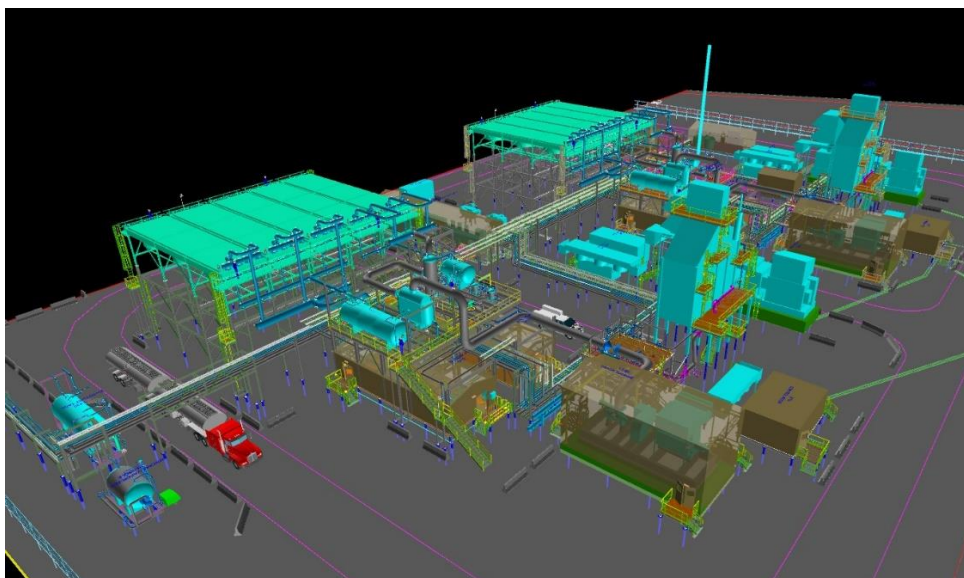
- AUC Permit & License for the project is in place.
- The Environmental Protection and Enhancement Act approval with Alberta Environment is pending. KDP has provided responses to preliminary information requests and is in the process of providing additional requested information that should facilitate final approval.

4. Electrical Interconnection:

- As previously reported, KDP is managing the timing of contractual commitments with ATCO and the AESO and the overall coordination of schedules to FNTF. KDP will re-activate the process pending completion of the key remaining deliverables for FNTF.

Comment:

Managing Director Ross MacLachlan said: *"With most of the key deliverables in place for FNTF, we are now focussed on ensuring that project financing and the EPFC contracts are in place to deliver the best results for our shareholders. The right contracting terms of the EPFC agreement are vital in securing project financing on the right terms and conditions. Securing project financing for a project like Saddle Hills at over CAD\$200m will be transformational for our shareholders."*



About KALiNA Energy Centre – Saddle Hills

Saddle Hills is KDP's Primary Site. The location is in an area of high electrical demand and favourable grid interconnection capacity along with gas supply and infrastructure suitable for KDP's initial 64MW combined cycle project. The site has sufficient infrastructure in place to accommodate two, 32MW combined cycle power plants; each configured with a 22MW natural gas turbine and a KALiNA Cycle® module that will generate 10MW of zero-emissions power from the gas turbine's waste heat.

A narrated video of the engineering 'walk-through' of the KALiNA Energy Centre is available at <https://youtu.be/ybbq8huPICg>.

As previously reported, KDP is assembling a portfolio of sites to deploy its distributed generation program in select areas in Alberta. KDP is developing projects, which if all brought online, would represent over 300 MW of generation.

About KALiNA Power Limited

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.

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