

## **KPO TO APPOINT FINANCIAL ADVISORS TO SECURE DIRECT THIRD-PARTY INVESTMENT INTO KDP**

**KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO)** is pleased to announce that it has commenced a process to appoint qualified financial advisors with expertise in power markets, infrastructure funding and the capital markets to secure direct investment into KALiNA’s wholly owned Canadian project development company, Kalina Distributed Power (‘KDP’).

In addition to its ready to build Saddle Hills power project, KDP is developing a portfolio of power projects that are aligned with new Canadian government initiatives. As recently reported, KDP is well-advanced securing sites for a number of natural gas power plants utilizing carbon capture & sequestration, with the largest planned for up to 450 MW. The portfolio currently represents over \$3 billion CAD in various stages of project development and contracting to secure sites. The continued progress of this and the magnitude of these projects has been a key catalyst for the Company to consider direct funding for KDP that is independent from KPO. With the number of projects increasing and market interest in project development funding growing significantly, the KALiNA board has decided that self-funding of KDP will limit the funding exposure going forward to KPO resulting in less future dilution for shareholders.

For some time, the Company has been engaged with advisors regarding debt and equity for individual projects in Alberta. The Company intends to leverage these and other contacts to appoint suitably qualified financial advisors who can guide and assist the Company in achieving two primary objectives:

- Secure CA\$~25million-\$50 million in direct investment for up to 50% of KDP to fund the project development costs of its portfolio; and,
- To establish a comprehensive, long-term funding mechanism to access both project debt and equity for each project.

As previously reported, KDP is also soliciting financial support from key stakeholders and vendors in each project for specific project development costs. This effort is ongoing and will continue alongside today’s announced initiative to seek funding into KDP. Any success in securing funding for individual projects with stakeholders and vendors will not only accelerate project development but also enhance the valuation of KDP as its self-financing terms are negotiated. Self-funding with direct investment into KDP is also expected to enhance its value if properly capitalized with targeted funding from investors focused on project development and execution of the portfolio.

**Chief Executive Officer Ross MacLachlan said:** *“KALiNA’s primary focus with this process is to achieve an outcome that will be highly accretive for KPO shareholders. Given the significant scale of KDP’s project portfolio, it is imperative that we engage with advisors that have the appropriate capabilities to ensure we properly capitalize on this enormous opportunity. We are pleased that progress on KDP’s portfolio has advanced sufficiently to commence this process and we have begun to initiate contacts to get off to a good start. The board and management are confident that the team will continue achieving accretive project milestones in the months ahead that will continue to enhance the valuation of KDP and of course KPO.”*

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## **ABOUT KALINA POWER LTD**

KALiNA Power Limited is an ASX listed clean-tech company engaged in two core business activities: The power project development arm of the Company operates out of Calgary, Alberta and is assembling a portfolio of various power projects in the province. The technology development arm of the Company is responsible for advancing various applications of the Company's KALiNA Cycle® technology for global deployment to international markets.

## **POWER PROJECT DEVELOPMENT**

### **KALiNA Distributed Power Limited ('KDP')**

Power Project Development is the primary business of KDP. The Kalina team has over 150 years and of experience in power project development and has developed over 9 GW of state-of-the-art power projects. The team is developing a portfolio of projects which include:

### **Large Scale Combined Cycle Power Plants with Carbon Capture and Sequestration ("CC-CCS"):**

KDP is developing a portfolio of CC-CCS projects in which ~95% of CO2 generated are captured and sequestered in authorized deep aquifers. Projects in development range in size from ~200 MW to ~450 MW with capex of ~CAD\$700MM to ~CAD\$1.3B. The initial project is targeting an in-service date of late 2027. Gas supply, electrical interconnection and CO2 sequestration are well understood and in progress. Kalina is in the process of conducting a competitive bidding process to select major OEM's for the power island and post combustion carbon capture vendors. Bidders have provided operating parameters, costs and performance all of which have confirmed attractive economics. Kalina expects to make its selections and enter into commercial contracting discussions during Q1 2023. These projects will involve long term tolling contracts in which gas producers add value to their gas by producing zero emissions power. Tolling contracts provide stable and attractive margins for each project to attract project finance. The Company has received expressions of interest in long-term tolling of natural gas to power from large Alberta based gas producers.

### **Saddle Hills:**

Saddle Hills is the Company's most advanced project. It is fully permitted to construct & operate up to 64MW from two combined cycle power plants; each configured with 22 MW Siemens SGT-600 gas turbines and 10MW KALiNA Cycle® modules generating zero-emissions power from the gas turbine's waste heat. The Company intends to proceed with a phased deployment strategy. This will include initially deploying the two 22MW gas turbines in Simple Cycle Peaker mode to support continued growth in renewable generation in the Alberta market. The Company will seek to add the KALiNA Cycle® and possibly carbon capture & sequestration as legislative and commercial circumstances warrant. A narrated video of the engineering 'walk-through' of Saddle Hills is available at <https://youtu.be/ybbq8huPICg>

## **TECHNOLOGY DEVELOPMENT**

KALiNA Power Limited owns the KALiNA Cycle® technology and is a clean-tech company in the geothermal and Industrial Waste Heat to Power ("WHP") sector. The KALiNA Cycle®Technology is capable of 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.

The Company signed a non-exclusive and non-binding Memorandum of understanding ("MOU") in 2022 to establish global energy technology company Baker Hughes as a preferred vendor of advanced turbine technology for a range of KALiNA Cycle® designs. The MOU provides a framework by which the parties can develop modularized packaged solutions for markets that are in transition to zero-emissions and energy efficient power. Baker Hughes has also been selected to initially provide its vapor turbine for use with the KALiNA Cycle® at KALiNA's 64MW combined cycle project in Saddle Hills, Alberta, Canada.

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This announcement was authorised by the board.

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