

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2018

KALiNA Power Limited (ASX:KPO, “KALiNA” or the “Company”) provides the following operational update to shareholders on the activities of the Company, as well as its Appendix 4C for the quarter ended 31 March 2018.

The Company’s focus is primarily on two key regions, being North America and Asia where the significant performance advantages of the KALiNA Cycle are coupled with regulatory frameworks that support a large growth in renewable markets that facilitate the deployment of multiple KALiNA Cycle projects.

During the quarter KALiNA continued work toward the development of the initial 10 MWe geothermal project located in Klamath County, Oregon US. This included execution of definitive documents in relation to working with Klamath Hills Geothermal LLC (KHG) as well as executing appropriate security documentation ensuring funds advanced by KALiNA for project development will be secured by the key geothermal lease held exclusively by KHG. This lease was recently re-negotiated with the involvement of KALiNA to ensure commercially suitable terms were secured. The renegotiated lease provides KHG with twenty year exclusive rights to extract and sell geothermal energy for the initial 10 MWe Project.

Significant business activity is ongoing in North America in respect of the application of the KALiNA Cycle to gas fired power plants. This work includes preliminary engineering work being completed and specific project opportunities being negotiated for both the acquisition of existing brownfield gas sites and the development of green field gas opportunities. An indicative bid has been tabled by the Company in respect of certain assets which, if successful, will provide a gateway to the development of power producing assets utilising the KALiNA Cycle. This project will be within our control for development, engineering, construction and operations activities with select partners in the technical and project finance areas. The Company will provide specific updates on this activity in the near future as negotiations reach conclusion.

Engagement with Sinopec Engineering on the optimization phase at the Sinopec Hainan plant was undertaken in the quarter and following Chinese New Year final plans were established for the initial optimization works. Further discussions in relation to additional support required from KALiNA on the project and future works at the Hainan plant is also ongoing.

For further information, please contact:

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Executive Director

Alwyn Davey
Company Secretary

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

KALINA POWER LIMITED

ABN

24 000 090 997

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	21	91
1.2 Payments for		
(a) Projects and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(790)	(2,507)
(f) administration and corporate costs	(582)	(1,733)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	37	77
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other –	-	-
1.9 Net cash from / (used in) operating activities	(1,314)	(4,074)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(11)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	(229)
2.4 Dividends received (see note 3)	-	-
2.5 Other –adjustment for loss of Subsidiary	-	(10)
2.6 Net cash from / (used in) investing activities	(1)	(250)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	275
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	3,877
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(222)
3.5 Proceeds from borrowings	-	232
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	-	4,162

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,496	4,343
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,314)	(4,074)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(250)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	4,162

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	4,181	4,181

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	681	796
5.2	Call deposits	3,500	4,700
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,181	5,496

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
236
-

Fees paid to directors under normal commercial terms

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.1 – Loan Facility provided to Aqua Guardian Group, a subsidiary of the Company.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Projects and development	100
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	750
9.6 Administration and corporate costs	500
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,250

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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(Director/Company secretary)

Date: 30 April 2018

Print name: Alwyn Davey.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.