

Leading Professional Engineering Firm Provides 3rd Party Report on KALiNA's Combined Cycle plants in Alberta

Summary:

- Report prepared by POWER Engineers Inc. regarding KALiNA's proposed Combined Cycle plants in Alberta, provides a positive review of reference plant design and cost estimates.

KALiNA Power Limited ("KPO", "KALiNA", "the Company") is pleased to announce that POWER Engineers Incorporated ("POWER"), a globally recognised leader in power plant engineering design, has prepared a report on the Kalina Combined Cycle ("KCC") clean energy projects being developed by KPO's Canadian subsidiary, KALiNA Distributed Power Limited ("KDP"). The report provides positive confirmation that the process design, engineering and procurement efforts are up to standard for projects at this stage and that cost estimates and performance expectations can be substantiated. This report is expected to provide project equity funders with additional validation and confidence as they work through their financial analysis on funding of the company's projects in Alberta.

POWER is a global consulting engineering firm specializing in the delivery of integrated engineering solutions and is ranked 4th by Engineering News Record in the Power sector for 2019. Over the years, POWER has been involved in various engineering studies, proposals and projects involving the Kalina Cycle, including as part of the engineering team responsible for the design of the power block for the Orkuveita Húsavíkur Kalina Cycle[®] geothermal plant in Iceland.

POWER was recently engaged to review and comment on the KDP reference plant preliminary design documents, to identify concerns and opportunities for improvement. In completing the report and its findings, POWER conducted an assessment of KDP'S engineering work over the past two years and a review of the technical papers and reports in the public domain, those prepared by the Company, major equipment vendors and other engineering companies. Highlights of POWER's report include the following observations, comments and conclusions:

- KDP's program utilizes the KALiNA Cycle technology that has been successfully deployed at numerous locations throughout the world and is well suited for Alberta.
- POWER reviewed white papers documenting the performance of existing KALiNA Cycle[®] technology and found that the KCC design has been based on technology which has been proven at multiple installations throughout the world.
- POWER has verified that the KCC and KALiNA Cycle[®] design (consisting of a standard gas turbine, paired with a KALiNA Cycle[®] bottoming cycle) and performance have been modelled based on realistic equipment performance parameters.

- KCC has the potential for performance advantages over traditional steam combined cycles, especially in low temperature climates such as Alberta.
- KCC was compared with traditional Combined Cycle technology of a similar size and was found to be competitive on a performance and capital cost basis.
- Plant capital cost estimates that KDP received from two well established EPCM firms were reviewed. The AACE Class 4/5 cost estimates were found to be reasonable for this stage of preliminary design development.
- Next steps for reference plant engineering development were documented, which include addressing specific scope gaps as well as pursuing potential cost savings opportunities that have been identified.

KDP's program to develop its own power projects in Alberta is well developed and is targeting project level funding of up to CA\$300 million for financing of its initial 5 projects. The Company anticipates that POWER's report will complement KDP's efforts by providing added validation and confidence to the KDP project development program underway as it seeks to secure funding commitments.

The Company believes that the successful completion of this funding process for KDP's program in Alberta is of such a scale to serve as a platform for KALiNA to become a leading global waste heat-to-power company.

For and on behalf of the board of directors,

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