

Project Funding Update

KALiNA Power Limited (“KPO”, “KALiNA”, “the Company”) is pleased to provide an update on the project funding effort by KPO’s Canadian subsidiary, Kalina Distributed Power Limited (“KDP”) to obtain funding commitments of up to CA\$300 million to fund its distributed power generation program in Alberta, Canada for five initial projects.

The Company is pleased to report it has received written expressions of interest from multiple project financing firms that outline indicative terms under which projects can be funded.

The expressions of interest received have been from a range of financing firms and all include workable frameworks with which to negotiate reasonable terms. They also represent various degrees of emphasis on contracted tolling, merchant risk, number of projects to be funded and the timing of projects to be deployed.

In addition to the expressions of interest already received, other firms have advised of their intention to submit terms over the next two weeks. As terms sheets are received, the Company is conducting a process to qualify and narrow the list of funders with whom negotiations are undertaken. As part of this process, negotiations with certain more advanced parties have commenced. This level of engagement is expected to lead to formal funding agreements by early Q2 2020.

The portfolio of projects being assembled are forecasted to have rates of return sufficient to provide ongoing royalty payments to KPO, a development fee, as well as a carried equity interest for KDP in each project. KDP also anticipates receiving a management fee during construction and ongoing oversight and management of each project. The projects are ready to be deployed at a rate and time commensurate with the level of funding available resulting from this project funding effort.

The Company believes that the successful execution of this strategy will represent a transformative breakthrough and serve as a platform for KALiNA to become a leading global waste heat-to-power company.

The Company is looking forward to updating the market on continued developments at the appropriate time.

For further information, please contact:

Tim Horgan
Executive Director
Ph: +61 3 9236 2800

On behalf of Kalina Power Limited,
Ross MacLachlan, CEO