

Enerflex Awarded Contract to Modularize KALiNA Cycle

- Enerflex to design the modularization of KALiNA Cycle plants and provide lump-sum turnkey deployment of projects in Alberta
- Enerflex has significant international presence in engineering, design, fabrication, construction, and commissioning in over 50 countries
- Represents a major step in the Company's program to deploy multiple, packaged modules of the KALiNA Cycle in Alberta, as well as other markets in North America and internationally

KALiNA Power Limited ("KPO", "KALiNA", the "Company") is pleased to announce that after an extensive competitive process, it has awarded the engineering contract to Enerflex Ltd. (EFX:TO) ("Enerflex") for the modularization of KALiNA Cycle plants. This contract is an important step in the Company achieving its objective of deploying multiple, combined cycle power plants in Alberta using KALiNA Cycle modules, which will now be fabricated by Enerflex.

Alberta-based Enerflex is an international engineering, design, fabrication, construction, and commissioning company with a market cap of over AUD \$510 million (CAD \$480 million). With major fabrication facilities in Calgary and Houston, they have extensive experience with the packaging and modularization of gas processing, power plants and other industrial facilities in over 50 countries. Enerflex is also engaged with the deployment and ownership of their own power projects and have shown a strategic interest in working with KALiNA in Alberta, other markets in North America and internationally.

Enerflex President and CEO, Marc Rossiter, commented:

"Enerflex provides full-cycle natural gas solutions, from engineering, design, fabrication, manufacturing, installation, construction and after-market services. We see the big picture. Electric power is an important aspect of our business and we are focused on delivering exceptional customer service through every stage of the process. Having met Dr. Alex Kalina many years ago, we have followed the KALiNA Cycle technology with great interest and are pleased to see the progress made over the past couple of years with new management and industry partners. Enerflex is excited to address the current commercial opportunities being pursued in Alberta and is equally enthusiastic to explore ways to participate in the international deployment of this technology."

KALiNA's Managing Director and CEO, Ross MacLachlan, commented:

"Modularization of the KALiNA Cycle is a major priority in our program to deploy multiple packaged modules that can reduce the overall installed cost of each project. Engaging Enerflex to provide high-quality, cost-effective modularization of the KALiNA Cycle for our Alberta projects is a major development that will augment the extensive engineering work completed to date. We are very excited to have awarded this contract to Enerflex not only due to their fabrication and modularization capabilities, which speak for themselves, but also their unique capabilities across the

full range from engineering, procurement, fabrication through to construction to deliver lump-sum turnkey deployments for our program.”

Alberta represents KALiNA’s primary market focus where the province has legislated the retirement of 5.7GW of coal-fired generation. The Company’s subsidiary, KALiNA Distributed Power Limited (“KDP”) is implementing its development program for multiple 30MW distributed generation power plants, using advanced gas turbine technology and KALiNA’s waste heat recovery technology. Locations have been selected in areas of Alberta that are short generation and have distribution loads to support distributed generation.

The engagement with Enerflex involves a conditional, stage-gated process to deliver cost-effective, modularization of KALiNA Cycle plants. The first phase has commenced with engineering and cost estimating of modularization underway. With a successful transition through each stage, the Company expects to complete and advance a range of project development milestones to keep on track to achieve Full Notice to Proceed with its project funding capital partner Akira Partners by the end of the first quarter of 2021. As previously announced, Akira’s principals have raised and deployed over \$3 billion of capital across North American energy and infrastructure and will provide equity and source debt for projects in development by KDP.

Authorised by
Ross MacLachlan, CEO

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