

KALINA ANNOUNCES GAS TOLLING MOUs

KALiNA Power Limited (“KPO”, “KALiNA”, the “Company”) is pleased to announce the execution of important tolling MOUs with natural gas producers for its project development portfolio of Alberta based power plants incorporating CO₂ capture and sequestration.

The Company’s 100%-owned Canadian subsidiary, KALiNA Distributed Power (“KDP”) has now signed multiple non-binding MOUs with natural gas producers that provide formal expressions of interest and a framework of commercial terms under which each toller can work with KDP to finalize definitive tolling agreements in advance of each plant reaching a final investment decision (“FID”).

The volumes set out under the MOUs represents 40,000 GJ per day and is sufficient to supply the requirements of KDP’s first ~170 MW project of ~ 36,300 GJs per day.

Tolling agreements will enable producers to convert their natural gas into two value added products: electricity and CO₂ sequestration offset credits which may be used by tollers to reduce their corporate CO₂ emissions regulations liabilities at full value.

In exchange tollers will pay their pro rata portion of a capital charge to KDP and their pro rata portion of all operating costs associated with each plant. Tollers will assume all commodity price risk associated with the natural gas inputs, electricity sales and CO₂ sequestration offset credit products.

The MOUs provide a framework under which definitive tolling agreements are to be completed once capital costs and operating costs are finalized over the course of the Front-End Engineering Design (FEED) work to be completed for each plant in advance of FID.

KALiNA’s Managing Director, Ross MacLachlan, commented:

“The announced tolling MOUs with creditworthy counterparties provides added confidence to parties looking to finance our portfolio of projects. The recent Canadian Federal Investment Tax Credit (“ITC”) legislation (bill C-59 2023) was finally passed with significant incentives for our projects. These incentives and the certainty from the legislative enactment have been important catalysts in formalising these tolling MOUs. We remain actively engaged with other natural gas producers and are optimistic that additional volumes for our remaining projects will be added in due course”.

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This announcement was approved and authorised for release by: Ross MacLachlan, CEO.

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