

KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

16 November 2023

Dear Shareholder

Non-Renounceable Pro-Rata Entitlement Offer - Notification to ineligible shareholders

KALiNA Power Limited (“**KALiNA**” or the “**Company**”) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer (**Entitlement Offer**) on the basis of one (1) fully paid ordinary share (**New Share**) for every three (3) existing shares held by shareholders registered at 7.00pm (AEDT) on Monday, 13 November 2023 at an issue price of \$0.004 (0.4 cents) per New Share.

The Entitlement Offer seeks to raise approximately \$2 million (before costs) and is fully underwritten.

The Entitlement Offer is being made without a disclosure document in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

An offer booklet in relation to the Entitlement Offer was lodged with the ASX on 8 November 2023 and is expected to be made available to Eligible Shareholders (as defined below) on 16 November 2023 (**Offer Booklet**).

Entitlement Offer

The Entitlement Offer is being made to Eligible Shareholders (as defined below) on the basis of 1 New Share for every 3 existing shares held in the Company (**Entitlement**) as at 7.00 pm (AEDT) on Monday, 13 November 2023 (**Record Date**).

Eligible Shareholders will be able to take up their Entitlement as well as apply for additional New Shares. Further details about the Entitlement Offer are set out in the Offer Booklet which is available on ASX's website.

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those who:

- (a) are registered as the holder of shares in the Company as at 7.00 pm (AEDT) on the Record Date;
- (b) have a registered address on the share register of the Company in Australia, New Zealand, or as otherwise elected at the Company's discretion; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered outside of Australia.

Eligibility criteria

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, the Company has had regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia, New Zealand, or such persons not otherwise elected at the Company's discretion (**Ineligible Shareholders**), having regard to the Company's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the shortfall.

No right to participate

Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act.

This letter is not an offer to issue entitlements or New Shares to you, and is not an invitation for you to apply for entitlements in New Shares. You are not required to do anything in response to this letter.

Further information

For further information on the Entitlement Offer you may call the Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (from overseas). You may wish to contact your stockbroker, accountant or other professional adviser should you have any queries regarding your eligibility.

On behalf of the Board and management of KALiNA Power Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,

Tim Horgan
Executive Director

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is issued by KALiNA Power Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in KALiNA Power Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of KALiNA Power Limited Shares. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia or New Zealand. This letter may not be released or distributed in the United States (except by the Company to institutional investors).

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.