

28 April 2021

## QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDING 31 March 2021

**Waste Heat to Power (“WHP”) technology leader, KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO)** is pleased to provide this Quarterly Activities Report and Appendix 4C for the period ended 31 March 2021.

During the quarter, excellent progress was made advancing the Company’s 64MW Primary Site that will contribute to industrial ESG metrics and initiatives in the province of Alberta, Canada. Efforts are also underway to secure site control at additional 64MW locations. The Company currently has 320MW in various stages of project development.

The Company continued to advance its projects under development and significant progress was made on a number of fronts including site development, grid interconnection, engineering and commercial negotiations for gas supply.

### **Alberta Projects Overview**

KALiNA’s Canadian subsidiary, Kalina Distributed Power Ltd, (“KDP”) is well advanced in its program to deploy multiple KALiNA Combined Cycle power plants in Alberta to address a unique opportunity resulting from the legislated shut down of over 5GW of coal fired power generation.

In addition to its new 64 MW Primary Site, KDP had previously established site control at two locations that can each accommodate a single 32MW plant. KDP is also actively developing three other 64MW projects and has submitted applications to the respective distribution facility operators (ATCO and Fortis) for preliminary interconnection studies.

KDP conducted a competitive Request for Proposal (“RFP”) process with multiple gas turbine vendors with the assistance of KDP’s Owner Engineer, Power Engineers. After an extensive bid review process, as well as technical and commercial evaluations, the Siemens Energy gas turbine technology was selected due to its performance, optimized capacity, favourable economics, and capability of being modified to use hydrogen in the future. (see ASX Announcement dated 24 March 2021)

On-site environmental evaluations have been conducted, with noise and emission studies nearing completion for the Primary Site. No concerns have been identified and KDP expects to file its AUC permit application in early June 2021. Due to covid 19 protocol concerns, the AUC has extended its timelines for processing applications and KDP anticipates approval by September 2021.

As for Electrical Interconnections, the process for the Primary Site is on schedule, with no material concerns identified in the study being completed by ATCO and the Alberta Electric System Operator. Detailed cost estimates for interconnection are expected shortly.

For Gas Interconnection, the mainline connection with TC Energy for the Primary Site is on schedule, with no material concerns identified. This connection will require KDP to construct a modest 3km pipeline to connect the project to the metering station on the main pipeline.

On Commercial Gas Supply Arrangements, KDP is engaged with a number of parties exploring opportunities to utilize one or more of KDP's projects to convert gas to electricity under medium to long term contracts.

The final phase of detailed engineering is continuing to deliver a fixed price, turnkey contract. On-site geotechnical work was successfully completed in recent weeks, which involved road upgrades, site clearing, interim road access, bore-hole drilling, and test pile driving. Preliminary results were positive, with the data now being analysed to be used for the civil engineering in completing cost estimates for foundations and construction. An extensive competitive bidding process has provided firm pricing bids on all major equipment together with delivery dates and schedules. Equipment selection is underway with some awards completed and the balance expected over the next month, followed by formal contracting. KDP now expects to finalize a fixed price, turnkey contract in September 2021.

### **Regulatory Matters:**

The Alberta Utility Commission ("AUC") has held a series of hearings to deliberate on proposals to discontinue Distribution Generator Credits ("DG Credits") for projects such as those being developed by KDP. DG Credits have been in place for the past 20 years and distribution generators such as KDP maintain they are imperative to the financial viability of small-scale, regional power generation in Alberta. Submissions were filed in recent months with the AUC and reviewed for comment by all the parties, including KDP. Following oral hearings held in March, the AUC is scheduled to provide its response in June. KDP's extensive engagement and active participation in the hearing process continues to reinforce the Company's confidence that the DG Credit system will continue substantially in its current form.

### **Financials**

Cash out flow from KPO's operating activities for the quarter amounted to \$1,690,000. Of this \$909,000 was for Alberta project development and \$267,000 was for patent maintenance of the KALiNA intellectual property portfolio. With cash of \$2,675,000 at the end the quarter and other funding arrangements in place, the Company is positioned to progress its current work streams.

### **Payments to related parties**

During the quarter directors were paid \$181,000 for services rendered under normal commercial terms. Apart from this there were no other related party transactions during the quarter.

### **Management Commentary**

**Commenting on the Company's progress in the March Quarter, Managing Director Ross McLachlan said:** *"Our overarching focus has been to continue building our portfolio of sites, and securing what is now our Primary Site during the quarter was another key milestone for the Company in our overall program for distributed power generation in Alberta. Overall, KALiNA is well positioned to carry out our program in key locations in Alberta.*

*"It should also not be lost on shareholders that KALiNA's sector is enjoying very strong support as demand for clean energy grows; driven by industry and governments alike, seeking to lower emissions. Investors are placing much more focus on companies with solid ESG credentials and KALiNA is exceptionally well-positioned to benefit from this trend.*

*“We thank our shareholders for their ongoing support and look forward to updating the market on our progress.”*

- ENDS -

This announcement was approved and authorised for release by: Ross MacLachlan, CEO  
For further information please contact:

KALiNA Power Limited  
Tim Horgan  
Executive Director  
thorgan@KALiNApower.com  
+61 3 9236 2800

Ben Jarvis  
Six Degrees Investor Relations  
Ben.jarvis@sdir.com.au  
+61 413 150 448