

27 September 2017

KALiNA begins implementing new business plans for China under a revised corporate structure

- Terminates existing China license
- Senior power industry executives now leading China operations
- Subsidiary for China to access capital from strategic partners and regional investors

KALiNA Power Limited (ASX: KPO, “KALiNA” or the “Company”) announces that the exclusive KALiNA Cycle® license for China held by Shanghai Shenghe New Energy Resources Science and Technology Co., Ltd. (“SSNE”) since 2008 has now been terminated and that the licensing rights have reverted back to KALiNA Power.

This termination is an important step in paving the way for the Company’s Hong Kong based team of leading power industry professionals to implement a new business plan to address the massive market in China. The business plan calls for a revised corporate structure that includes significant domestic Chinese ownership and the involvement of various strategic industry partners in different industry segments. The revised structure will involve the Company’s subsidiary for China leveraging KALiNA’s significant and growing IP portfolio to access capital from strategic partners and regional investors familiar with technologies such as the KALiNA Cycle Technology that are being adopted in the region at a prolific pace.

The Hong Kong team is led by Mr. Nigel Chea, KALiNA’s President for Greater China. He is joined by two senior power industry executives who worked previously with him at Meiya Power (renamed CGN New Energy Holdings Co), a leading foreign independent power producer in China and North Asia with an asset portfolio of over 17,000MWe (gross) of projects and a market capitalization exceeding AUD 800 million. They are supported by KALiNA’s senior Hong Kong based board member, Mr. Peter Littlewood, former Group Director of Operations at Hong Kong listed China Light and Power one of the largest Asia-Pacific power companies with a market capitalisation exceeding A\$34 billion.

In terminating SSNE’s license, KALiNA has indicated opportunities for SSNE and /or its shareholders to participate in the new corporate structure for China moving forward. The terms of such participation would include collaborative efforts in completing the outstanding work remaining at the Kalina Cycle plant at Hainan and good faith efforts to collect payment from Sinopec with which to reimburse amounts owing to KALiNA.

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