

Half Year Report and Appendix 4D

Please find set out below the Appendix 4D in relation to the half year results of KALiNA Power Limited (ASX:KPO, "KALiNA" or the "Company").

During the period, the Company completed its fundraising of \$8.49m before costs as well as received option exercise monies for a further \$1.26m. This was further bolstered by the receipt of an outstanding receivable related to the Taufkirchen project in Germany in the amount of approximately \$380,000. These funds place the Company in a healthy financial position as it continues to execute on its business plans.

The leadership of the Company was strengthened in the period with the appointment of Jeffry Myers (former Pristine Power Chairman and CEO) to the board as a non-executive director. Additionally, the business development capability of the group was enhanced through the appointment of Geoff Scott (former Pristine Power executive) to oversee the review and response to the numerous project opportunities available to the Company. Since they have come onboard the Company has noted a marked increased interest globally and specifically, in North America.

During the period, Sinopec has begun to release funds to complete the project at Hainan with the Company providing oversight of the project management. In addition, the Company is seeing a significant increase in demand for power generation from waste heat recovery in the Chinese market. The Company is taking steps to address all these opportunities and will provide an update on these developments as appropriate.

During the half year, options were issued to directors and officers of the Company which resulted in a non-cash amount of \$3,580,994 being charged to employee benefits expenses representing the value of options issued and included in the total loss for the period. The loss for the half year also included further non-cash items related to financing and professional fees amounting to \$1,034,000. The balance of the loss, \$1,760,979, represents the net operating loss for the period which is in line with the expectations of the Company. The total loss of the consolidated entity for the half year ended 31 December 2016 was \$6,375,973.

For further information, please contact:

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Executive Director

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Company Secretary

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Appendix 4D

Half year report

1. Company details

Name of entity

Kalina Power Limited

ABN or equivalent company reference

Half year ended ('current period')

Half year ended ('previous period')

24 000 090 997	31 December 16	31 December 2015 (re-stated)
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2. Results for announcement to the market

\$A

2.1 Revenues from ordinary activities	up	>100%	to	22,298
2.2 Profit/ (loss) from ordinary activities after tax attributable to members	up	>100%	to	(6,233,331)
2.3 Net Profit/ (Loss) for the period attributable to members	up	>100%	to	(6,233,331)
2.4 Dividends		Amount per security		Franked amount per security
Interim dividend declared		Nil ¢		Nil ¢
2.5 +Record date for determining entitlements to the dividend.		Not applicable		
2.6 The total loss of the consolidated entity attributable to the owners of the parent for the half year ended 31 December 2016 was \$6,223,331. This Loss includes an amount of \$3,580,994 on account of the non-cash value of options issued to Directors and Officers in the period.				

3. NTA backing

	Current period	Previous corresponding Period (re-stated)
Net tangible asset backing per ordinary security	1.54c	0.51

4.1 Control gained over entities

Name of entity (or group of entities)	N/a
Date control gained	N/a
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	N/a
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/a

4.2 Loss of control over entities

Name of entity (or group of entities)	N/a
Date control lost	N/a
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	N/a
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	N/a

5. Dividends

Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Interim dividend: Current year	nil	¢	¢	¢
	Previous year	nil	¢	¢	¢

6. Foreign entities

N/a

7. If the accounts are subject to audit dispute or qualification, details are described below

N/a

Sign here:



Date: 28 February 2017

Print name: Alwyn Davey, Company Secretary