



20 June 2016

## Change to Offer Terms and Extension to Closing date of Non-Renounceable Rights Issue

Kalina Power Limited (ASX:KPO) announces that the directors have resolved to amend the Offer terms such that the Company is inviting eligible Shareholders to subscribe for new fully paid Ordinary Shares on the basis of **three** new Ordinary Shares at an issue price of **5 cents** for each **four** fully paid Ordinary Shares held, with an accompanying Option exercisable at **5 cents** on or before 15 July 2017 for every 2 new Ordinary Shares issued. Fractional entitlements to the Option will be rounded up.

In China, the Company is in ongoing negotiations with Sinopec in relation to the completion of the Kalina Cycle power plant on Hainan Island, which is now 80% complete. Given the time taken in the ongoing negotiations with Sinopec, the directors feel it is important to re-price the Offer in order to secure capital in a timely fashion.

The announcement on 15 June 2016 in respect of a joint international marketing MOU with Cryostar together with progress with international engineering partners is positioning the Company to exploit market opportunities worldwide. Commercial activity in Japan and North America along with wider international interest has increased in recent months.

Once the Offer is finalised the Company will then be in a strong position to deliver on its business objectives.

The Offer is still being made to Shareholders who were eligible to participate in the Offer on the Record Date.

New Entitlement forms setting out the amended Entitlements will be sent to Eligible Shareholders at the same time as the Supplemental Prospectus detailing these changes, which is expected to be sent to Shareholders shortly.

The funds raised under the Offer remains at \$5 million and the Use of Funds as set out in the Prospectus remains the same.

In line with the changes set out above the Company is extending the closing date for its current Non-renounceable Rights Issue announced on 12 May 2016 (the Offer). The Company is extending the closing date for the Offer from 23 June 2016 to 29 July 2016. The new indicative timetable for the rights issue is below:

Closing date for receipt of acceptances and payment	29 July 2016
Shares and Options quoted on ASX on deferred settlement basis	1 August 2016
Shortfall notification date	3 August 2016
Issue of Offer Shares and Options	5 August 2016
Deferred settlement trading ends	5 August 2016
Closing date by which any Shortfall Shares, remaining after the Offer has completed may be placed by the directors	29 October 2016

Other than the changes to the Offer terms and timetable outlined above, the remaining terms of the Offer as lodged in the Prospectus dated 12 May 2016 remain the same.

## For further information, please contact:

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