

ASX ANNOUNCEMENT

26 February 2016

Half Year Report and Appendix 4D

Please find set out below the Appendix 4D in relation to the half year results of the Company.

Prior to and during the period, the new executive directors of the Company, Mr Ross Maclachlan and Mr Tim Horgan led a number of reviews focusing on the underlying business plan of the Company, the drivers for revenue and profitability and the structure of the Group.

An outcome of this review is that Kalina Power will provide turnkey solutions which shall provide us with far better control and oversight of projects implementing the Kalina Cycle than has been achieved previously under the previous licensing model. This will enable better management of project delivery and substantially improve profit margins for our company.

Consistent with this approach was the re-acquisition of control of New Energy Asia Limited (NEA) through the conversion of the loans due from NEA to the Company. Under the relevant accounting standards, this re-acquisition of control requires a value to be attributed to NEA at the time of acquisition, that being 31 July 2015. Due to the ongoing restructuring of activities in China by the Company and NEA, the value that the Directors see in the operations in China moving forward are not able to be included in the value assessment of NEA at the time of acquisition. In addition the turnkey business model means that significant revenue that would otherwise have been generated in NEA will now be generated in Kalina Power with respect to engineering and licensing revenues.

This re-acquisition of NEA has resulted in a loss in the consolidated entity attributable to the owners of the parent for the half year ended 31 December 2015 of \$13,600,264. In effect this reverses the profit of \$10,359,443 in the year ended 30 June 2015 that was primarily related to the loss of control of NEA during that period.

The above are predominantly non-cash items. Moving forward the structure and revenue model for the Group are enhanced significantly by this restructuring and will benefit the owners of the Company.

For further information, please contact:

Tim Horgan
Executive Director

Alwyn Davey
Company Secretary

Ph: +61 (0)3 9236 2800

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 2015	31 December 2014
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2. Results for announcement to the market

\$A

2.1 Revenues from ordinary activities	down	>100%	to	2,312
2.2 Profit/ (loss) from ordinary activities after tax attributable to members	down	>100%	to	(13,600,264)
2.3 Net Profit/ (Loss) for the period attributable to members	down	>100%	to	(13,600,264)
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 2015 was \$13,600,264. During the financial reporting period, the consolidated entity regained control of New Energy Asia Ltd (NEA) through conversion of debt to equity which resulted in a loss on consolidation on account of debt settled recognised in the statement of profit or loss and other comprehensive income of \$14,017,910. The consolidated entity assessed the fair value of its existing 49.27% holding in NEA which resulted in a gain being recognised in the statement of profit or loss and other comprehensive income of \$1,488,740.				

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	1.65c	20.29c

4.1 Control gained over entities

Name of entity (or group of entities)	New Energy Asia Limited
Date control gained	31 July 2015
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	\$19,000
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.	(\$2,139,000)

4.2 Loss of control over entities

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

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: 26 February 2016

Print name: Alwyn Davey, Company Secretary