








Project Genesis

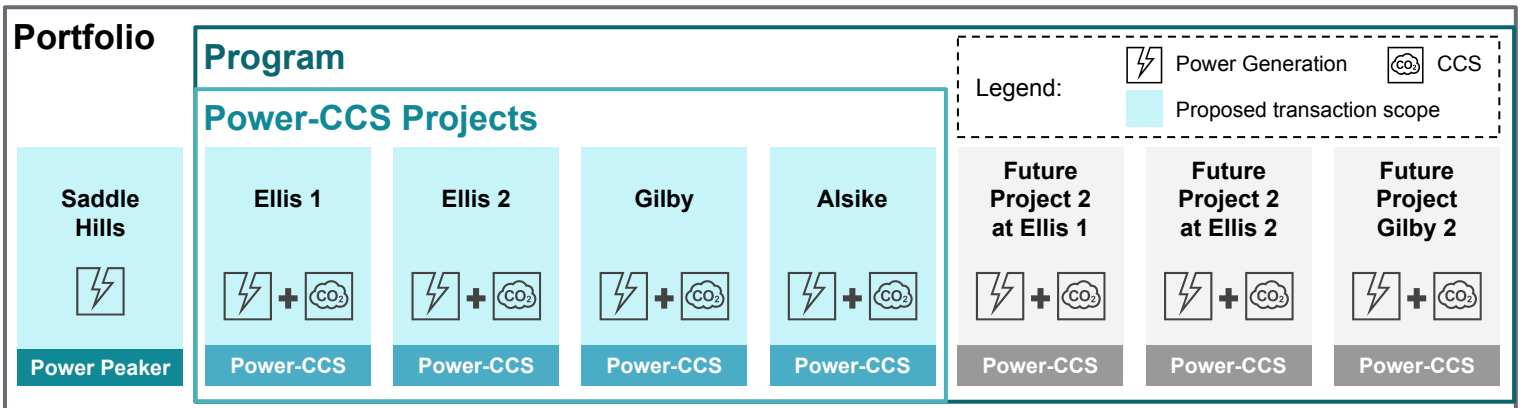
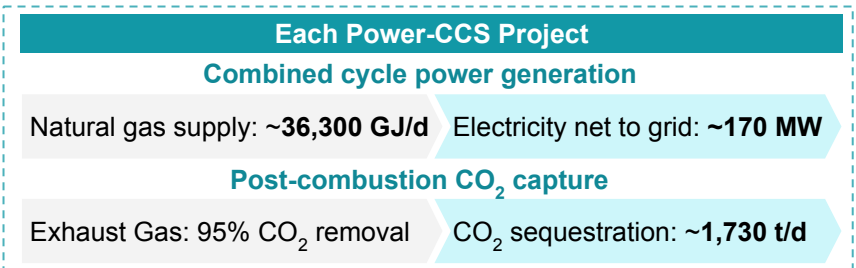
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Opportunity Overview

- KALiNA Distributed Power ("KDP")** is a wholly-owned Canadian subsidiary of Australia-based KALiNA Power Limited. KDP is developing up to seven natural gas-fired combined cycle power plants integrated with post-combustion CO₂ capture (each is a **"Power-CCS Project"** or **"Project"**) on four separate sites in central Alberta (the **"Program"**). The Projects are designed to capture 95% of the CO₂ generated, which will be contracted to third party for sequestration.
- KDP is advancing four of the seven Projects** (one at each of the four selected sites) for a total CAPEX of \$3.7bn.
- KDP is deploying a repeatable standardized design, configuration and execution plan for each of the Projects together with a contracting strategy that builds on advanced discussions underway involving long-term tolling arrangements.
- KDP's portfolio includes **the seven Projects in the Program**, as well as a **shovel-ready 44 MW Power Peaker** in Saddle Hills, Alberta (permitted without CO₂ capture).
- Opportunity for financial or corporate investors to invest ~\$58m for a ~50% equity stake in KDP.** Proceeds will be used to fund pre-FEED activities for the initial four Projects and the FEED activities for the first two to proceed. Partner(s) will realize attractive returns generated from equity in KDP as a project developer, along with access and an option to invest in its entire portfolio of projects.

Opportunity Highlights

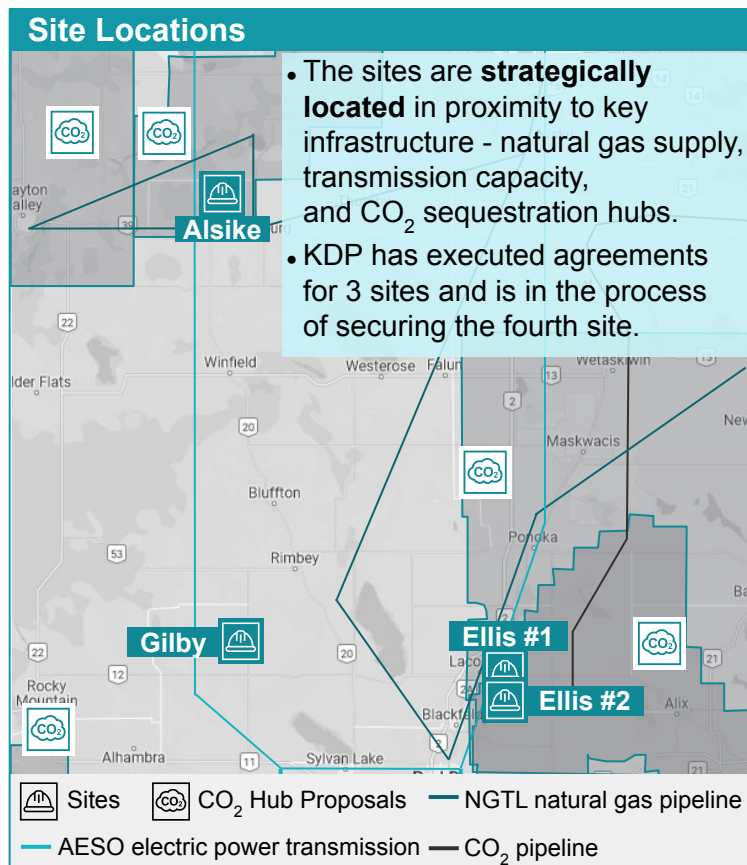
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Industry Leading Capability: KDP is led by an experienced development team with over 150 years and 9 GW of combined expertise in the energy sector.
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Strong Market Demand: Demand for near-zero emissions electricity is expected to double in Alberta by 2050. The Projects will deliver highly dependable baseload power to address this increasing demand.
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Attractive, Stable, Long-Term Cash Flows: KDP's strategy is to contract 80% or more of each Project's capacity with creditworthy offtakers under long-term tolling arrangements, creating stable project cash flows.
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Located Close to Key Infrastructure: All Program sites are located close to ample natural gas infrastructure, electrical transmission grid interconnection and third party CO₂ sequestration capacity.
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Supports Net-Zero Goals: The Program will provide reliable baseload generation while complying with incoming CO₂ emissions regulations by capturing and sequestering 95% of CO₂ emissions from the Projects.
- 
Favorable Regulatory Framework: Favorable regulations in Canada, such as refundable investment tax credits (ITC's) for CCS, make Canada a global leader in CCS deployment and an attractive destination for investors.
- 
Robust Power-CCS Program: KDP's Program provides robust and credible investment and growth opportunities.



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Valuable Strategic Locations







Experienced Development Team

- KDP is led by an **exceptional management team with an extensive track record of success in project and corporate development**, with team members having held C-suite and other senior roles at companies such as Veresen Inc., Pristine Power, Stonepeak Infrastructure Partners, Grafton Asset Management, China Light and Power, among others.
- **KDP's well-rounded team has decades of complementary experience** spanning C-suite leadership, development, design and construction, operations, financial, and regulatory & environmental expertise in the power & utilities space.

Proven Equipment & Processes

-  Projects will use commercially available natural gas-fired combined cycle power plant equipment from industry leading manufacturers.
-  The amine-based CO₂ capture process will be licensed from major international companies that are expected to provide performance guarantees. This CO₂ absorption process is similar to the one that has been used for over 100 years in the natural gas processing industry.

Commercial and Regulatory Highlights

-  **Permitting and Approvals:** at below 200 MW electrical output, the Projects are subject to an Alberta-only streamlined approvals process, greatly reducing regulatory approval risk and substantially shortening timelines compared to larger projects subject to federal assessment.
-  **Strong Economics:** Strong fundamentals, driven by the twin revenues of electricity and CO₂ sequestration attributes, **enable long-term contracting** on attractive terms to both the Project owners and offtakers.
-  **Broad Tolling Marketing Appeal:** Tolling is attractive in both the natural gas producer sector (increased netbacks) and to electricity market players for near-zero emissions power supply.
-  **CO₂ Sequestration:** Projects meet regulatory requirements, generate substantial CO₂ sequestration credits revenue, and qualify for substantial CCS-related ITCs.

Path to Commercial Operations

- Developing Power-CCS Projects with standardized design, configuration & execution plans at each site
- 1 At the Pre-FEED stage four sites will be managed as one execution project. The proposed sites are submitted to the AESO interconnection process.
 - 2 Ellis 1 and Ellis 2 are planned to be advanced to a FEED stage after pre-FEED stage completion.
 - 3 Gilby and Alsike are planned to be advanced to a FEED stage with 12 months deferral after pre-FEED completion.
 - 4 Target in-service dates for Ellis 1 and Ellis 2 are in 2028, whereas Gilby and Alsike are in 2030.

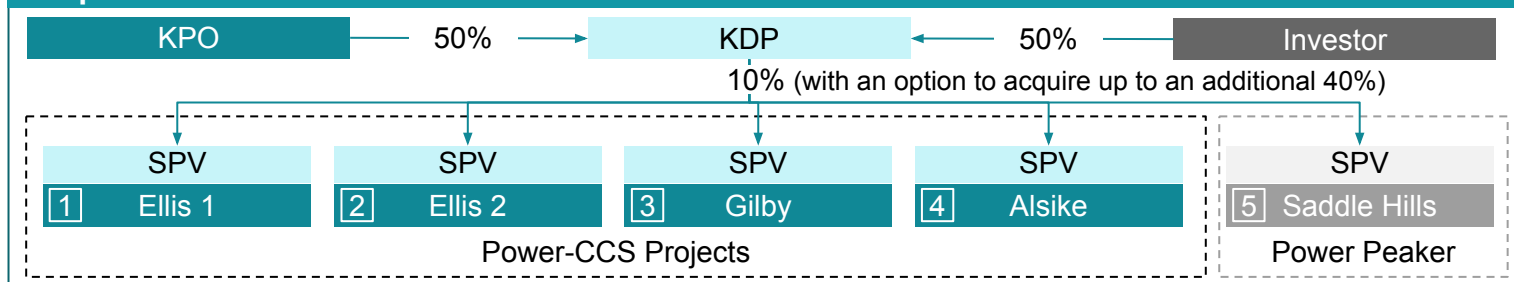
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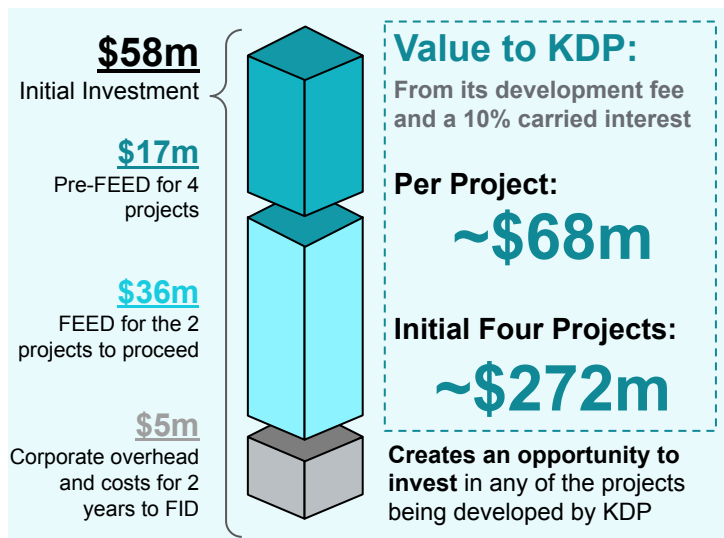
Transaction Overview & Commercial Structure

- **KDP is seeking an investment of ~\$58m for a ~50% equity stake in the company.** Proceeds will fund pre-FEED activities for the initial 4 Projects, FEED activities for the initial 2 Projects, and 2 years of corporate expenses until the first project reaches FID. Development costs reimbursed at FID will fund subsequent projects.
- **KDP's business model** includes a **6% development fee** computed as a percentage of capital costs before financing and development fees, and a full reimbursement of pre-FEED and FEED costs incurred by KDP prior to financial close, a **10% equity carried interest**, and an option to acquire up to an additional 40% of Project equity.
- KDP is flexible on the overall commercial structure and will consider alternative structures that work for all parties, including possible completion of Saddle Hills Peaker with partial reimbursement of KDP's costs incurred to date.
- Process launch in July 2023 with **bids expected for the last week of August 2023.**

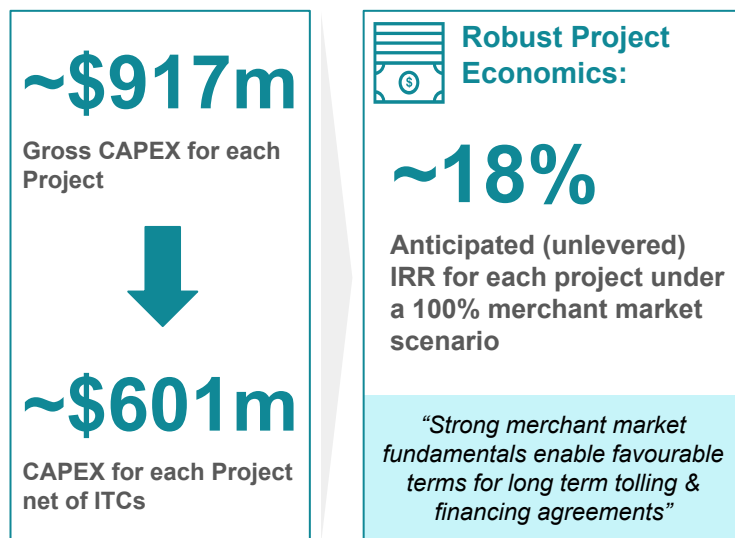
Proposed Overall Commercial Structure



Investment Opportunity in KDP



Indicative Power-CCS Project Economics



Contact

Following receipt of an executed Non-Disclosure Agreement, further information will be made available to selected parties who demonstrate interest in proceeding with the transaction.

All questions or requests for information should be directed to the PwC Corporate Finance team.

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