
KALINA POWER LIMITED

ACN 000 090 997

NOTICE OF GENERAL MEETING

TIME: 11.30am (EST)

DATE: 8 September 2016

PLACE: Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC, 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (03) 9236 2800.

CONTENTS PAGE

Notice of General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	8
Proxy Form	9

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Kalina Power Limited to which this Notice of Meeting relates will be held at 11.30 am (EST) on 8 September 2016 at:

Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC, 3000

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

(a) by post to Kalina Power Limited, Level 1, 114-116 Auburn Road, Hawthorn VIC 3122;
or

(b) by facsimile to the Company on facsimile number +61 3 9818 3656,

so that it is received not later than 11.30am (EST) on 6 September 2016.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Kalina Power Limited will be held at Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC, 3000, at 11.30 am (EST) on 8 September 2016

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at the close of business on 6 September 2016.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

BUSINESS

1. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1, subsequent approval is given under Listing Rule 7.4 for the agreement by the Company on 1 August 2016 to issue 2,083,489 shares at 5 cents per shares and 7,500,000 options exercisable at 5 cents per share on or before 30 August 2017 and otherwise on the terms and conditions set out in the Explanatory Statement."

2. RESOLUTION 2 – APPROVAL TO ISSUE SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1, the Directors are authorised to issue up to 30,000,000 ordinary shares at an issue price of 5 cents each and up to 20,000,000 options exercisable on or before 30 August 2017 at an exercise price 5 cents per share and otherwise on the terms and conditions set out in the Explanatory Statement."

3. RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.1, the Directors are authorised to issue up to 10,000,000 options exercisable on or before 30 August 2017 at an exercise price 5 cents per share to Hartleys Limited, or their nominee, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusions:

1. The Company will disregard any votes cast on resolution 1 by a person who participated in the issue the subject of the resolution and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
2. The Company will disregard any votes cast on Resolution 2 by a person who might participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Company will disregard any votes cast on resolution 3 by Hartleys Limited and any associate of Hartleys Limited. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

DATED: 5 August 2016

**BY ORDER OF THE BOARD
KALINA POWER LIMITED**

**ALWYN DAVEY
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC, 3000 on 8 September 2016 at 11.30 am (EST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUES

(a) Prior issue of 2,083,489 shares and 7,500,000 options

On 1 August 2016, the Company announced that it had raised \$750,000 through the issue of 15,000,000 shares at 5 cents per share with 7,500,000 free attaching options exercisable at 5 cents per share until 30 August 2017, and otherwise on the terms set out in Schedule 1.

Of these, 12,916,511 were issued pursuant to Rule 7.1A and the balance were issued pursuant to Rule 7.1 and these are the subject of this Resolution 1.

The shares and options were issued to institutional and professional investors in Australia.

The funds raised through the issue of the shares are to be used as general working capital of the Company.

2. RESOLUTION 2 – APPROVAL TO ISSUE SECURITIES

As set out above, the Company announced on 1 August 2016 that it was undertaking a placement of \$1,800,000 of which the \$750,000 set out in Resolution 1 was the first step. In order to finalise the placement the Directors are seeking the approval to issue sufficient shares and options to complete the placement, as well as provide the directors with flexibility to issue additional shares and or options, if required.

The 30,000,000 shares and 20,000,000 options for which the Directors are seeking approval to issue represent 40.4% of the number of ordinary Shares currently on issue, (and excluding any shares to be issued in connection with the Company's rights issue that is occurring concurrently with the notice period for this meeting). The shares will be issued with no more than 1 option for every 2 shares issued. The options may be issued separately, however the aggregate number of shares and options will not exceed 50,000,000 securities.

The issue price of any shares issued under Resolution 2 will be at least 5 cents.

The shares to be issued are fully paid ordinary shares ranking equally with all other ordinary shares in the Company.

Any options issued under Resolution 2 will be issued on the terms and conditions set out in Schedule 1.

The funds raised from the issue of shares, and any further funds raised as a result of the exercise of options, will be used for general working capital and to pursue the business objectives of the Company.

The securities will be issued to professional and sophisticated investors, or to other persons to whom the securities can be issued without a disclosure document under the Corporations Act. No securities will be issued to related parties of the Company. The securities will be issued no later than 3 months after the date of the meeting. The issue will occur progressively as investors are secured.

3. RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS

In undertaking the Placement announced on 1 August 2016, the Company worked with Hartleys Limited to identify the institutional and professional investors. Hartleys Limited propose to assist the Company, on a best endeavours basis, to finalise the placement up to the total of \$1,800,000, subject to shareholders approving resolution 2. In addition, Hartleys Limited may assist the Company in placing some of the shortfall up to \$1,050,000 under the current Rights Issue announced by the Company on 3 August 2016.

In the event Hartleys Limited are successful in assisting the Company to complete the placement, and placing any shortfall, Hartleys Limited, or their nominee, will then be entitled to be issued 10,000,000 options.

The maximum number of options to be issued under Resolution 3 is 10,000,000 and they will be issued on the terms and conditions set out in Schedule 1.

There is no cash consideration payable for the options issued under Resolution 3.

The options will be issued no later than 3 months after the date of the meeting. The issue will occur on the date that the placement is completed and the placement of any shortfall. The options will be issued to Hartleys Limited, or their nominee.

There are no funds raised from the issue of the options, however any funds raised as a result of the exercise of options, will be used for general working capital and to pursue the business objectives of the Company.

4. ENQUIRIES

Shareholders may contact the Company Secretary on +61 (3) 9236 2800 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Company means Kalina Power Limited (ACN 000 090 997).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement to the Notice.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means the notice of general meeting accompanying this Explanatory Statement.

Resolution means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

EST means Eastern Standard Time.

SCHEDULE 1

The options referred to in Resolutions 1, 2 and 3 were, or are to be, issued on the following terms and conditions.

- (a) each Option entitles the holder to subscribe for one Ordinary Share at an exercise price per Option of 5 cents;
- (b) the Options are exercisable, at any time prior to 5.00pm Melbourne time on 30 August 2017 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (d) upon the exercise of the Options and receipt of all relevant documents and payment, Ordinary Shares will be issued ranking pari passu with the then issued Ordinary Shares;
- (e) The Company will apply to ASX to have the Ordinary Shares issued pursuant to the exercise of Options granted official quotation;
- (f) a summary of the terms and conditions of the Options including the Notice of Exercise will be sent to all holders of Options when the initial holding statement is sent;
- (g) any Notice of Exercise received by the Company's share registry on or prior to the Expiry Date will be deemed to be a Notice of Exercise as at the last Business Day of the month in which such notice is received;
- (h) there are no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be notified by the Company and will be afforded 10 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- (i) in the event of any reorganisation of the issued capital of the Company prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- (j) Subject to the Corporations Law, the ASX Listing Rules and the Company's Constitution, the Options may be transferred at any time prior to the Expiry Date;
- (k) Ordinary Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of Notice of Exercise.
- (l) An Option holder will be entitled to nominate the Ordinary Share issued pursuant to the exercise of an Option to be issued by way of a Depository Interest to them.
- (m) Subject to the Listing Rules, the Company will apply to ASX to have the Options granted official quotation on ASX.

Kalina Power Limited

ABN 24 000 090 997

Lodge your vote:



By Mail:

Kalina Power Limited
Level 1, 114-116 Auburn Road
Hawthorn, VIC 3122

Alternatively you can fax your form to
(within Australia) 03 9818 3656
(outside Australia) +61 3 9818 3656

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX

For your vote to be effective it must be received by 11:30am (EST) Tuesday 6 September 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Kalina Power Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Kalina Power Limited to be held at Level 25, Bourke Place, 600 Bourke Street, Melbourne, VIC 3000 on Thursday, 8 September 2016 at 11:30am (EST) and at any adjournment or postponement of that meeting.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 - Ratification of Prior Issue of Securities	☐	☐	☐
Resolution 2 - Approval to Issue Securities	☐	☐	☐
Resolution 3 - Approval to Issue Options	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/

/