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KALiNA Power and Crusoe Sign Framework Agreement for Joint Development of Multiple Co-Sited AI Data Centre Projects in Alberta

- Framework for joint development of multiple Crusoe AI focused data centres co-sited with KALiNA's near-zero-emissions natural gas-fired power plants using carbon capture and sequestration (Power-CCS)
- Anticipates Crusoe to own and operate its AI Data Centres contracting for affordable power with KALiNA's owned and operated Power-CCS plants via power purchase agreements with an investment grade or otherwise credit worthy counterparty of at least 15 years providing KALiNA with stable, long-term cash flow with which to finance each project
- All sites located with access to critical infrastructure – electricity transmission, gas pipelines, fibre optic cables and carbon sequestration hubs
- Parties commit to use reasonable commercial efforts to complete a Project Development Agreement. Each PDA will include an indicative long-term tolling Power Purchase Agreement (PPA) as well as provisions for the funding by Crusoe of certain electrical interconnection and gas supply interconnection security payments for each related project.

KALiNA Power Limited (**ASX: KPO**) announces that its wholly owned Canadian subsidiary, KALiNA Distributed Power Limited (“KDP”) has entered into a multi-year Framework Agreement with Crusoe for the joint development of Crusoe's AI Data Centre Projects co-sited with KDP's 170 MW near-zero-emissions natural gas power plants using carbon capture and sequestration (“Power-CCS”) in Alberta, Canada (the “Co-Sited Projects”).

The Framework Agreement supports the establishment of Crusoe's Data Centre footprint in Alberta in a sustainable and commercially scalable manner by utilizing KDP's near-zero-emissions power under a contracting arrangement which complies with Alberta's self-supply requirements. Each potential co-sited project is to be developed under a separate Project Development Agreement (PDA) between KDP and Crusoe (or their affiliates) as a Crusoe owned and operated AI Data Centre contracting for affordable power with an adjacent, co-sited KALiNA owned and operated Power-CCS plant. It is anticipated that power will be supplied from each Power-CCS Plant to the adjacent AI focused Data Centre pursuant to a power purchase agreement (PPA) with an investment grade or otherwise credit worthy counterparty of at least 15 years which will provide KALiNA with stable, long-term cash flows with which to finance each Power-CCS project.

Each of KALiNA's 170 MW Power-CCS plant represents gross unlevered capex of ~CAD\$1 billion which is ~CAD\$640 million net of cash rebate incentives.

Each of KDP's current potential project locations are strategically located sites near electrical transmission, gas pipeline infrastructure, carbon sequestration hubs and fibre optic lines. The initial

three project locations are presently comprised of KDP's Myers Energy Park, the Alsike Energy Park and the newly secured Crossfield Energy Park location.

The Framework Agreement commits KDP and Crusoe to use reasonable commercial efforts to complete a Project Development Agreement. Each PDA will include an indicative long-term tolling PPA as well as provisions for the funding by Crusoe of certain electrical interconnection and gas supply interconnection security payments for each related project.

Environmental desktop and biophysical studies have been completed at the Myers Energy Park and the Alsike Energy Park and is planned to be completed at the Crossfield Energy Park in 2025. KDP has already filed self-supply and export System Access Service Requests (SASRs) with the Alberta Electric System Operator (AESO) for all three sites. In addition to the initial three current potential co-sited projects, KDP is continuing to develop the Gilby Power Park, for which site control and environmental desktop and biophysical studies have been completed. KDP has filed generation only SASR's for Gilby and a new location in the Clairmont area. The business models for Gilby and Clairmont projects are more applicable to virtual power purchase agreements and/or natural gas tolling contracting arrangements and the terms of the Framework Agreement have accordingly been expanded to include the opportunity for Crusoe to contract for power via Virtual Power Purchase Agreements ("VPPAs") from KDP power projects which are not co-sited.

Comments

KALiNA Managing Director **Ross MacLachlan** said:

"Our team has worked closely with Crusoe to develop a commercial path forward to keep pace with AI data centre market demand while capitalizing on the unique characteristics of the Alberta market to deliver reliable, affordable natural gas-fired power configured with CO₂ capture and sequestration. Our negotiations have resulted in a significantly expanded scope that reflects the enormous market opportunity both our companies are seeking to address. This agreement establishes a framework under which up to three projects can be initially developed. It also provides the potential for additional power plants at all three locations as well as provisions for the parties to jointly develop future prospective sites. Furthermore, it outlines the potential for Crusoe to contract via virtual power purchase agreements on KDP projects which are not co-sited with Crusoe.

The Framework Agreement clearly demonstrates a willingness by both parties to capitalise on the pipeline of quality projects that KDP has assembled in Alberta that have all the necessary characteristics and infrastructure to develop multiple co-sited AI data centres powered by our near-zero-emissions natural gas power plants. Our focus now is to establish project development agreements for each site with an initial focus on the Myers, Alsike and Crossfield projects."

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This announcement was approved and authorised for release by: Ross MacLachlan, CEO.

For further information please contact:

KALiNA Power Limited
Tim Horgan
Executive Director
thorgan@KALiNApower.com
+61 3 9236 2800
+61 449 279 880

Ben Jarvis
Six Degrees Investor Relations
ben.jarvis@sdir.com.au
+61 413 150 448