

16th April 2019

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED
31st March 2019**

The Directors of K2 Energy Limited (ASX: KTE) (“K2”) provide the following report for the quarter ended 31st March 2019.

K2 Energy major activities during the quarter were its interest in Atomera Inc. (“Atomera”), its solar energy activities and its oil and gas activities in the USA.

ATOMERA INC.

K2 Energy has an investment in Atomera, Inc. (“Atomera”). K2 holds 583,846 shares of common stock in Atomera, which is listed on NASDAQ. Atomera is a semiconductor materials and licensing company focused on deploying its proprietary technology into the semiconductor industry.

The following is information on Atomera, which has been extracted from Atomera’s public announcements in the quarter and website:

Atomera Incorporated (NASDAQ: ATOM), a semiconductor materials and licensing company focused on deploying its proprietary technology into the semiconductor industry. It has received engineering services revenue as well as its first license revenue

- Moved two customers into phase three, bringing the number of engagements in this critical phase to 13, with a total of 21 engagements at 17 customers
- Strengthened Atomera’s balance sheet by raising \$11.4 million in net proceeds through a public offering of common stock

“Atomera expanded its pipeline and recognized both license and engineering services revenue in the quarter,” said Scott Bibaud, President and CEO. “We are aggressively taking the necessary steps to implement MST into semiconductor foundries and IDMs globally, and our progress is evidence of our commitment to grow revenue and capture the opportunity. We are seeing excellent technical results with our internal wafer runs as well as increased traction with our customers, which we believe will lead to additional licenses and, more importantly, progress by our customers to commercialize MST.”

Atomera has announced signing integration licence agreements with Asahi Kasei Microdevices, which is a Japanese manufacturer of high-grade integrated circuits (computer chips) for consumer, automotive and industrial applications. Atomera has also entered into an integration licencing agreement with STMicroelectronics which is one of the world’s largest semiconductor companies with revenues of USD8.3Bn in 2017.

MEARS SOLAR

K2 Energy owns the exclusive worldwide rights to the MST™ Technology for all solar energy applications.

K2 Energy funded a research and development solar program conducted by Atomera with the aim being to develop more efficient silicon-based cells utilising MST™. Atomera and K2 Energy agreed that the solar activities have entered the commercialisation/collaboration phase. K2 Energy, together with the assistance of Atomera, is seeking a solar group to joint venture or collaborate with, in order to commercialise the MST™ Technology.

OIL AND GAS ACTIVITIES

K2 acquired a 1% interest in the Horace Greeley oil and gas drilling prospect in Conecuh County, Alabama, USA with a 1% interest before casing point and 0.75% after casing point. The total investment in the project is expected to approximate US\$30,000. Drilling of this prospect is expected to commence in the June Quarter this year.