

**24 April 2020**

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED  
31st MARCH 2020**

The Directors of K2 Energy Limited (ASX: KTE) (“K2”) provide the following report for the quarter ended 31<sup>st</sup> March 2020.

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

**OIL AND GAS ACTIVITIES**

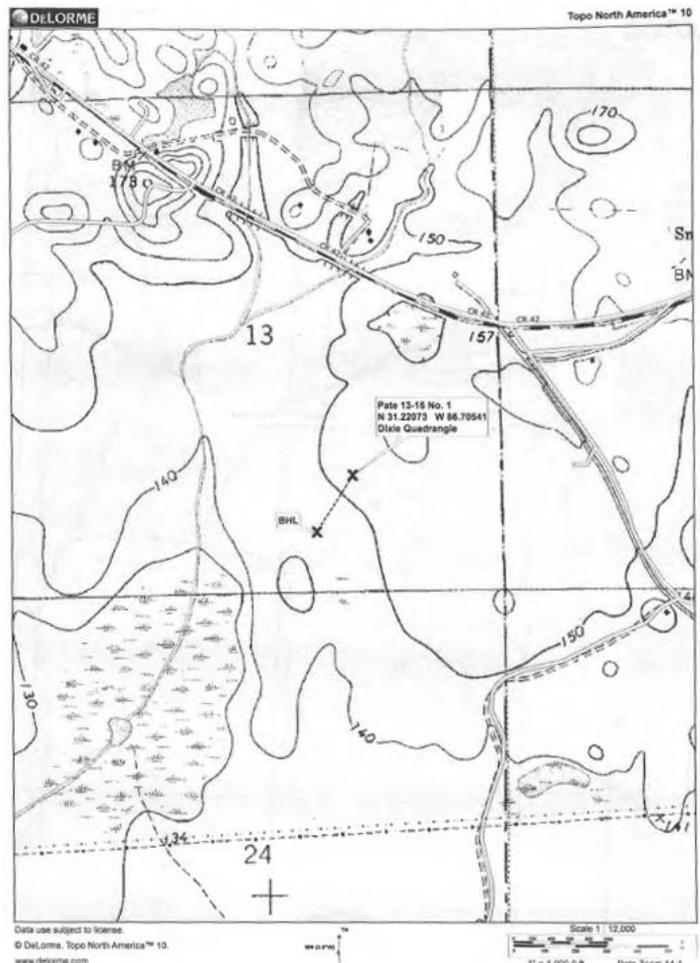
**During the quarter, K2 was a participant in the drilling of an exploration permit located in Alabama, USA.**

- K2 is actively evaluating further drilling prospects in the same area.

K2 acquired from Aspen Energy, Inc. a 0.5% working interest of an exploration permit located in Alabama USA.

The SE Brooklyn Field Extension Project is located in Conecuh County Alabama, and the operator on this property has permitted drilling of a well to a depth of 12,500 feet. The target of the well was the Smackover oil reservoir, which was discovered earlier this year 1.5 miles from the well site.

Drilling occurred to the target depth, and whilst oil shows were encountered, the well was not commercial, particularly with the current oil prices. Since mid January, the West Texas Intermediate Oil price has declined from USD \$59 to \$18 per barrel which will reduce the commerciality of oil drilling till prices recover post Covid-19.



K2 also has a 1% interest in the Horace Greeley oil and gas exploration prospect in Conecuh County, Alabama. The first well drilled was uncommercial, but there is a good likelihood of a second well being drilled.

Fletcher Petroleum is planning a well one mile east of this acreage that will be drilled in the near future. The operator of our prospect will make a recommendation on potentially drilling another well on the prospect after that occurs. Further evaluation and analysis of this oil and gas drilling prospect occurred during the quarter and is ongoing.

## **ATOMERA, INC.**

K2 Energy provided critical funding to Atomera, Inc. during its R & D development phase while they developed patentable technology for the silicon chip industry with energy saving and performance attributes. This funding converted into a significant interest in a NASDAQ listed corporation, being Atomera, Inc. Atomera is a semiconductor materials and licensing company focused on deploying its proprietary technology into the semiconductor industry.

Atomera announced that it had licenced Atomera's Mears Silicon Technology ("MST") to a leading semiconductor provider of radio frequency ("RF") products. Under the terms of this license, the company plans to integrate MST technology into next generation RF products for mobile 5G markets. Atomera's MST is a patented, quantum-engineered material which can enhance transistors to deliver significantly better performance in today's electronics.

Atomera has announced that it will update the market on 30 April (US time), and further details are available at [www.atomera.com](http://www.atomera.com)

Despite volatility on Nasdaq, Atomera shares have continued to trade at above USD 4.

## **ATOMERA, INC. 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. K2 is actively seeking a commercialisation partner for its solar technology, and expects that the process will become much easier once Atomera enters into a commercialisation deal linked to production of products incorporating Mears Silicon Technology.

## **QUARTERLY CASHFLOW**

Cash on hand at 31<sup>st</sup> March 2020 was \$458,000.

Cash outgoings for the quarter were \$17,000, including an amount of \$3,000 paid to a company associated with Mr Gazal, who is a Director of the Company for the use of the Company's registered office premises.

Authorised by: Terence Flitcroft, Company Secretary on behalf of K2 Energy Limited