

30th October 2020

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED
30th September 2020**

The Directors of K2 Energy Limited (ASX: KTE) (“K2”) provide the following report for the quarter ended 30th September 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 2019/20 K2 acquired a drilling interest in an exploration permit in Alabama, USA. The well was drilled to 12,600 feet, and whilst oil shows were encountered, the well was not commercial, particularly at current oil prices.

K2 also has a 1% interest in the Horace Greeley oil and gas exploration prospect in Oil and gas exploration area in Conecuh County, Alabama. The first well drilled was uncommercial, but there is a reasonable likelihood of a second well being drilled. Refer schedule below for details of tenement interests held by K2.

K2 is actively looking at oil and gas drilling prospects.

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.

In Atomera’s investor presentation in September 2020, which is available on their website, it confirmed that it is involved in projects with 50% of the world’s semiconductor makers. In this presentation Atomera listed their Target Customers including Samsung, Intel, Toshiha and Texas Instruments.

Atomera’s current share price is approximately USD 9 per share.

Further details are available at www.atomera.com

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 is seeking a solar group to joint venture or collaborate with, in order to commercialise the MST™ Technology.

QUARTERLY CASHFLOW

Cash on hand at 30 September 2020 was \$1.023 million.

Cash outgoings for the quarter were \$93,000, included an amount of \$3,300 paid for the use of the Company's registered office premises. An amount of \$77,000 was paid in relation to previously accrued prior years' director's fees.

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

SCHEDULE OF TENEMENT INTERESTS as at 30th October 2020

Acreage Held by Production (HBP)

Section-Township-Range	Well Lease	Quadrant	Drilling Units Acreage HBP	Interest held by K2 Energy Limited
Conecuh County Alabama	Horace Greeley	SE	1300 acres	1% WI 0.75% NRI
Conecuh County Alabama	SE Brooklyn Field Extension	SE	160 Acres	0.5% WI

WI- Working Interest

NRI- Net Revenue Interest