

## Submission made to be reclassified as an Investment Company

K2 Energy Limited ("K2") has made application to the ASX for the recognition of the change of its main undertaking to being that of an Investment Company, rather than that of an oil and gas company under its current ASX classification. K2 believes this would reflect the Company's significant investment in and involvement with Atomera, Inc. ("Atomera") since 2010 and the reduction in its oil and gas activities due to those activities being uneconomic, given changed market conditions over the past few years. It was for this reason K2 reduced its expenditure on drilling activities over the past decade so as to focus on its Atomera related activities. K2 believes its shareholders would support a change of its activities to that of an Investment Company, which is compliant with ASX listing requirements.

The ASX has informed K2 that it needs to demonstrate an adequate level of operations pursuant to ASX listing rule 12.1, otherwise the Company's securities will be suspended. It is for this reason that K2 made a submission to ASX to be reclassified as an Investment Company. Further ASX has advised K2 that whilst it is yet to formally consider K2's submission to be reclassified, which would enable to Company to continue trading on the ASX, there is a risk that trading in KTE's securities could be suspended from Official Quotation by ASX on 7th May 2021.

On January 5, 2021 Atomera announced that it had signed the joint development agreement for the use of its technology with a leading semiconductor provider. The joint development agreement included a manufacturing license for the customer to fabricate semiconductor wafers to be used in computer chip production. This agreement was one of the most significant events for Atomera since it commenced operations in 2001 and transformed Atomera into a significant technology company. K2's Atomera shareholding is now the Company's major asset and in the opinion of the K2 Directors the asset with the greatest potential upside. In recent months K2 has enjoyed a significant increase in the value of its shares and a significant increase in its trading volumes.

Authorised by: The Board of K2 Energy Limited 24<sup>th</sup> March 2021