



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a meeting of members of K2 Energy Limited (the "Company") will be held at Level 21, 25 Bligh Street Sydney NSW 2000 on Wednesday 28th November 2012 at 11:00am for the purpose of transacting the business set out in this Notice.

BUSINESS

Item 1– Financial Statements

To consider and receive the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30th June 2012.

Item 2– Remuneration Report

To adopt the Remuneration Report for the year ended 30th June 2012.

Item 3- Election of Director- (Dr Robert Mears)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Dr Robert Mears being a Director who retires by rotation, in accordance with the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

Item 4- Ratification of Share Placement

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX Limited and for all other purposes, the members of the Company approve and ratify the issue of 31,333,334 ordinary shares at the price of 3 cents per share on 18th May 2012 on the terms and conditions described in the Explanatory Note."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by:

- Any person who participated in the placement; and
- any associate of any person who participated in the placement.

However, the Company need not disregard a vote if:

1. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
2. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Appointment of Proxy

- (a) A member who is unable to attend and vote at the meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
- (b) If a member wishes to appoint a proxy, and is entitled to cast 2 or more votes, then the member may appoint 2 proxies, and may specify the proportion or number of votes each proxy may cast.
- (c) A proxy form (and the power of attorney (if any) under which it is signed) must be received at the registered office of the Company not less than 48 hours before the time of the holding of the meeting:
 - By hand: Boardroom Pty Limited - Level 7, 207 Kent Street, Sydney, NSW, 2000
 - By mail: Boardroom Pty Limited - GPO Box 3993, Sydney NSW, 2001
 - By facsimile: (02) 9290 9655

Corporate Representatives

Corporate members must either:

- appoint a proxy as set out above; or
- appoint a body corporate representative in accordance with the Corporations Act.

The appointment of a body corporate representative must be produced at the meeting.

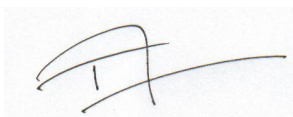
Entitlement to Vote

For the purpose of the meeting, those members holding shares at 7pm on Monday 26th November 2012 will be voting members at the meeting.

Further Information

This Notice should be read in conjunction with the Explanatory Note.

By the Order of the Board of Directors.

A handwritten signature in black ink, appearing to be 'T. A. Flitcroft', written over a light grey rectangular background.

T. A. Flitcroft
Company Secretary

Dated: 24th October 2012

EXPLANATORY NOTES ON ITEMS OF BUSINESS

Item 1: Financial Statements

As required by section 317 of the Corporations Act 2001 (Cth) (the "Act"), the Financial Report, the Directors' Report and the Auditor's Report of the Company for the most recent financial year will be laid before the meeting. Shareholders will be provided with a reasonable opportunity to ask questions about or make comments on the management of the Company however, there will be no formal resolution put to the meeting.

Shareholders will also be provided with the opportunity to ask the representative of the Company's auditor questions about the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

Item 2: Remuneration Report

The Directors' Report for the year ended 30 June 2012 contains a Remuneration Report, which sets out the remuneration policy for the Company and reports on the remuneration arrangements in place for Directors and certain senior executives.

The Act requires that the agenda for this Annual General Meeting include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

Shareholders will be provided with a reasonable opportunity to ask questions about and make comments on the Remuneration Report.

Item 3: Election of Director

Pursuant to the Company's Constitution, Dr Robert Mears will retire as a Director at the Annual General Meeting and offers himself for re-election.

Dr Robert Mears (BA & MA Physics (Oxford); Ph.D. (University of Southampton)) is a non-executive director of the Company. He is recognised worldwide as one of the world's leading experts in photonics – the synthesis of electronics and optical communication.

In the 1980's Dr Mears addressed the challenge of increasing the capacity and speed of data transmission of fibre optic cables in the telecommunications industry by inventing an optical amplifier, known as the Erbium Doped Amplifier ("EDFA"). EDFA technology increased usable capacity of optical fibre by more than 1000 times. It was and remains a key enabling technology of the internet.

If re-elected, Dr Robert Mears will continue as a Director and be subject to retirement by rotation in accordance with the Company's Constitution.

The Board, with exception of Dr Robert Mears, unanimously recommends that Shareholders vote in favour of the re-election of Dr Robert Mears.

Item 4- Ratification of Share Placement

On 18th May 2012 31,333,334 fully paid ordinary shares were issued in the Company at a price of 3 cents per share, by way of a placement to clients of Foster Stockbroking Pty Limited. As announced on 15th May 2012 the funds raised from the issue were to be used to fund a future investment in Mears Technologies Inc. and provide additional working capital for the company.

Listing Rule 7.1 prohibits a company from issuing securities which represent more than 15% of its ordinary shares in a 12 month period without Shareholder approval, except in certain circumstances, none of which applied to the placement.

However, Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring Shareholder approval. Shareholder approval is sought under Resolution 4 to ratify the issue of 31,333,334 ordinary, fully paid shares pursuant to the placement to restore the Company's ability to place up to 15% of its ordinary shares without Shareholder approval.

The shares issued were fully paid ordinary shares ranking equally with all other ordinary shares in the Company.

The Board unanimously recommends that Shareholders vote in favour of this resolution.