

17th July 2018

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED
30th June 2018**

The Directors of K2 Energy Limited (ASX: KTE) ("K2") provide the following report for the quarter ended 30th June 2018.

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"), which is listed on NASDAQ, with its stock code being ATOM and K2 owning 583,846 shares of common stock in Atomera, representing 4.8% of that company.

ABOUT ATOMERA, INC.

The following are extracts and information from the Atomera, Inc. website, including their announcements in April and May 2018.

- *Grew the number of customers in Phase III Integration by 50% to nine*
- *Initiated first customer multi-process evaluations*
- *17 engagements underway with 14 customers*
- *Completed Atomera's first installation of MST technology at a customer fab*
- *Building momentum to commercialisation*

Management Commentary

"The first part of 2018 has been a period of great progress for Atomera as measured by advancement of customer milestones towards licenses", commented Scott Bibaud, President and CEO. "Our work in many process nodes, from the legacy analog to the most cutting edge, is being recognized by industry, the press, academia and, most importantly, our growing customer base."

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 major international solar group to joint venture or collaborate with, in order to commercialise the MST™ Technology.

OIL AND GAS ACTIVITIES

K2 Energy owns 10.68% of Trey Resources I, LLC ("Trey Resources") which is an oil and gas company in receivership. As a shareholder K2 Energy has no financial exposure to Trey Resources.

K2 Energy has evaluated potential oil and gas drilling opportunities in the USA during the quarter.