

**31<sup>st</sup> January 2018**

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED  
31<sup>st</sup> DECEMBER 2017**

The Directors of K2 Energy Limited (ASX: KTE) ("K2") provide the following report for the quarter ended 31<sup>st</sup> December 2017.

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 announcement dated 6<sup>th</sup> November 2017.

- *Atomera announced a new customer entering trials, which increases the number of potential customers in the pivotal integration phase to five.*
- *13 total customers are now engaged with Atomera with two new additions since last quarter.*
- *Synopsys' latest release of its market-leading TCAD software now supports modeling Atomera's MST technology.*
- *Participated in marketing roadshow with Synopsys showcasing the simulation of MST.*

*"Our third quarter showed significant increases in customer activity, both with new trials and earlier phase engagement. Atomera's new Synopsys TCAD capability is generating strong industry enthusiasm and helping to shorten our time to revenue," commented Scott Bibaud, President and CEO.*

**Patents Issued**

*Atomera continues to build its patent portfolio and reached the milestone of 60 issued US patents. Four new US patents have been issued so far in 2017, consisting of:*

- *"Semiconductor Devices with Enhanced Deterministic Doping and Related Methods"*
- *"Method for Making Semiconductor Structures in Single-Wafer Processing Chamber with Desired Uniformity Control"*
- *"Semiconductor Device Including a Superlattice and Replacement Metal Gate Structure and Related Methods"*
- *"Methods for Making a Semiconductor Device Including Atomic Layer Structures Using N2O as an Oxygen Source"*

*Including international patents, Atomera's portfolio consists of over 110 issued patents.*

## **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 that was adversely impacted by the collapse in the oil price. As previously advised, the investment in Trey Resources has a nil carrying value, and is in receivership. As a shareholder K2 Energy has no financial exposure to Trey Resources.