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Two new Discovery Wells

The Directors of K2 Energy Limited are pleased to announce two new successful discovery wells drilled in Texas and Oklahoma.

Shary #2 - 120 feet of net pay (K2 – 12.17% Working Interest) .

The Shary #2 located in Hidalgo County Texas spudded on November 26th and was drilled to 8,900 feet. The well encountered excellent gas shows in multiple potential pay sands. As anticipated the Shary #2 well logged the Shary #1 productive sand 58' higher on structure allowing for significantly greater potential reserves. Evaluation of the well logs indicates 120 feet of net pay over four potentially productive sands.

Production well casing pipe is being run and set and the potential pay zones will be tested in the coming weeks.

Patriot #3 – 65 feet of net pay (K2 – 12.6% Working Interest)

The Patriot #3 well in K2 Energy's Bad Creek project in Okfuskee County, Oklahoma spudded on 30th November and was drilled to 3400 feet. The well has encountered oil and gas shows in four potential pay zones as well as several additional smaller zones. The well has a minimum of 65 feet of potential net pay in the four main zones, the Booch, Union Valley, Cromwell and Jefferson sands.

Production well casing is being run and the Jefferson sand zone is expected to be tested shortly.

COMMENT:

The successful results of both the Shary #2 and the Patriot #3 are excellent for the company and subject to successful production tests, both wells should add significantly to K2 Energy's growing oil and gas production.

K2 Energy is expecting that both wells will be in production in the first quarter of 2008.

For further information please contact Managing Director, Peter Moore.