



# MARKET RELEASE

19 January 2007

**K2 ENERGY LIMITED**

**TRADING HALT**

The securities of K2 Energy Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Tuesday, 23 January 2007 or when the announcement is released to the market.

Security Code: KTO  
KTOO

A handwritten signature in black ink, appearing to read 'Stephanie'.

Stephanie Yong  
**Adviser, Issuers (Sydney)**

**K2 ENERGY LIMITED**

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Sydney NSW 2000

Tel: 9251 3311  
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19th January, 2007

The Manager Companies  
Attn: Stephanie Yong  
Australian Stock Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Ms Yong


**Trading Halt**

K2 Energy Limited requests a trading halt be implemented over the company's shares and options from the commencement of trading today, pending an announcement by the Company. Unless the ASX decides otherwise, the securities will remain in pre-open until the earlier of normal trading on Tuesday 23 January, 2007 or when the announcement is released to the market.

The company is not aware of any reason why the trading halt should not be granted.

Security Codes: KTO and KTOO

Yours faithfully,



T.A. Flitcroft  
Company Secretary