



MARKET RELEASE

23 January 2007

K2 Energy Limited

SUSPENSION FROM OFFICIAL QUOTATION

The securities of K2 Energy Limited (the "Company") will be suspended from quotation immediately, at the request of the Company pursuant to listing rule 17.2, pending the release of an announcement by the Company.

Security Code: KTO
KTOO

A handwritten signature in black ink, appearing to read 'Stephen Small', with a horizontal line drawn underneath it.

Stephen Small
Adviser, Issuers (Sydney)

K2 ENERGY LIMITED

A.C.N. 115 310 560

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Sydney NSW 2000

Tel: 9251 3311
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23rd 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 refers to its letter to the ASX dated 19 January 2007. K2 Energy Limited requests a voluntary suspension be implemented over the company's shares and options from the commencement of trading today, pending an announcement by the Company

Security Codes: KTO and KTOO

Yours faithfully,



T.A. Flitcroft
Company Secretary