

March 4, 2008

New well to spud in Bad Creek project

K2 Energy is pleased to announce that the Priegel #3 well will spud this week in its Bad Creek Project in Oklahoma.

K2 Energy has a 33% interest in the well that will be drilled to a total depth of 2300 feet to test the Booch sandstone that was identified in the Priegel #1 well drilled in 2007. The Booch zone is primarily an oil target with some potential for gas.

The Patriot #3 well drilled in January is currently testing in the Union Valley zone and results are expected shortly.

For further information please contact Managing Director, Peter Moore on 02 9251 3311