

April 7th, 2008

## **ASX ANNOUNCEMENT**

### **Gas discovery at Ross 3-27**

K2 Energy is pleased to provide an update on its latest discovery in its BAD CREEK project in Oklahoma, USA, announced March 3, 2008. The well has now been connected to gas sales and was producing at **over 500 mcf of gas per day** at last report from the operator Williams Petroleum.

The Ross 3-27 well was drilled by Williams Petroleum in late February 2008 has **flow tested at between 488 and 736 mcf of gas per day** from the Union Valley sand formation with excellent tubing pressures. K2 Energy has a 4.4% interest in the well.

This discovery is important to K2 Energy as the well, with its development potential, continues to demonstrate the potential of the Union Valley Limestone formation in the Bad Creek Project area where K2 Energy has broad interests ranging from 4.0 to 50%.

The Union Valley formation is a primary objective of several proposed new wells and on going workovers of K2 Energy's existing wells in the Bad Creek Area. This continues to provide encouragement and confidence of forthcoming activities in K2's Bad Creek project area.

For further information please contact Managing Director, Peter Moore on  
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