

21st December 2010

ASX ANNOUNCEMENT

MEARS SOLAR UPDATE

K2 Energy Limited is pleased to report that significant progress has been made on the Company's solar program.

1. Solar cells are currently being fabricated for testing at a US based facility and Tei Solutions in Japan.
2. It is expected that both sets of solar cells will be completed by early January 2011, with testing to be conducted in January 2011.

The MST™ technology involves the production of an altered or “nano-doped” layer of silicon that can be used in the manufacturing of silicon solar PV cells; a process already proven in traditional semiconductor manufacturing. This layer is introduced to increase the efficiency parameter for Photovoltaic (PV) technology and solar power generation in silicon PV cells. By improving the efficiency parameter, the use of MST™ technology in the PV cell development process reduces the amount of silicon required, potentially making PV cells significantly more efficient and much less expensive.

“The impact of the MST™ technology in the processing of silicon PV cells could greatly benefit solar manufacturers,” said Dr Robert Mears, CEO of Mears Technologies.

Earlier this year, K2 Energy Limited, located in Sydney, Australia, acquired the exclusive rights to the MST™ IP for all solar applications from Mears Technologies. K2 has provided the funding necessary for the R&D required to test and develop Mears' MST™ technology for use by large-scale solar panel manufacturers.