

1 May 2013

**MEARS TECHNOLOGIES, INC. AND K2 ENERGY LIMITED MERGER
UPDATE AND TIMETABLE**

K2 Energy Limited (ASX:KTE) (“K2”) advises that significant progress continues to be made in relation to its proposed merger with MEARS Technologies, Inc. (“MEARS”) (“Proposed Merger”) and MEARS is continuing to make good progress with its customer engagements in relation to the commercialisation of the MEARS Silicon Technology™.

Various regulatory and procedural matters in relation to the Proposed Merger are still in the process of being finalised. K2 believes it is appropriate to postpone its General Meeting of shareholders, from 2nd May 2013, until 9am (Sydney time) on 31st May 2013 at Level 21, 25 Bligh Street, Sydney NSW 2000.

Shareholders eligible to vote at the postponed meeting will be those shareholders registered as at 7pm (Sydney time) on 29th May 2013 and the revised time for the return of the proxy forms is now 29th May 2013 at 9am (Sydney time).

Shareholders who have already lodged a proxy form who choose to do nothing (ie. do not lodge new forms or revoke old forms) will have their original proxies counted as received for the purposes of the postponed General Meeting.

Completion of the Proposed Merger and the issue of the K2 shares under the Proposed Merger and the proposed placement is anticipated to be prior to mid June 2013.