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DEVELOPMENT WELL PLANNED FOR SHARY PROSPECT.

The Board of Tomahawk Energy is pleased to announce that the company has elected to participate a proposed offset well to the **Shary #1** discovery well located in Hidalgo County Texas to target an estimated 1.5 BCF of gas. The well proposal is outlined below.

DEVELOPMENT WELL PROPOSAL SHARY PROSPECT- HIDALGO COUNTY, TEXAS

Kaler Energy, the Operator of the Shary #1 well has proposed a development well to the Blackstone-Shary #1. The Shary #2 well is targeting an estimated 2.5 BCF gas reserves from the 8,200' sand and the 8,400' Frio sand which is productive in the Shary #1 well. The 8,400' sand has 8' to 10' of gas on 60' of water. Although the Shary #1 well is not a prolific well at 90 MCF per day, it has proven to be steady, which we are interpreting to be part of a larger reservoir. Due to the water in the sand, it is not practical to fracture stimulate the well at this location.

Armed with this information, a review of the 3D seismic across the fault block indicates the Shary #2 well should encounter the 8,400' Sand approximately sixty feet (60') higher on structure at the proposed location.

Assuming consistent sand thickness of seventy feet (70'), which seems reasonable after a review of nearby well control, the 8,400' sand may fill entirely with gas. This thick gas sand would then be a candidate for a much higher natural flow rate or a fracture stimulation if necessary. Estimated reserves of 1,500,000 MCF (1.5 BCF) are possible with a 40 acre drainage area, 1250 MCF/acre-foot recovery and 30' average pay thickness.

Additionally, the 8,200' sand is prospective at a higher structural position. This sand produced 3.5 BCF from a similar fault trap on trend. Due to an undetermined gas water contact, potential reserves ranging from zero, up to 1,000,000 MCF gas are possible if this sand is productive on the structural crest.

The deeper sands that were the original primary target of the Shary Prospect were not present in the first well so the Shary #2 will be less expensive to drill. The operator anticipates a completed well to cost approximately \$1,400,000. The gas pipeline connection is already in place and production/cash flow would be expected within two or three months of logging the well.

Tomahawk Energy has a 6.8% working interest in the well.

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