



Investor Presentation

“A New Beginning”

October 2007

Who Are Tomahawk Energy?

A Brief Introduction...



THE COMPANY

- ASX-listed oil and gas exploration company
- Recent merger with K2 Energy
- Tomahawk awarded IPO of the year when listed in 2005

CORE FOCUS AREA – OKFUSKEE COUNTY, OKLAHOMA

- Low cost, uncomplicated drilling in conventional reservoirs
- Multiple targets in each well i.e. 6-10 formations

SUCCESS ACHIEVED TO DATE

- High exploration success rate
- Large undeveloped reserves “behind pipe”

ACTIVITY SINCE MERGER COMPLETION

- Best drilling results recently achieved
- 5 wells drilled since merger – 5 discoveries

EXCITING EXPLORATION POTENTIAL

- Aggressive exploration & development plan
- Virgin 3D seismic coverage significantly upgrades potential
- Over 20 targets generated
- Targeting zones which have never been penetrated and should produce at strong rates

THE COMPANY

- Strong near term increase in production expected
- Stock price now trading at all time low



Who Are Tomahawk Energy?

Capital Structure & Share Register⁽¹⁾



- A\$25mn market capitalization
 - Lowest share price since IPO
 - Focus post merger with Tomahawk has been on setting the stage to deliver on operational performance
 - Time to tell the story – a good time to invest
- Cash reserves of A\$6.4mn, and no debt⁽²⁾
 - Should deliver Tomahawk through to self-funding status
 - Minimal risk of future dilution
- Top 20 shareholders control 42.7%
 - Loyal supporter base
 - Stake building over the past months
- Management controls 15.5% (20.1% diluted)⁽²⁾
 - Motivated to deliver success

Capital Structure ⁽¹⁾

	ISSUED	QUOTED
SHARES		
Fully Paid	118,854,903	118,854,903
OPTIONS		
31/12/08 Ex. 20 cents	12,298,000	12,298,000
30/09/09 Ex. 20 cents	29,997,500	29,997,500
31/12/08 Ex. 70 cents	500,000	-
31/12/08 Ex. 40 cents	2,000,000	-

Share Register

	#	%
Edwards Meadows Pty Limited	11,100,000	9.339
ANZ Nominees Limited	8,796,497	7.401
Golden Words Pty Ltd	4,320,958	3.635
Mr Ryan Michael Moynagh	3,157,576	2.657
Blazzed Pty Limited	2,550,000	2.145
Chaus Capital Pty Ltd	2,540,001	2.137
Aspen Energy Pty Limited	1,800,000	1.514
Balander Pty Limited	1,770,000	1.489
Ravenhill Investments Pty Ltd	1,560,000	1.313
Towertun Pty Ltd	1,550,000	1.304
Merrill Lynch (Australia) Nominees Pty Limited	1,543,473	1.299
Heenalu Pty Ltd	1,500,000	1.262
Your Care Pty Ltd	1,500,000	1.262
Arkkindale Pty Ltd	1,500,000	1.262
Mrs Michelle Doro Denny	1,045,000	0.879
ACAO Capital Pty Ltd	960,000	0.808
Mr Peter Tsu & Mr Sonny Berglund	900,000	0.757
Mr Ian Scott Robertson	900,000	0.757
Hyperion Capital Pty Limited	900,000	0.757
Moana Nominees Pty Limited	823,609	0.693
TOTAL	50,717,114	42.670

(1) As of September 26th, 2007

(2) As of June 30th, 2007

Who Are Tomahawk Energy?

Board of Directors – The Experience to Deliver



TOMAHAWKenergy

Sam Gazal, BEc
Chairman

Sam has more than 35 years experience as a director of public and private companies. He graduated from Sydney University with a Bachelor of Economics. He has been a director and significant shareholder in a number of successful companies both public and private. .

Terry Flitcroft
Company Secretary

Peter Moore BA, LLB
Managing Director

Peter was formerly a commercial lawyer and has worked in the resource exploration industry since 1987, with his own geo-tech service companies. He has wide commercial and investment experience in the oil and gas exploration industry in the United States.

Ken Gaunt
Non-Exec Director

Ken has enjoyed significant commercial success since founding Electronic Banking Solutions Pty Ltd in 1998. As Managing Director, Ken developed the business before merging with Cash Card Australia Limited in 2003. Ken has been director of Cash Card Australia Limited and is an investor in many successful businesses in Australia and elsewhere.

Michael Reed, BSc, CPG, AAPG
Non-Exec Director

Michael is a Certified Petroleum Geologist with the American Association of Petroleum Geologists. He has 24 years' experience in oil and gas exploration and investment, currently as President of Aspen Energy, Inc, based in Louisville, Kentucky, USA. Mike has overseen in excess of 350 oil and gas drilling ventures, investing more than \$50,000,000 over the past 10 years throughout the main oil and gas producing regions of the USA. He has highly specialized expertise in screening and evaluating drilling opportunities and in managing oil and gas investments.

Bob Rosenthal, BSc, MSc
Non-Exec Director

In his 30 year career, Bob has worked in oil and gas projects in the GOM, Offshore Atlantic Margin, and the North Slope of Alaska. In 1988, Bob became the senior advisor to the chief geologist and general manager of exploration, worldwide. For 15 years, he held various positions including senior exploration geophysicist with Sohio Petroleum (BP subsidiary) in San Francisco. Since 1999, Bob has run a successful consulting business based out of Ojai, California and London, England.

John Thompson, BCom
Non-Exec Director

John has strong experience in general management of resources and scientific companies. Most recently he led the Geochemistry Division of an international testing and verification business. He has been a Director of Bank of Western Australia and at one time led the Stock Exchange in Perth. He is now a Director of several private and public companies involved in oil and mineral services. He was educated at University of Western Australia in Accounting and Commercial law.

Merger With K2 Energy

Corporate Transformation Complete



- Unconventional gas focus
- Flat to declining production
- No “on-ground” USA management
- No operational capabilities
- Limited cash resources



- Conventional gas focus
- Growing production profile (visible near term earnings and cash flow growth)
- Excellent recent drilling results in both old THK portfolio and new ventures
- Recent discoveries will dramatically increase production
- Strong Board and management team with “on-ground” technical expertise
- Ample cash to explore and develop existing portfolio

Despite numerous obstacles “Old-Tomahawk” achieved a good exploration success rate

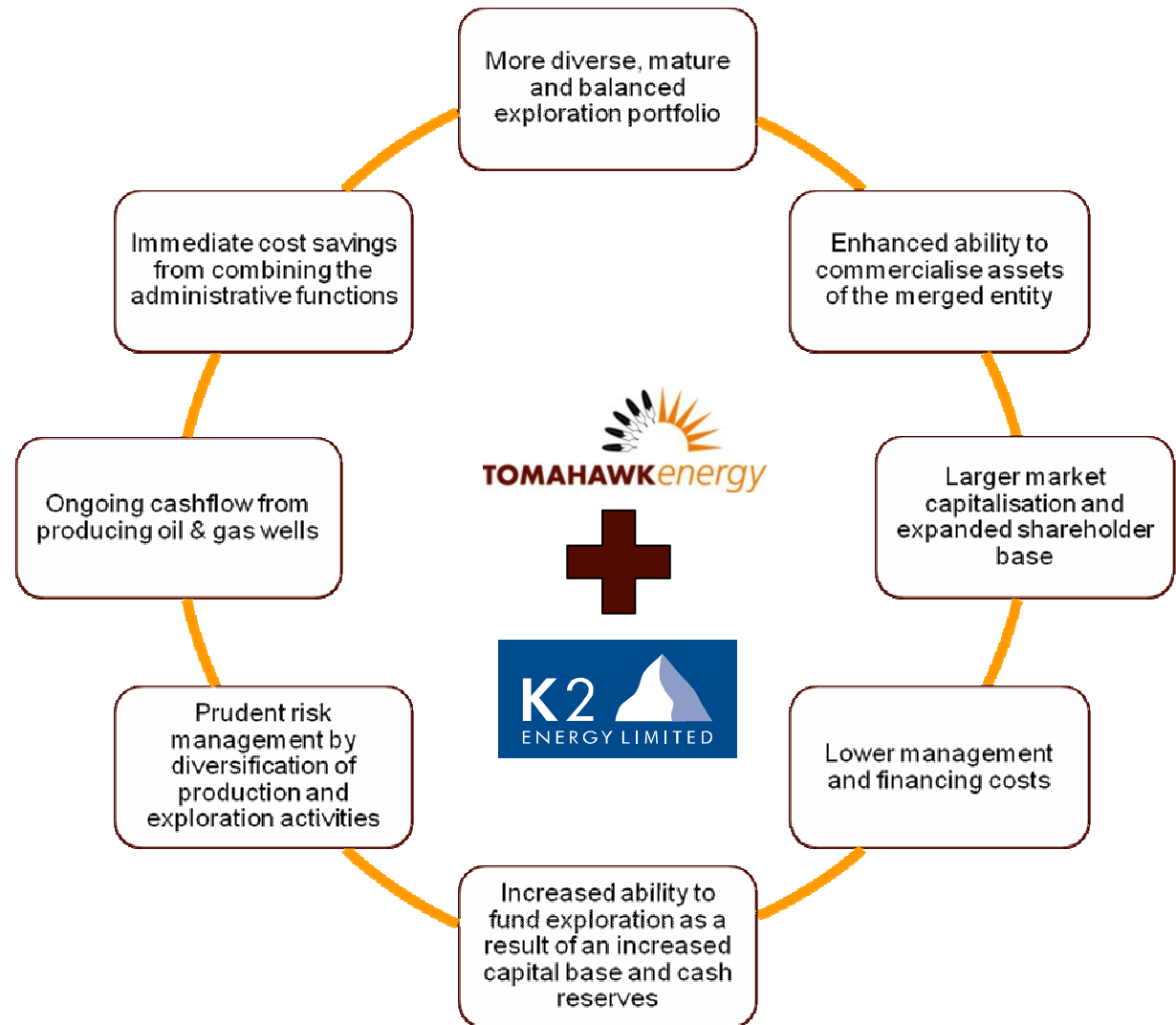
“New-Tomahawk” has the financial resources and management expertise to deliver

Merger With K2 Energy



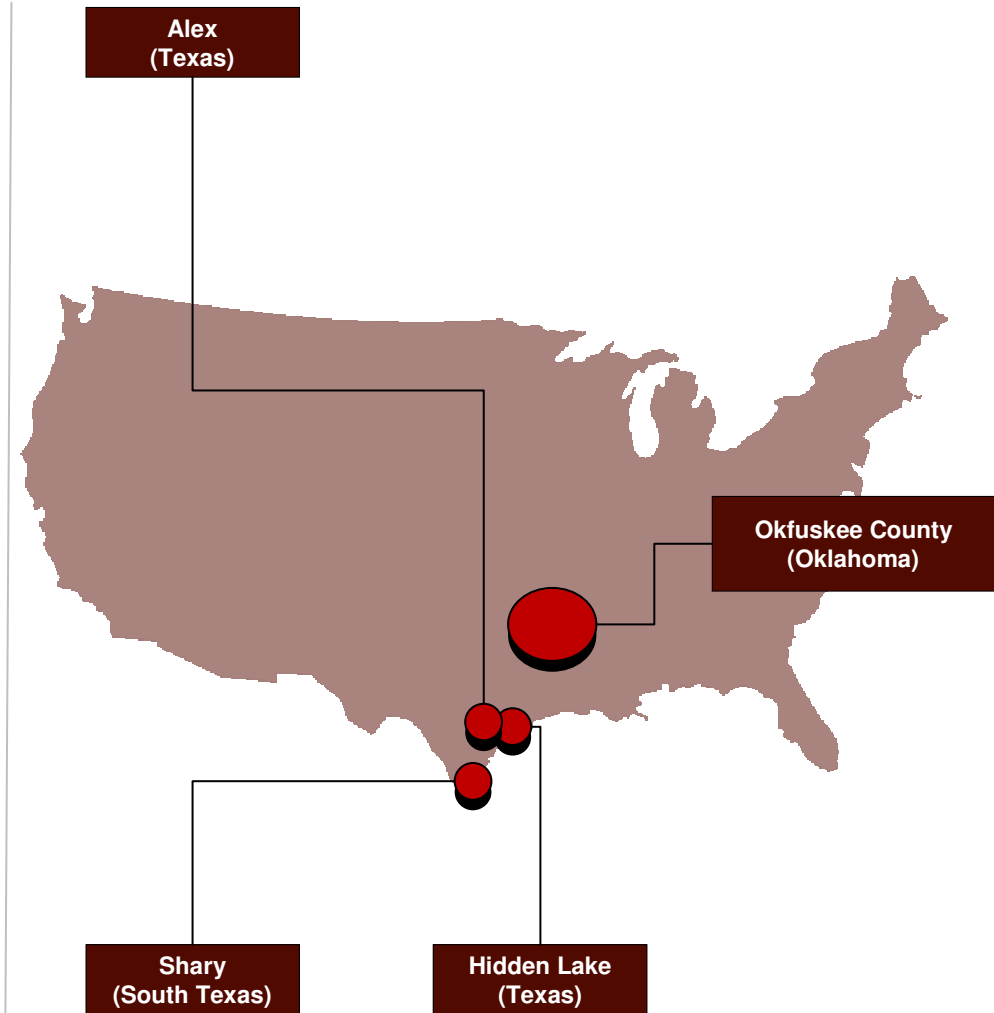
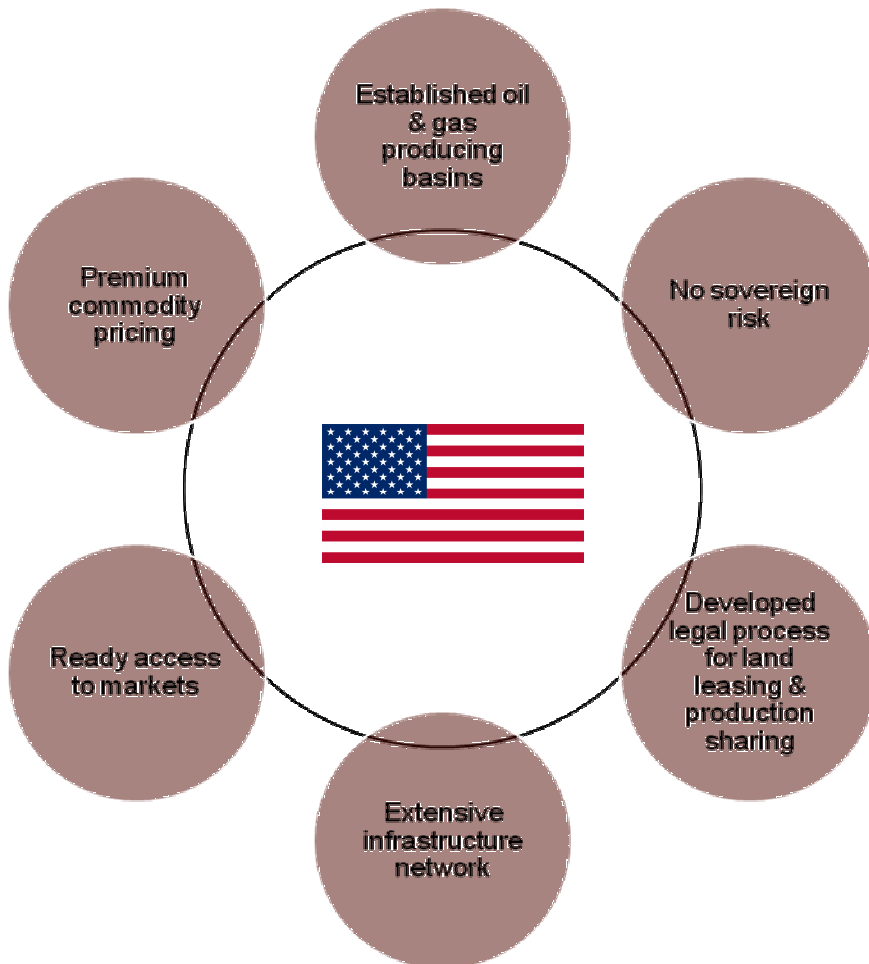
Transaction Rationale

- K2 had solid management, good operational experience in the US, plus significant cash resources
- Tomahawk had a very prospective project but lacked the necessary financial strength and operational expertise
- Opportunity to lock-in tremendous shareholder value
 - Deploy cash reserves towards bringing existing conventional gas discoveries on stream
 - Drill numerous identified conventional drilling targets
 - Enhance production and cash flow generation
 - Evaluate discovered non-conventional resource
 - Pursue new and other existing opportunities
- Australian oil & gas sector likely to undergo a major period of consolidation
 - Survival of the fittest
 - First mover advantage
 - Scale ensures survival
 - Cash flow is key



Operational Overview

Areas of Focus: Why & Where?



Operational Overview

Strategic Direction

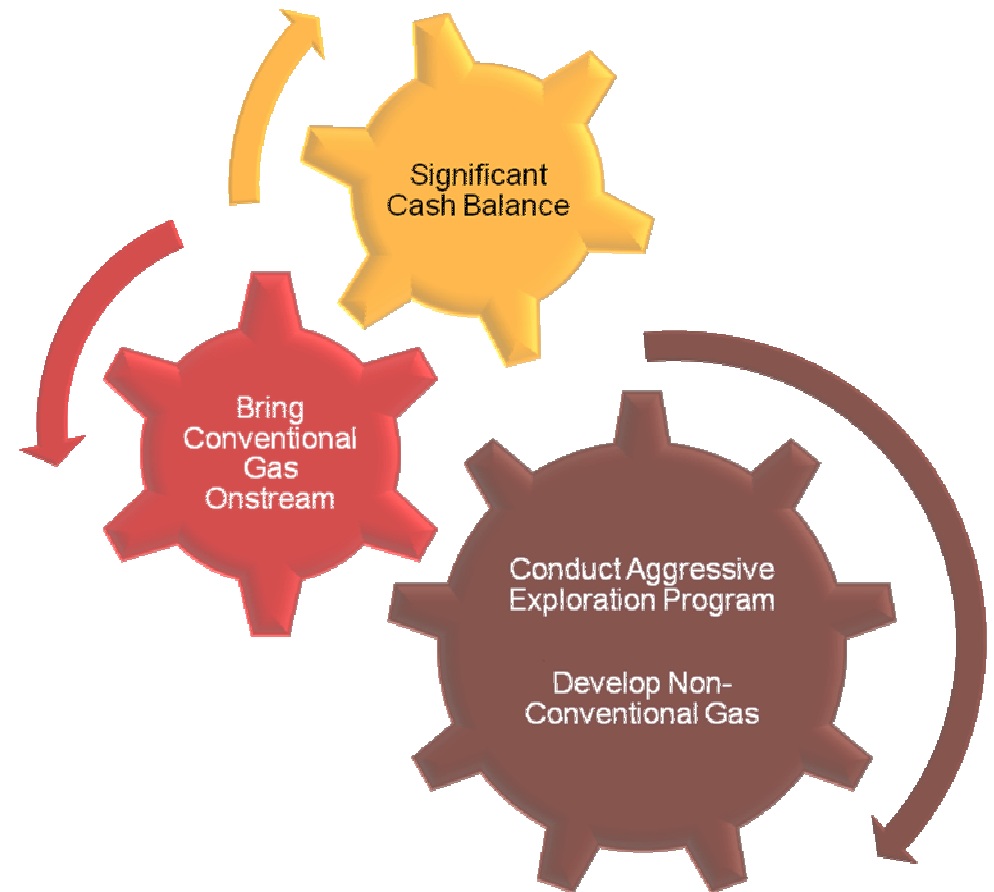


1 WELL COMPLETIONS & WORKOVERS

- In excess of US\$20mn spent on exploration and production
- 20+ discoveries with “behind pipe” potential
- 6-10 hydrocarbon zones
- Extract value from conventional reservoirs
- 12 well workover program currently underway

2 EXPLORATION PROGRAM

- Bad Creek
 - 3D seismic targets
 - 8 well exploration program in progress
 - Highly promising results
- 100% success on first 3 Bad Creek wells
 - Priegel #1-10 (33.0%)
 - Patriot #1-15 (12.5%)
 - Patriot #2-15 (12.5%)
 - 4 well development program planned
- Other Wells
 - Gayle #1 (7.8%) 3-10 Bcf
 - Alex #1 (7.5%) 10-24 Bcf
 - Shary #1 (6.8%) 1Bcf – 100 Mcfd
 - Shary #2 (6.8%) 2Bcf – offset to be drilled updip

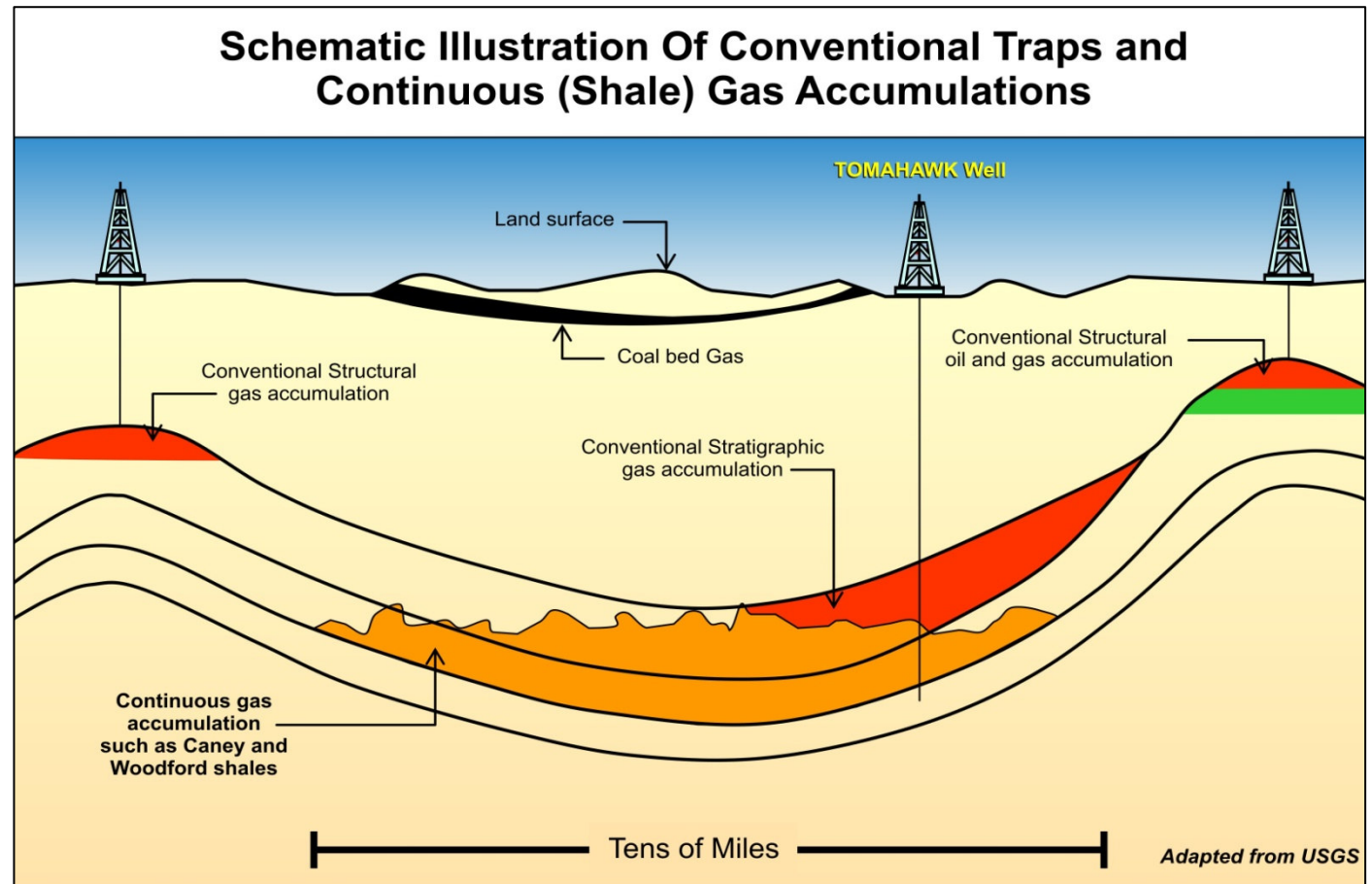


Operational Overview

What Are We After?



- Gas development historically involved conventional drilling and completion
- Conventional gas reservoirs originally formed in sandstone and limestone formations
- Gas migrated upwards until trapped by geologic faults or folds, ultimately to reside in a reservoir rock until discovered, drilled, and produced
- Conventional plays are trap scenarios - as opposed to unconventional gas, which is deposited in continuous accumulations
- Gas shale reservoirs are generally composed of low-permeability, low-porosity matrix rock where the majority of gas is stored and a system of natural fractures that supply most of the transmissibility in the reservoir
- Shale can be hundreds of feet thick and cover millions of acres



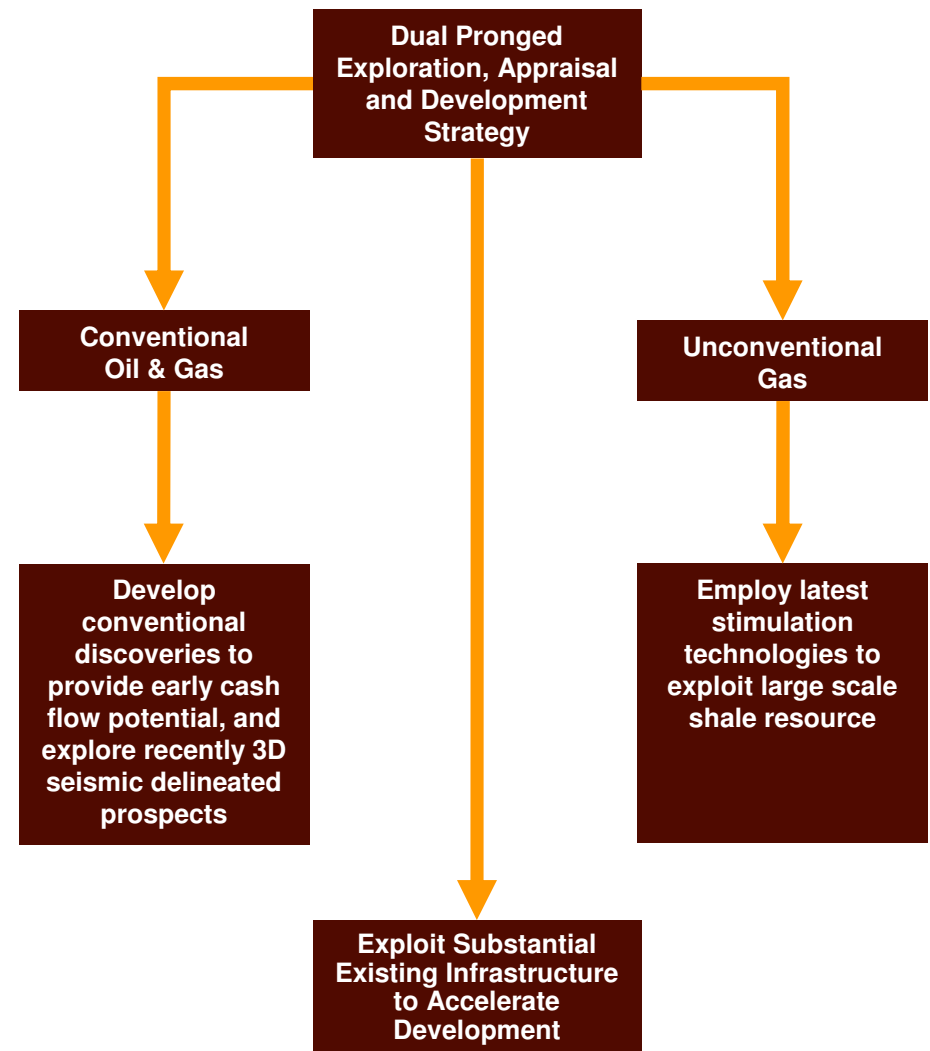
Operational Overview

Dual Pronged Strategy



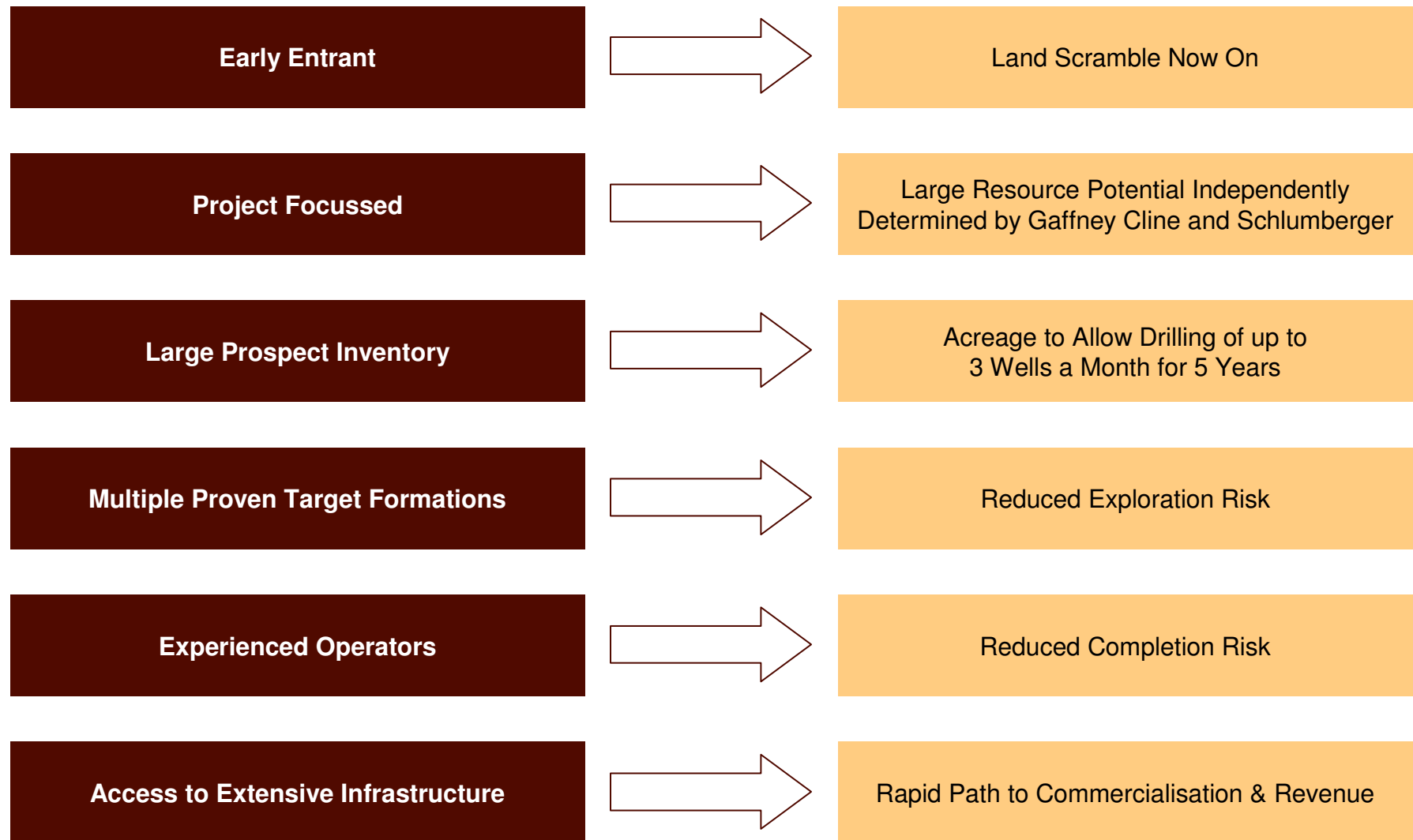
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- 12.5% in approximately **27,000 acres** in the Okfuskee County, Oklahoma
- Outstanding exploration success rate to date
- **28 existing wells** with “behind pipe” oil and gas potential from conventional reservoirs
- Average working interest of around 40%
- **Recent 3D seismic survey** over most of the discoveries
- **Project area resources independently assessed**
 - **Gaffney Cline** : Net contingent resources 20-70 Bcf (best case: 45 Bcf)
 - **Schlumberger**: 10-20 Bcf “behind pipe” (Only 14 wells analysed and only conventional resources potential)
- Despite a very high success rate for an average of at least 3 formations per well – Schlumberger have assumed 2 formations per well in its exploration assessment – hence their assessment good be viewed as conservative
- **10 high quality prospects** identified for immediate drilling containing potential reserves of **in excess of 20 Bcf**
- **20 additional prospects** in 3D area which may become drilling targets over the medium term
- **Dual pronged strategy** for capturing conventional and non-conventional prize



Operational Overview

The Ingredients for Success are There



Operational Overview

Bad Creek - Expanding Exploration Focus



- 50 square mile proprietary 3D shoot
- 50% interest in 3,000 acres of target specific acreage
- 20 drill targets identified so far and expected to double
- First 3 wells all commercial and producing
- 8 new exploration wells planned over next 3-6 months with additional locations being developed
- 3 development wells planned in next few months for Patriot and Priegel discoveries
- New Schlumberger seismic interpretations reveal new Booch channel and Gilcrease channel targets as well as Woodford and Caney fracture anomalies to be tested
- Potential for in excess of 100 wells to be drilled in Bad Creek
- Engineer's reports underway to develop prospect inventory and reserve estimates for all identified prospects
- Gathering systems, existing infrastructure and pipeline access means early cash flow from any discoveries

Unconventional Gas – Further Upside Potential

Why Explore Gas Shales?



The What?

Shales are both hydrocarbon “Source and Reservoir” rocks

Shales have both free gas and adsorbed gas. Patience in early flow rates increases long term reserves

Having strong technical “partners” is key to developing non-conventional gas

Horizontal wells are fast becoming the standard production technique

Use all the latest leading edge technology to determine optimal completion techniques

The Why?

Massive resource potential

Low geological risk as existence of shales known for decades

Strong demand with high gas prices make for robust project economics

Expectation that continued development of technology will lead to further increases in both reserves and production

Seismic surveys are essential for successful completion of horizontal wells

So What?

Caney & Woodford shales being touted as the “next Barnett shale”

Shallow targets with low cost of drilling & completion

Good potential for more shallow conventional zones

Rapid lead times from drilling to sales revenue

Abundant infrastructure to support development

Unconventional Gas – Further Upside Potential

US Shale Play Heats Up



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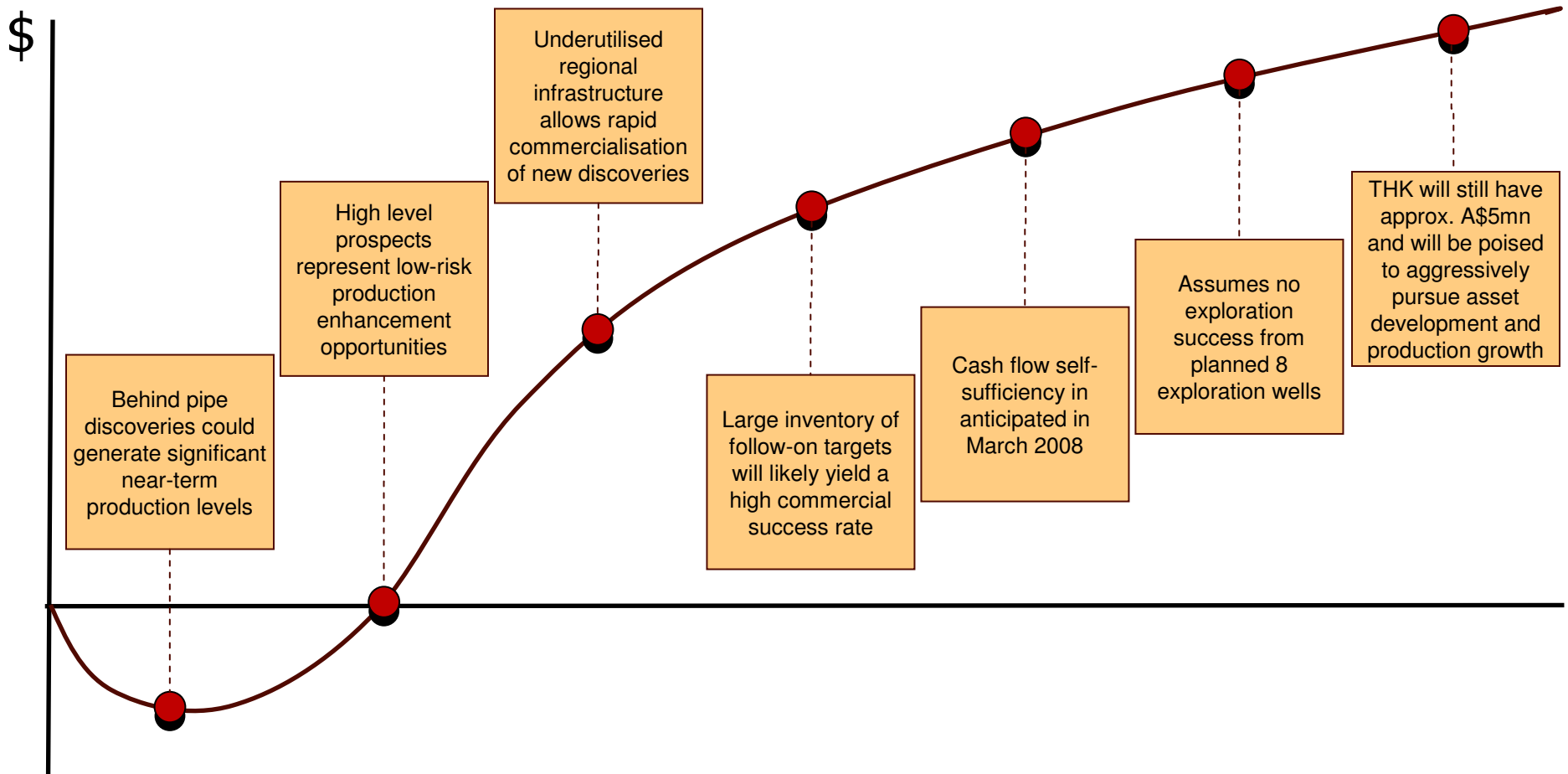
Tomahawk Energy is positioned in “one of the recognised unconventional gas plays in the United States” – Arkoma Basin

- Natural gas is the fastest growing primary energy source in the United States
- Low permeability shale is the latest major source of natural gas to be developed
- Total shale-gas resources in the U.S. estimated between 500-600 Tcf
- Shale gas could provide up to 15% of the technically recoverable natural gas resources in the U.S. over the next 18 years
- 39,500 producing shale-gas wells in the U.S., with cumulative production of about 600 Bcf per year
- NYMEX natural gas futures currently hover around US\$7
- Unconventional gas represents a major exploration and development play being pursued by many big name oil & gas companies
- Unconventional gas development is a technology story, and technology is constantly improving



Delivering Success

Net Production & Cash Flow Growing Fast



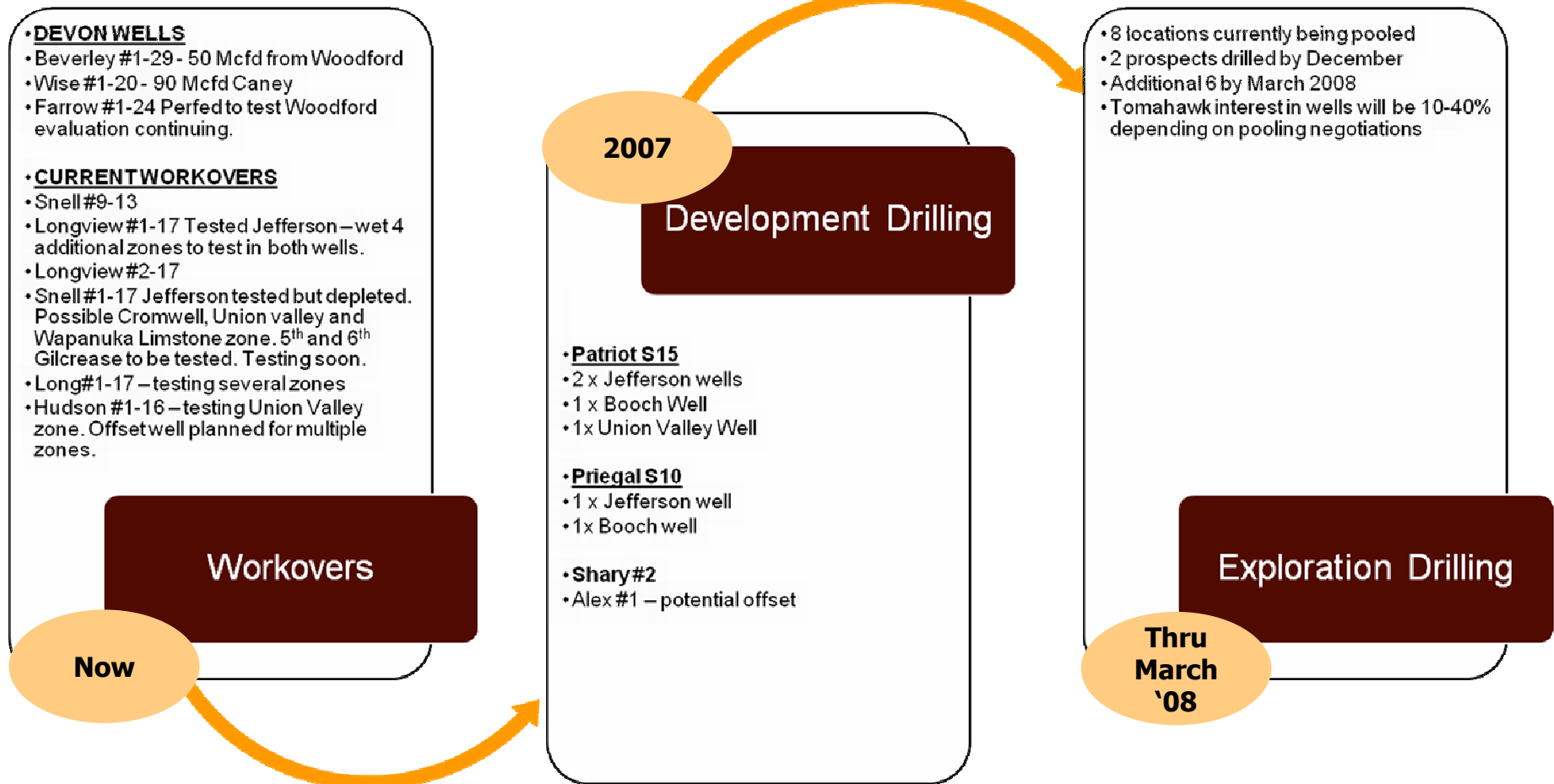
Major turnaround over next 6 months driven by strong production growth.
Excluding any further exploration success the company expects to be cash flow positive by March 2008.

Delivering Success

Forward Work Program



Tomahawk is developing an extensive prospect & lead inventory, which will supplement already committed activities post Q1 2008.



Delivering Success

Valuation Implications



Valuation Re-Rating Potential is Highly Attractive

All share prices are quoted in Australian dollars

NET GAS RESERVES (Bcf)	NPV OF GAS RESERVES (US\$/Mcf)		
	3.00	4.00	5.00
5	0.11	0.15	0.18
10	0.22	0.29	0.36
15	0.33	0.44	0.55
20	0.44	0.58	0.75
25	0.55	0.73	0.91
30	0.66	0.88	1.09
35	0.77	1.02	1.28
40	0.88	1.17	1.46
45	0.99	1.31	1.64
50	1.09	1.46	1.82

**Mid-Tier E&P
Company**

Natural Gas Pricing Outlook is Excellent!

- The environmental choice e.g. most US power station new-builds gas-fired
- Most gas fields discovered decades ago
- US reserves deceptively large
- Depletion rates from existing discoveries increasing
- Production being maintained by way of the most aggressive drilling program in US history
- Canadian import security questionable – tar sands development needs gas
- US not a part of global gas market due to NIMBY veto over LNG projects
- Local problem, locally sourced, localised price = no rescue service
- When the gas cliff hits, it will hit hard!
- Getting close? Price spikes in gas dwarf those of oil (and are more frequent)
- Price decoupled from oil, upward swing expected – boe arbitrage on its way
- Gas fields deplete quicker - higher NPV on a boe basis than oil

Tomahawk's valuation is already underpinned by over 20 discoveries.
The task at hand is to commercialise this potential and demonstrate the overlooked value in our portfolio.

Notes:
Fully diluted valuation based on Tomahawk's existing capital structure
Assumes AUD/USD 0.85 exchange rate

Delivering Success

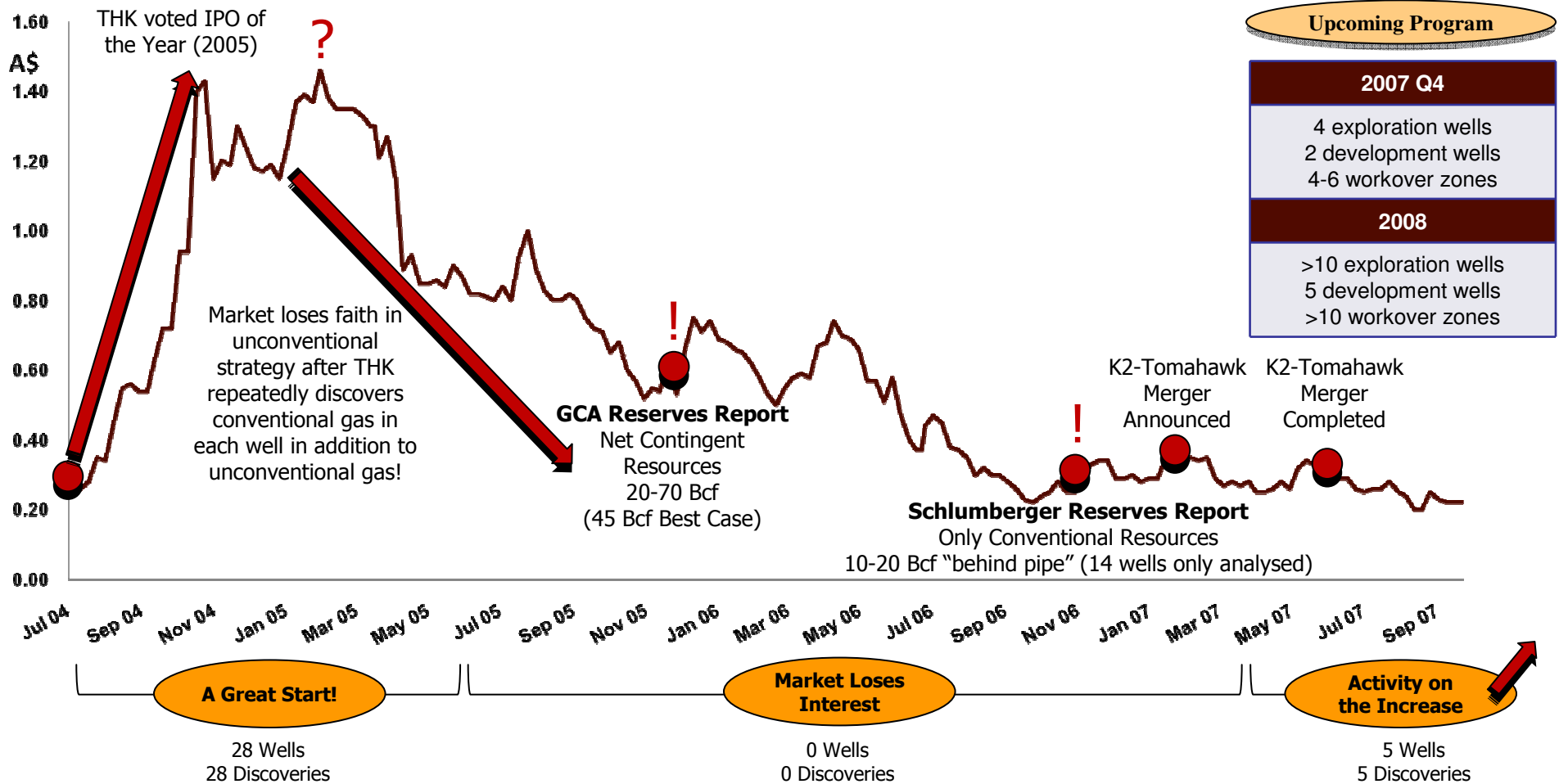
A Good Time to Invest



The "Old Tomahawk" has underperformed after initial promise.

The market has questioned its ability to achieve its original goal of commercialising the Caney/Woodford.

We believe a change of management and strategic focus towards conventional gas potential will be the catalyst for a turnaround.

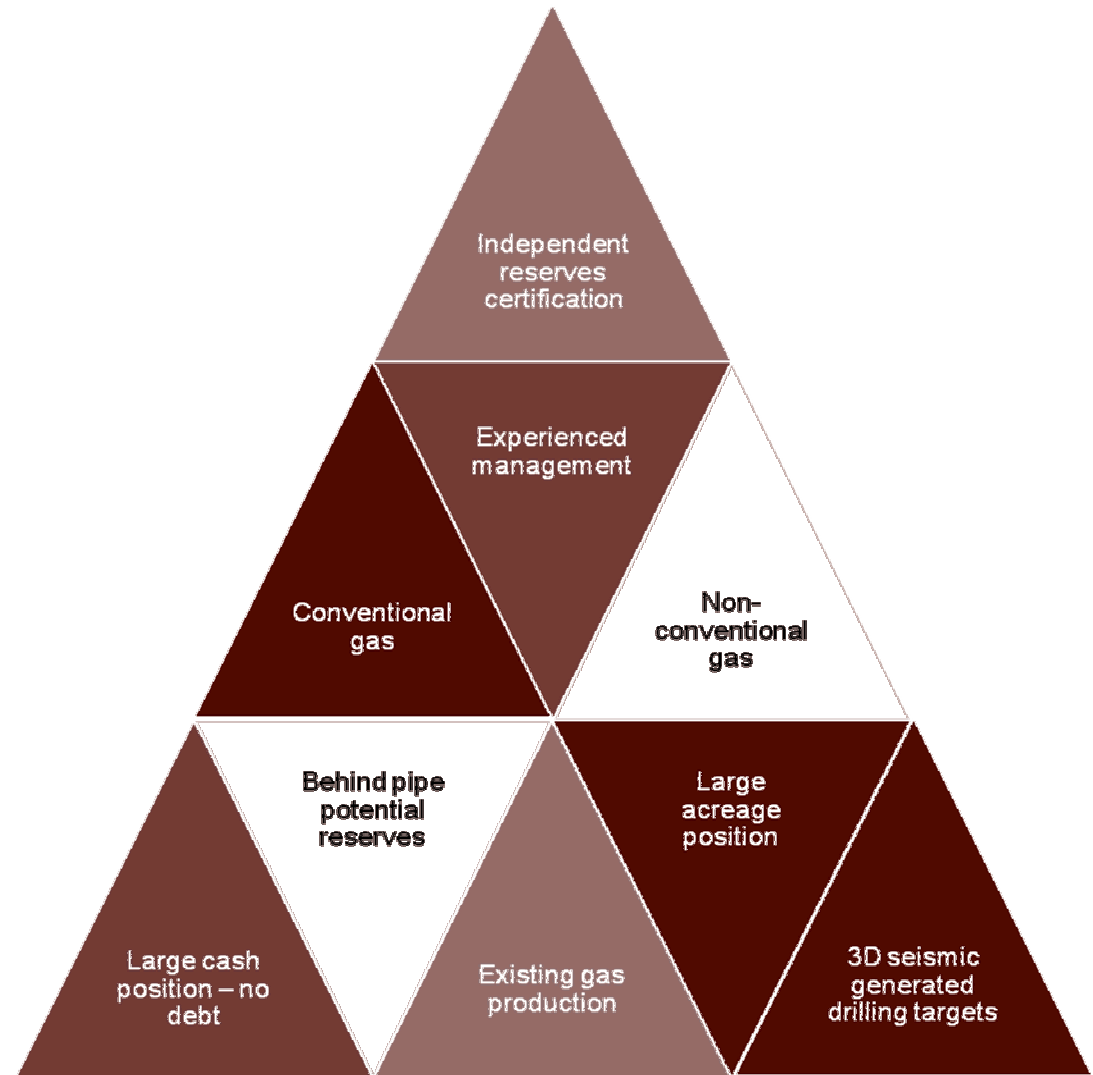


Delivering Success

Building a Successful E&P Company



- Foundations for growth firmly established since IPO
- Onshore USA focus
- Oklahoma project will be growth engine
- Strong reserve and production growth
- Increasing free cash flow
- Outstanding exploration success
- Low cost drilling with high equity positions
- Large number of undeveloped conventional oil & gas discoveries with demonstrable reserves and production growth potential
- Large undeveloped exploration portfolio
- Further upside in unconventional gas resources where Tomahawk was a pioneer in the Caney/Woodford play
- Solid cash position – no debt



Delivering Success

Why Invest in Tomahawk?



- 1 Major pullback in share price – significantly undervalued
- 2 Lowest ever share price – not consistent with strongest position since IPO
- 3 Growing reserves and production profile since merger completed in May 2007
- 4 Strong cash position to fund aggressive exploration and development program
- 5 Prospects generated from virgin 3D shoot – large number of quality targets
- 6 Bad Creek 3D area drilling 3 for 3 (100% success rate) and wells connected to sales
- 7 Since merger 5 discovery wells drilled – 3 in Bad Creek, Oklahoma and 2 in Texas
- 8 Strong management – US presence and technically savvy
- 9 Independent engineers' report on prospect inventory and reserves underway and due out December 2007

Thank You For Your Time

Need More Information...



Contact Us

For more information or if you have any queries you can contact Tomahawk Energy at:

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Closing Thoughts...

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