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ASX ANNOUNCEMENT - OPERATIONAL UPDATE

Highlights

- Gayle discovery commences production, flowing oil and gas
- Aggressive drilling campaign to commence in Oklahoma next month with four exploration wells to commence drilling.
- Workover activity continues to enhance production in Oklahoma with several new wells/zones added to the production volume
- Reserves potential at Shary prospect scheduled to be drilled in November increased by over 150 %.
- Preigal well shut in for downhole works

SHARY PROSPECT POTENTIAL RESERVES INCREASE to 4 BCF. Tomahawk Increases Interest to 12.37%

The Board of Tomahawk Energy is pleased to announce that a review of seismic data on the Shary #2 development well location has resulted in an increased estimate of possible reserves from **1.5 BCF** to a possible **4BCF**. It is anticipated that the Shary #2 will spud in November. Tomahawk Energy has also increased its working interest in the prospect from 6.8% to 12.37%.

GAYLE #1 WELL IN PRODUCTION

The Gayle #1 discovery well in Brazoria County Texas has commenced production and is averaging at 200 mcf/d gas (on a 12/64th choke) and 80 barrels of oil per day (BOPD) from the 10,200ft Frio sand. Further potentially productive shallower zones are yet to be tested in the well. Tomahawk Energy has a 7.78% Working interest in the well.

4 WELLS TO SPUD AT BAD CREEK NEXT MONTH

As part of the 11 well drilling program announced 10th October 2007 the operator has proposed 4 new wells to be drilled in the Bad Creek project area. Three of the wells, the Patriot 3-15, Priegel 2-10 and the Priegel 3-10 will be development wells off setting the recent discovery wells Patriot #1 and Priegel #1. Tomahawk has a 32.7% interest in the Priegel wells and a 12.6 % interest in the Patriot well.

In addition a new exploration well will be drilled on a 3D seismic structure in Section 11 targeting 4 prospective formations. The structure is estimated to have potential to produce 2 BCF of gas and Tomahawk has a 33.33% interest in the well.

ALEX #1 DISCOVERY WELL TO BE FRACTURE TREATED

The operator of the Alex #1 discovery well in Hidalgo County Texas has moved to fracture stimulate the 10,300' Frio sand zone on 26th October last. The results of the treatment will be known in the next 7 days. The Alex well is testing a 10-24 BCF target and Tomahawk Energy has a 7.5% working interest in the well.

WORKOVER PROGRAM CONTINUES at BAD CREEK

The previously announced work over program to exploit behind pipe reserves on existing Tomahawk wells in the Bad Creek project is continuing. The Long #1-27 was re-completed in the Gilcrease zone and is currently producing 4 BOPD and 20 mcf/d. Tomahawk owns 100% of the well.

The Beverley #1-29 has been completed in the Caney shale and is currently producing at 50 mcf/d. The Wise #1-20 has been completed in the Woodford shale and is producing 40 mcf/d. Tomahawk has a 12.5% working interest in the both wells.

Several other re-completed zones in several other existing wells are currently being evaluated.

Additional workovers are scheduled on further 6 zones in existing wells in the coming months.

PRIEGEL #1 WELL SHUT IN FOR DOWNHOLE WORKS

The Priegel #1 discovery well at Bad Creek has been shut in temporarily to attempt to shut off increasing water flow into the well. The well was producing at 500 mcf/d however increasing water production and related falling gas production has necessitated remedial work to shut off the lower lobe of the Jefferson sand zone that is believed to be the source of the water. The operator is optimistic that the water issue can be resolved however if it cannot then the operator proposes to set a plug above the Jefferson zone and complete the shallower Booch (Boak) sand. A planned Booch development well, will then be drilled to re-establish production from the shallower water free lobes of the Jefferson sand.

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