



ABN 99 106 609 143

Level 2, Kyle House
27 Macquarie Place
Sydney. NSW. 2000

Tel: (02) 9251 3311
Fax: (02) 9251 6550

Testing yields combined 3.4 mmcfd in Oklahoma.

Tomahawk Energy Limited (THK) is pleased to announce that it has now successfully tested two recent exploration wells, Priegel #1-10 (THK 33%) and Patriot #1-15 (THK 12.5%) in its Bad Creek Project in Oklahoma.

The Jefferson Sand zones in the Patriot #1-15 and the Priegel #1-10 have tested at **1700 mcf** of gas per day each and are both now in production and connected to sales.

The net incremental production from these two wells will lead to a substantial rise in Tomahawk's net production and cash flow. THK's production in Oklahoma has now increased by more than 100% from these two wells alone, and the planned increased pipeline capacity will soon increase production even further.

THK is currently embarking on an aggressive work-over and drilling program, which is expected to continue to increase production over the coming months.

The Patriot #1-15 tested at **1700 mcf** but has been choked back to produce at **500mcf** due to pipeline constraints. A larger capacity gas line is being laid to allow for full production that is expected to be between **750 and 1000 mcf**.

The Priegel #1-10 also tested gas flows of **1700 mcf** but has been choked back to produce at **500 mcf** and will remain at this rate to optimize its production and reserve potential.

Both the Patriot and Preigel wells have additional potential in multiple shallower formations that remain to be tested. Additional drilling is planned to increase reserves and production from the prospects.

A nearby **analogue Jefferson sand gas field accumulated 4.5 BCFG** from 4 wells and the company is encouraged at the initial similarity to the Patriot discovery.

The company expects to drill at least an additional two to four Jefferson sand offset development wells on the prospects to continue to raise production levels. These wells combined with production data will provide a better assessment of the reserve potential of the prospect.

The success of the Patriot #1-15 and the Priegel #1-10 endorses the decision of the new Tomahawk Board, appointed 23rd May 2007 after the merger with K2 Energy Limited, to focus the exploration efforts of the company in the immediate future on the conventional gas potential in the Bad Creek 3D Seismic Project area.

The success of the first two wells drilled in the Bad Creek Project confirms the potential of the project and the additional 20 targets that have been identified from 3D seismic in the project area to date. The company will continue to aggressively drill the targets, with a minimum of 10 new wells planned over the coming year.

The work over program on the existing 30 THK wells is proceeding rapidly, with work recently commenced on 9 well bores to access behind pipe resources in those wells. In addition to the production from the new wells, the company also expects increases in production from the work-over program on existing wells to add to production revenue over the coming months.

TEXAS WELLS

Alex #1 (THK -7.5%)

The Alex #1 well in Hidalgo County Texas has resumed drilling, after delays due to mechanical problems and stuck pipe. The well will be drilled to a total depth on 12,000 feet and is targeting 10-24 BCF of gas from 1-3 pay zones.

Gayle #1 (THK 7.5%)

The Gayle #1 well in Brazoria County spudded in late June and is drilling on at 8,900'.

The well is targeting multiple Frio sand formations with a reserve potential of 3-10 BCF and also has potential in deeper formations.

BOARD CHANGES

Messrs Mike Reed and John Thompson, who are directors of K2 Energy Limited, have been appointed to the Board of the company. Mr. Reed is a Certified Petroleum Geologist with the American Association of Petroleum Geologists, with over 25 years of experience in oil and gas exploration in the United States. Mr. Thompson has considerable experience as a director and manager of resource and scientific companies.

Mr. Frank Brophy has resigned as a director of the company and the Board wishes to thank Mr. Brophy for his contribution company during his tenure.

25th July, 2007