



Level 2, Kyle House
27 Macquarie Place
Sydney NSW 2000
Tel: 9251 3311
Fax: 9251 6550

WORKOVER & RECOMPLETION PROGRAM COMMENCED NEW EXPLORATION WELLS PLANNED

OPERATIONAL UPDATE

The new Board of Tomahawk Energy is pleased to announce two major initiatives that are being taken now that the merger of Tomahawk Energy and K2 Energy has been finalised.

1. Tomahawk Energy has commenced a major program of **well completions and work-overs** at its Okfuskee County Operations in Okalahoma. The aim of this program is to increase the proven reserve base and significantly increase the amount of oil and gas production from the existing wells. The cost of the initial workover program, net to Tomahawk Energy, is expected to be approximately \$1 million.
2. The start of a comprehensive and ongoing **exploration program** in conjunction with our joint venture partner in the Bad Creek Project area in Oklahoma.

1. WELL COMPLETIONS AND WORKOVERS

Over the past two years Tomahawk has been involved in 30 wells in its core area in Oklahoma and spent in excess of \$20m in exploration and production. The program announced today is aimed at extracting value from this past investment (wells drilled) by bringing its existing wells into commercial production from recognized conventional oil and gas reservoirs, which are classed as “behind pipe”. As previously announced, Tomahawk has shifted its near term focus away from deeper unconventional gas formations (shale), in order to concentrate on exploiting oil and gas from the known conventional reservoirs that exist in its current well bores. The unconventional gas formations (shale) will be subjected to appraisal and hopefully development, at a later date.

All of Tomahawk’s wells drilled over the past years encountered oil and gas in numerous shallow formations, that in many cases have not yet been developed. There are up to twelve prospective hydrocarbon zones in the general area of exploration. Each well drilled by Tomahawk did encounter multiple pay zones that until now have remained largely undeveloped, as the initial exploration and development focus was the deeper unconventional formations. The merger with K2 Energy has provided the capital resources and management team to pursue an aggressive work program, in order to bring these wells into commercial production and accelerate near term cash flow. K2 has its own people on the ground in Oklahoma working with the Operator, Metro Energy, on this exploitation program.

The program announced today is a “well by well” work program, in which a bulk of the work is perforating identified oil and gas formations. Wells will be put on pump, some swabbed and acidized, with some fraced and others just “worked over”. Equipment and manpower is now on site implementing this development plan on the first 12 wells to be worked over in the program. The program will also include installing a substantial amount of surface equipment to handle the increased production volumes of oil and gas. The program has already commenced and the early indications are highly promising, with production already beginning to increase in several wells. The company will make further announcements as to the progress of this program in the near future. (See attached schedules)

2. EXPLORATION PROGRAM

The Bad Creek exploration program has already commenced and the first phase involves 7 wells. Three wells have already been drilled and the Priegel #1-10 and the Patriot #1-15 are exciting discoveries. The Patriot #2-15 appears to be a successful development well on the Patriot Structure that will shortly begin production.

An additional 4 wells are planned to commence drilling in the coming weeks and it is planned to drill a large number of 3D seismic targets identified in the Bad Creek 3D survey progressively over the medium term.

In addition the company has commenced drilling the Gayle #1 and the Alex #1 wells in Texas and the Shary #1 well in South Texas has been brought on to production. For a more detailed discussion of these wells see the Drilling Report attached.

CONCLUSION

The new Board of Tomahawk is pleased to announce that the Bad Creek Exploration and well work-over program has commenced so soon after the merger with K2 Energy, and that early results look very positive. The Board believes that there is a substantial amount of undeveloped oil and gas “behind pipe” in its well bores and hence is aggressively looking to bring these into commercial production as soon as possible. The expected ramp up in production from this exploitation program compliments the current exploration campaign in the same area. The company has already announced two discoveries over past months and is embarking on an aggressive exploration campaign as well. Armed with new 3D seismic and a more secured land position, the company is confident it can grow its reserves and production base. The 3D seismic has yielded numerous drilling opportunities that will be pursued as part of this program. The Board is confident that the company can now grow its reserves and production base, from the combination of well work-overs and exploration.

PETER R. MOORE
CEO

26th June 2007

Attachments: - Drilling Update
- Schedule of proposed New Wells & Existing well Work-over Program



DRILLING UPDATE

Tomahawk Energy Limited provides the following updates in respect to Oklahoma and Texas exploration wells. Tomahawk is currently drilling and evaluating the results of 3 discovery wells recently drilled in Oklahoma, the Priegel #1-10 and Patriot #1-15, as well as the Patriot #2-15 development well on the Patriot structure. In Texas the Shary #1 has also been completed and connected to a sales line and the Gayle #1 and Alex#1 exploration wells have commenced drilling.

PRIEGEL # 1-10 (THK 33% Oklahoma)

The Priegel # 1-10 discovery well located within the Bad Creek 3-D Project Area of Okfuskee County, Oklahoma was spudded on March 29, 2007 and reached a total depth of 4595'. Drilling and electric logs indicated seven potentially productive zones, in addition to the expected gas bearing Caney and Woodford Shale formations. Testing of these zones has commenced from the bottom of the well, which means the deeper zones will be tested and completed for production first. This testing sequence will mean that the best zones may not be tested for quite some time.

To date one zone, the Hunton Limestone between 4020' – 4028', has been perforated in the Priegel well. The Hunton zone has been stimulated and fracture treated, which resulted in a flow of gas to surface. The flow testing is being conducted directly into the sales line. The well is now flowing gas and the company hopes to report some stabilized rates over coming weeks.

PATRIOT # 1-15 (THK -12.6% Oklahoma)

The Patriot # 1-15 discovery well located within the Bad Creek 3-D Project Area of Okfuskee County, Oklahoma was spudded on April 16, 2007 and reached a total depth of 4,410'. Significant oil and gas shows were encountered, while drilling and electric logs have identified 12 potentially productive zones.

To date, two zones have been perforated and testing operations are currently underway. The Wilcox Sandstone 3988-4000' testing results yielded a water bearing zone. Testing has now moved up the hole to the Viola Limestone where down hole and surface equipment is in now in place to test this zone. If low production volumes are encountered from the Viola zone, a fracture stimulation of the Woodford Shale is planned. Depending on results, these zones may be completed for commercial production or testing will move to zones further up the hole.

PATRIOT # 2-15 (THK - 12.6 % Oklahoma)

Because of the many hydrocarbon zones encountered in the discovery well Patriot 1-15, the joint venture decided immediately drill a development well. The Patriot # 2-15, a development offset well, was located 50' from the Patriot # 1-15 discovery. The well was spud May 9, 2007, and reached a total depth of 2200'. Three potential zones exist in the well. The Senora, Bartlesville, and Booch (pronounced "Boak") Sand targets are the main potential producing formations.

To date only one zone, the Booch Sandstone, 2022 – 2032, has been perforated and zone has been stimulated and strong oil and gas shows were encountered. The zone has been scheduled for fracture treatment and the installation of pumps in order for the well to commence production by July 1, 2007.

ALEX # 1 - (THK - 7.5% Texas)

The Alex #1 well in Hidalgo County, South Texas commenced drilling in mid May and encountered a saltwater flow at 9,488 feet that resulted in stuck pipe. After multiple attempts to free the pipe, a plug was set at 4,749 feet and the hole was sidetracked and re-drilled from that point. Tomahawk Energy's share of additional well cost due to re-drilling is estimated at approximately \$US 100,000.

At last report the well was drilling at 8,150 feet. The proposed total depth for the well is 12,000 feet and is targeting Frio sands with a reserve potential of 10-24 BCF gas from 1-3 pay zones. Tomahawk Energy has a 7.5% working interest in the well.

GAYLE # 1 – (THK- 7.78% Texas)

The Gayle # 1 well on the Hidden Lake Prospect in Brazoria County Texas spudded this week and will drill to a proposed total depth 11,400 feet to test multiple Frio sand formations with additional deeper potential zones as a further exploration option. The well is offsetting a discovery well shut in recently due to mechanical problems. The reserve potential is estimated in the 3-10 BCF gas range and Tomahawk Energy has a 7.78% working interest in the well.

SHARY #1 – (THK - 6.8% Texas)

The Shary # 1 discovery well in Hidalgo County, Texas has been connected to sales line and is expected to commence production this week. Over a 16 day period, the well tested at 150 MCFGPD with 16 BWPD with 430psi flowing tubing pressure on an 8/64" choke. The well was put to sales on June 21, 2007 and produced 443 MCFG, 1.2 Barrels of Condensate (BC) and no water in the first 24 hours on a 8/64" choke with 1700psi flowing tubing pressure (FTP).

The Shary # 1 has a prospective up dip drilling location higher on the structure in the same fault block that will be evaluated for possible drilling later in 2007.

**Tomahawk Energy Limited-
Proposed New Wells and Work over Program**

New Well Proposals & Completions						
Well Type	Well Name	Location	WI %	Spud Date	TD	TD Formation
Wildcat	Priegel # 1-10	Okfuskee, OK	33	30/03/2007	4350'	Arbuckle
Wildcat	Patriot # 1-15	Okfuskee, OK	12.5	16/04/2007	4410'	Arbuckle
Development	Patriot # 2-15	Okfuskee, OK	12.5	6/05/2007	2200'	Middle Booch
Wildcat	Holt # 1	Okfuskee, OK	TBA	TBA	est.4300'	Arbuckle
Offset To Holt	Bad Creek # 1	Okfuskee, OK	TBA	TBA	est. 4300'	Arbuckle
Wildcat	Douglas # 1	Okfuskee, OK	TBA	TBA	est. 4500'	Arbuckle
Offset To Douglas	Coleman Trust # 1	Okfuskee, OK	TBA	TBA	est. 4500'	Arbuckle
Wildcat	Alex #1	Hidalgo, TX	7.5	15/05/2007	12,000'	Frio sand
Wildcat	Gayle #1	Brazoria, TX	7.78	21/06/2007	11,400'	Frio sand

Existing Well Workover Program						
Well Type	Well Name		WI %	Orig. Spud	TD	Target Formations
Workover	Longview # 1-17	Okfuskee, OK	100	10/04/2005	3858'	Woodford Shale & Jefferson
Workover	Longview # 2-17	Okfuskee, OK	100	27/04/2005	3945'	Woodford Shale & Jefferson
Workover	Snell-Heirs # 1-17	Okfuskee, OK	100	29/03/2005	3950'	Woodford Shale & Jefferson
Workover	Long # 1-27	Okfuskee, OK	100	21/10/2005	4175'	Caney Shale & Gilcrease
Workover	Snell-Heirs # 9-13	Okfuskee, OK	50			Savanna & Red Fork Sandstones
Workover	Snell-Heirs # 4-18	Okfuskee, OK	100	15/03/2005	3905'	TBA
Workover	Smith # 1-13	Okfuskee, OK	12.5	waiting on logs	TBA	Test Perforated Gilcrease/ Currently shut-in
Workover	Adkins # 1-5	Okfuskee, OK	12.5	waiting on logs	TBA	Plug Back Caney /Test Perforated Gilcrease
Workover	Wise # 1-20	Okfuskee, OK	12.5	waiting on logs	TBA	Woodford, Caney, & Gilcrease
Workover	Farrow # 1-24	Okfuskee, OK	7.5	waiting on logs	TBA	Perforate Viola
Workover	Wise # 1-29	Okfuskee, OK	11.5	waiting on logs	TBA	Perforate Gilcrease from 2722-2726
Workover	Beverly # 1-29H	Okfuskee, OK	11.5	waiting on logs	TBA	Drill out Plugs Test Caney equip with down hole and surface pump