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ASX RELEASE

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER **ENDED 30TH September 2007**

The Directors of Tomahawk Energy Limited (Tomahawk) (ASX: THK) are pleased to provide the following report for the September 2007 Quarter.

HIGHLIGHTS

- **Discovery well Patriot #1-10 established in production at 1000 mcf.**
- **Gayle #1 discovery well in Brazoria County Texas brought into production at 80 BOPD and 200 mcf.**
- **11 well drilling program in Bad Creek Project in Oklahoma announced.**
- **4 wells planned to be drilled in November/ December at Bad Creek**
- **The Alex #1 well on the Alex Prospect in Hidalgo County Texas was successfully drilled revealing multiple potential pay zones to be tested, A fracture treatment on the most promising pay zone is underway with testing results expected shortly. The well is targeting multiple frio sand formations with reserve potential of 10-24 BCFG.**
- **The Shary #2 development well has been proposed to offset the Shary #1 discovery well that is currently producing at 100 mcf. The up dip Shary #2 location will gain 60 feet of structure and has a possible resource of 4 BCF of gas. THK has increased its working interest in the well from 6.8% to 12.17%.**

OPERATIONAL OVERVIEW

During the quarter Tomahawk participated in the Gayle #1 and Alex #1 discovery wells in Texas. The Gayle #1 is producing at 200mcf/d and 80 BOPD and has further potential in other identified pay zones. The Patriot #2-15 discovery well in Okfuskee County, Oklahoma continues to produce well throughout the quarter.

The results from the Bad Creek project in Okfuskee County Oklahoma were very encouraging with successful discoveries and 11 additional wells planned in the upcoming exploration and development program.

The workover program is continuing on the existing 28 Tomahawk wells in Okfuskee County with the initial round of workovers yielding increases in production of 1700mcf/g per month. Several recent recompletions are currently being evaluated. Further potential conventional behind pipe zones will be tested in the coming quarter.

PATRIOT #1-15 (THK 12.6% Working Interest)

The Patriot #1-15 was spudded on April 16 2007 and reached a total depth of 4,410 feet on 4th May 2007. The prospect is relatively large covering over 300 acres of structural closure that is well defined on the 3D data set. Significant oil and gas shows were encountered while drilling and electric logs indicate the hydrocarbon pay is possible in 9 identified zones in the well including the Jefferson sand that is currently producing.

The Patriot #1-10 at Bad Creek tested and 1700 mcf/d in the Jefferson sand zone and the well has been producing steadily at 1000 to 1200mcf/d since May 2007. An offset well, the Patriot 3-15 will be drilled to the south of the Patriot 1-15 in the December Quarter.

PRIEGEL #1-10 (THK 33% Working Interest)

The Priegel #1-10 was spudded on 29th March 2007 and reached a total depth of 4585 feet on 13th April 2007. The prospect is a combination structural/stratigraphic trap that is well defined on Tomahawk's 3D seismic data. Significant gas shows were encountered while drilling and logs indicated 6 possible productive zones.

The Jefferson sand zone was completed and at tested 1700 mcf/d. The well was connected to sales producing at 250 mcf/d. Increasing water production from one of the lower perforated zones has caused the well to be temporarily shut to attempt to shut off the water flow. The well is expected to be back on line in the next few weeks.

HIDDEN LAKE PROSPECT, BRAZORIA COUNTY, TEXAS.

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 9.0616% working interest in the well.

SHARY PROSPECT, HIDALGO COUNTY, TEXAS.

The Black Stone – Shary #1 well has continued to produce steadily at a modest 100 mcf/d for the past several months, which has given encouragement to the Operator to propose an up dip offset well the Shary #2. . The company has secured access to the pipeline gathering system owned by Chesapeake Energy Corp in exchange for the shallow mineral rights on a 40 acres lease controlled by the Shary Prospect owners. Chesapeake's deep well encountered gas shows in a separate fault segment, which may also result in a future well proposal in which Tomahawk will have participation rights. The Shary well was connected top sales and is producing at an average daily rate of 100 mmcf/d.

The Shary #2 development well has been proposed. The up dip Shary #2 location will gain 60 feet of structure and has a possible resource of 4 BCF of gas. THK has increased its working interest in the well from 6.8% to 12.17%.

ALEX PROSPECT, STARR COUNTY, TEXAS

The Alex #1 well was drilled to test a fault bounded structure with and excellent gas shows in an off-structure, or down dip, well. Multiple reservoir targets were deemed possible with reserve potential ranging up to 24 bcf of gas.

Two deeper sand formations tested but returned either water or gas and water production. It was determined to proceed to perforate the prospective 10,300' Frio sand up hole.

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.

BAD CREEK PROJECT, OKFUSKEE COUNTY, OKLAHOMA

During the quarter a new 11 well drilling program was announced in the Bad Creek project and the first four of these wells commence drilling in November/ December 2007.

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.

CHEROKEE UNCONVENTIONAL GAS PROJECT

The company has retained its 12.5% interest in the Cherokee Unconventional gas project on approximately 27,000 acres in Okfuskee and Hughes Counties in Oklahoma. Tomahawk's partner, Metro Energy has acquired the 75% interest in the project acreage from Devon Energy and now holds an 87.5% interest in the acreage. Metro and other potential partners are currently evaluating the potential of the unconventional resource in the Caney and Woodford shales and have engaged Schlumberger Engineering to further evaluate seismic and other data with a view to advancing the project.

The new Board of Tomahawk Energy has determined to focus on the conventional gas potential of the Tomahawk assets in the short term, however the company sees a significant opportunity for growth in exploiting the unconventional gas resource once the technical issues associated with producing from the Caney and Woodford shales are better understood and resolved.

CONCLUSION

Overall the quarter has been very successful for the company with the success of the Alex and Gayle wells in Texas and further progress on an aggressive drilling program in the Bad Creek project in Oklahoma.

The company plans to drill 5 wells in the next 4 months and the workover program will continue on existing wells in Oklahoma.

Tomahawk is focussed on extracting maximum production and cash flow from its Oklahoma project through, well workovers, development wells and new exploration wells to be drilled of on 3D seismic targets in the Bad Creek project area.