ASX RELEASE – 15 MARCH 2012

31 DECEMBER 2011 – HALF YEARLY RESULTS

Buccaneer Energy Limited ("Buccaneer" or "the Company") advises that it has recorded earnings before interest, tax and depreciation ("EBITDA") loss of $3,021,634 for the six month period to 31 December 2011.

The Company commenced production from its Kenai Loop project on 14 January 2012. The revenue from this production is anticipated to positively impact EBITDA for the 12 months to 30 June 2012.

For further information please contact Dean Gallegos on 0416 220 007 or 02 9233 2520, alternatively visit the Company's website at www.buccenergy.com.

Yours faithfully
BUCCANEER ENERGY LIMITED

Mr Dean Gallegos
Director

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BUCCANEER ENERGY LIMITED AND ITS CONTROLLED ENTITIES

ABN 63 125 670 733

HALF-YEAR CONSOLIDATED FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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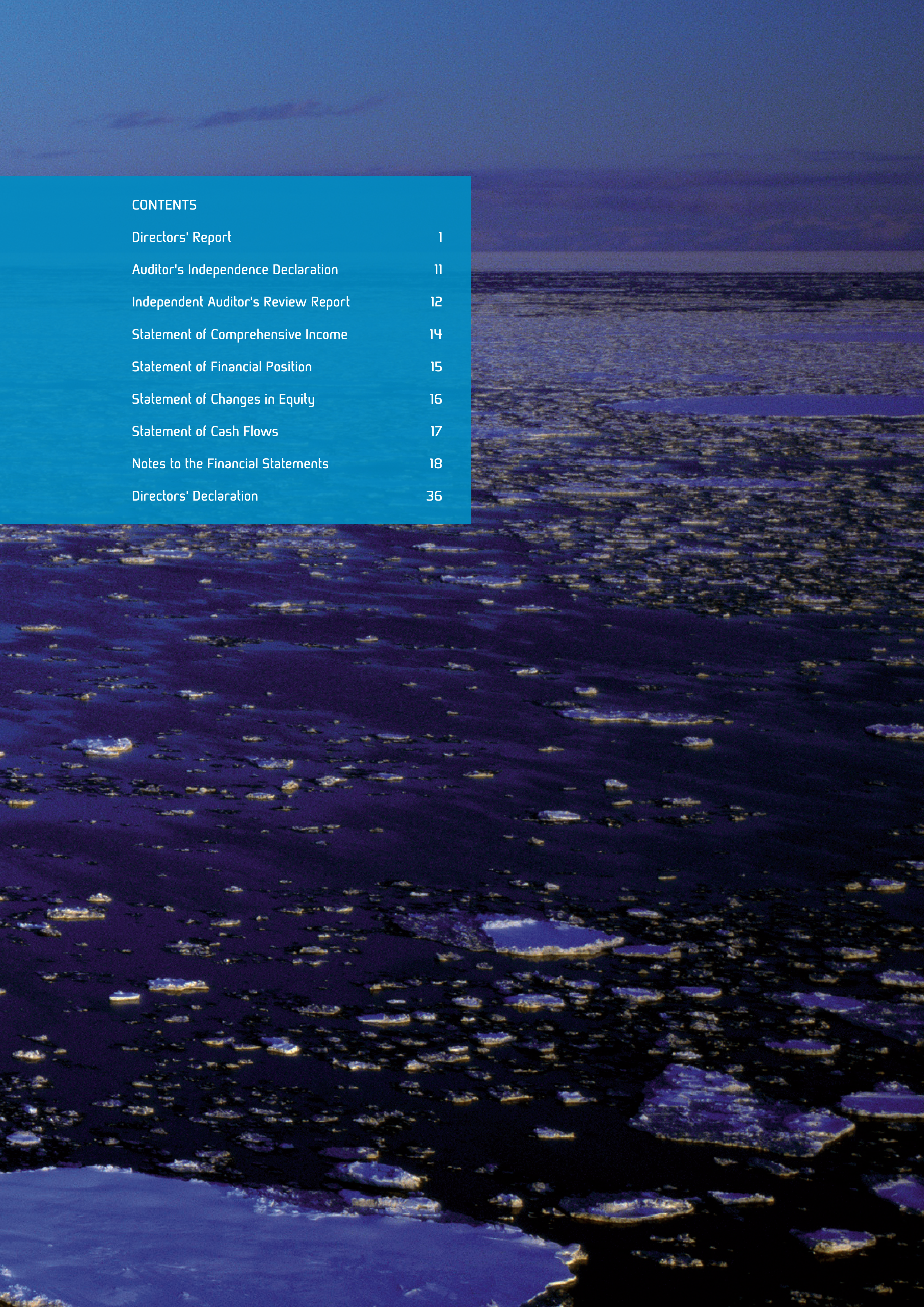

DIRECTORS' REPORT

Your directors have pleasure in submitting the half-year consolidated financial report of Buccaneer Energy Limited and its controlled entities (together called the 'Group' or the 'consolidated entity') for the six months ended 31 December 2011:

DIRECTORS

The names of the directors in office throughout the half-year ended 31 December 2011 and to the date of this report are:

Alan J. Broome	Non-Executive Director – Chairman
Curtis D. Burton	Managing Director
Dean L. Gallegos	Executive Director
S. Frank Culberson	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the acquisition, exploration, drilling and production of oil and gas.

There were no significant changes in the nature of activities of the consolidated entity that occurred during the half year.

REVIEW OF OPERATIONS

The consolidated net loss for the consolidated entity for the period under review was $10,305,519 (2010: $8,693,909).

The directors are please to present its Review of Operations for the 6 months to 31 December 2011.

The highlights up until the date of this report were as follows:

- Acquisition of Endeavour Jack- Up Rig completed
- Endeavour repairs and modifications commence at Keppel Fels
- ACES Bridge Funding agreement executed with Centaurus Capital, LP
- Gas Sale contract executed with ConocoPhillips
- Kenai Loop pipeline and facilities construction completed
- Kenai Loop gas production and sales commenced

ENDEAVOUR JACK-UP RIG

On 14 November the Group's 50% owned subsidiary Kenai Offshore Ventures, LLC ("KOV") settled the acquisition of the GSF Adriatic XI offshore jack-up rig ("Rig") from Transocean Offshore Resources Limited ("Transocean"), a subsidiary of Switzerland-based Transocean Limited.

The total purchase price of the Rig was US$68.5 million funded through:

- A Senior Debt Facility with Oversea-Chinese Banking Corporation ("OCBC") of US$44.0 million;
- A Preferred Interest investment from the Alaska Industrial Development and Export Authority ("AIDEA") of US$17.6 million; with
- The balance of the purchase price of US$6.9 million was paid by KOV with equal contributions from Buccaneer and Singapore-based Ezion Holdings Limited. These funds were paid as the deposit for the Rig in September 2011.

KOV anticipates over the over the next 5 years both the OCBC and AIDEA facilities will be fully repaid by revenues received under the Bare Boat Charter agreement.

Coinciding with settlement, the name of the Rig has been changed to "Endeavour – Spirit of Independence" ("Rig" or "Endeavour"). The rig name was chosen through a community based rig naming competition, many entries were received from the local Kenai and Anchorage communities.

THE ENDEAVOUR JACK-UP RIG

The Endeavour is a Marathon LeTourneau 116-C jack-up rig. First constructed in 1982, it was upgraded in 2004 and has been cold stacked in Malaysia since 2009.

In mid December Kenai Offshore executed a Repair Contract with Keppel FELS Shipyard in Singapore for the repair and modification of the jack-up rig, Endeavour.

That work will include:

- Bringing the Rig back into operation after being cold-stacked;
- Improvements to the crew quarters; and
- Modifications to "winterise" the Rig for Alaskan conditions.

The Endeavour has completed dry dock work and is currently undergoing the second stage which consists of upgrades to the accommodation quarters, blasting and painting of surfaces, winterising, and refurbishing of tanks and piping systems.

Concurrently, approximately 30 other individual contractors are in various stages of assessing and/or dismantling drilling equipment for assessment, to ascertain what work needs to be completed. In the majority of cases, this work is being done by the original equipment manufacturers, most of whom have workshops in Singapore.

This work, when completed, will bring the Endeavour back to full operational capability and capable of drilling in Alaska. Archer Drilling, LLC is assisting in the project management at the ship yard and it is currently expected that the ship yard work will be completed in April 2012.

KOV has commenced the process of seeking quotes and schedules from shipping companies to transport the Endeavour to the Cook Inlet.

ENDEAVOUR'S CAPABILITIES

The Endeavour jack-up rig was selected following a rigorous global search process. Its existing capabilities make it suitable for most water depths that exist in the Cook Inlet and northern Alaskan waters.

These capabilities include:

- The ability to operate in water depths up to 300 feet;
- Constructed of -10o Celsius rated steel allowing it to work safely in the wide environmental envelope that exists in the Arctic, including the Chukchi and Beaufort Sea which are located offshore the North Slope;
- Two sets of blow out protectors ("**BOPs**"), both 10,000 and 15,000 PSI, giving it capacity to drill high pressure horizons that exist in the Cook Inlet;
- Cantilever beam extensions that enhance its ability to work over existing platforms in the Cook Inlet to undertake drilling and repair operations; and
- High variable deck load rating of 8,300 KLBS which enable it to operate with extra equipment and materials onboard, should support services be limited.

RELATED AGREEMENTS

As part of the acquisition Buccaneer's wholly owned subsidiary Kenai Drilling, LLC ("Kenai Drilling") has executed a Bare Boat Charter Agreement with KOV. Kenai Drilling will market the Endeavour to third party operators, with day to day operations of the Endeavour being managed by Archer Drilling under contract.

The Bare Boat Charter commences when the Rig is delivered for operational service in the Cook Inlet, which is expected to be in the second quarter 2012, for a period of 5 years during which Kenai Drilling will pay bare boat charter fees to KOV.

Kenai Drilling's obligations under this charter agreement will be mitigated by the leasing of the Endeavour to third party operators, with whom discussions have already commenced.

The Group also executed the following:

- An Exclusive Use Agreement where Buccaneer is required to use the Rig exclusively; and
- A minimum four well guarantee where Buccaneer is required to drill four wells with the Rig by the end of 2014.

ACES BRIDGE FUNDING

Buccaneer Energy Limited's wholly owned subsidiary Buccaneer Alaska, LLC executed a US$50.0 million senior asset backed revolving credit facility with Centaurus Capital LP, a Houston-based investment fund.

The credit facility, which matures in November 2016, is secured by receivables to be paid by the State of Alaska and available to the Company under the Alaskan Clear & Equitable Share ("ACES") rebate program that was implemented by the State of Alaska in 2007. The Company intends to use the proceeds from the credit facility for drilling exploration and development activities on its five Alaska lease areas. This facility will provide approximately 50% of all capital expenditures on the aforementioned leases.

Under the ACES program all rebates for capital expenditure are paid between 5 and 18 months after expenditure has been incurred. While the maximum amount to be drawn down at any one time under the facility will be US$50 million, it is anticipated that a multiple of this amount will be utilized over the life of the facility.

In December the Company received its first approval and subsequent cash rebate from the Alaskan Department of Revenue under the ACES incentive program.

The application for this rebate was lodged in August 2011 and relates to the initial drilling expenditures for the Kenai Loop # 1 well. The amount of this first ACES rebate is US$2.85 million.

CONOCOPHILLIPS GAS SALES CONTRACT

In December the Company executed a gas sales contract with ConocoPhillips, to supply natural gas to ConocoPhillips' LNG facility located on the Kenai Peninsula approximately 10 miles north-west of Buccaneer's 100% owned Kenai Loop project.

The contract with ConocoPhillips commences when Kenai Loop # 1 starts production and concludes on 30 April 2012, with the potential to end earlier, if construction of the Cook Inlet Natural Gas Storage ("CINGSA") facility is completed prior to this date.

Commencing in April Buccaneer has a gas sales contract in place with ENSTAR - the largest gas utility in Alaska. Buccaneer can deliver up to 15 million cubic feet per day ("MMCFD") to ENSTAR who will purchase the Kenai Loop gas and inject into CINGSA for storage and use at a later date. The annual weighted average price under the ENSTAR gas contract is US$6.03 / MCF. ENSTAR will be responsible for transportation costs after the receipt point and absorb the current US$0.21 / MCF pipeline tariff, thus giving Buccaneer a gross floor price of US$6.24 / MCF.

Buccaneer is not obligated to sell any gas under the ConocoPhillips contract, however it gives the Company both flexibility and surety as it will allow the Kenai Loop # 1 well to flow continuously from the commencement of production, while being able to sell gas either into the ConocoPhillips gas contract or the daily auction to supply local peak demand requirements during the Northern Hemisphere winter. The daily auction to supply gas does not provide guaranteed daily volumes.

Buccaneer has the ability to sell up to 2.5 BCF to ConocoPhillips under the contract. The pricing as part of the gas sales contract is consistent with recently executed gas contracts.

COOK INLET, ALASKA

During the quarter the Company has been actively progressing its existing Cook Inlet basin projects. The development of the Company's Alaskan leases remains the Company's top priority.

ONSHORE OPERATIONS

KENAI LOOP

The Kenai Loop Project consists of 9,308 acres and is 100% owned by the Company and has an 82.0% Net Revenue Interest.

KENAI LOOP # 1

The Kenai Loop # 1 well was successfully drilled in May 2011 to a total depth of 10,680 feet.

The well intersected 26 zones totalling 645' of gross pay in the Beluga and Upper Tyonek Formations. As the rig needed to be released back to Marathon on 1 June 2011, 2 of the 3 high graded zones in the Upper Tyonek Formation were chosen to be perforated and tested.

The 2 zones were perforated simultaneously and resulted in an immediate build up of pressure and were described as follows:

9,700' Sand has an upper sand of 37' of gross pay which logs have confirmed as being quality reservoir with high porosity and good permeability. This upper sand package had a "gas kick" during drilling operations. There is an additional 12' of lower sand which is a lesser quality sand, but remains attractive. Only the upper portion of this zone is included in the testing program.

10,000' Sand is an additional massive sandstone zone of approximately 50' of gross pay which logs indicate has good porosity and permeability.

In the initial phase of the testing program, the Kenai Loop # 1 successfully tested gas to the surface at a rate of 10 million cubic feet per day ("MMCFD") on a 20/64" choke with a FTP (flowing tubing pressure) of 3,495 psi.

A flow test over 4 different choke sizes, a 4 point test, was successfully completed on the 2 zones (of the 26 intersected) and a Absolute Open Flow Potential (AOFP) was calculated as 33.2 MMCFD from this testing.

PRODUCTION COMMENCED

Production from the Kenai Loop # 1 well commenced on 14 January 2012.

The Company anticipates producing the well at up to 5.0 million cubic feet per day ("MMCFD") for the next 3 months prior to commencing the Enstar CINGSA contract in April. Since the commencement of production the Company has been selling gas into ENSTAR's winter daily auction. The daily auction is a system where gas producers are advised of ENSTAR's additional requirements for the next 24 hours and the producers bid the price and volume to sell gas to meet these requirements.

ENSTAR's additional winter demand requirement during this period is primarily based on weather conditions and so can fluctuate on a daily basis.

The Company also has the ability to sell gas to ConocoPhillips under its gas sales agreement with the local LNG facility if the total daily production is not purchased by ENSTAR.

KENAI LOOP # 3

The Kenai Loop # 3 well ("KL # 3") was drilled approximately 100 feet up-dip to the successful Kenai Loop # 1 well ("KL # 1"). The KL # 3 bottom hole location was 1,700 feet to the south of the KL # 1 well and approximately 1.0 mile north of the Cannery Loop field (which produced 178 BCF of gas).

The KL # 3 well encountered four well developed Tyonek sand packages (Zones 1 - 4); wire line log data indicated good permeability, porosity with possible gas pay in at least 3 of those zones. All four zones were perforated and proved to be non productive.

KL # 1 encountered virgin pressure in its sand packages, pressure testing from KL # 3 indicates that depleted (~20%) pressures were encountered. The Company's geological model anticipated that the Kenai Loop field was separated from the Cannery Loop field, the depleted pressures clearly indicate that KL # 3 is in communication with Cannery Loop and is geologically separated from the KL # 1 location by a fault.

KL # 3 is part of a multi-well development program necessary to identify and drain proven and potential reserves in the Kenai Loop complex. The data from KL # 3 well is useful in identifying the seal mechanism and determining the depositional nature of pay sands in the area. The results in no way change the Company's view of the significant potential of the overall Kenai Loop project.

The Company intends to undertake the following activities:

- Permit and then complete a 3D seismic survey over the southern part of Kenai Loop;
- Map the fault using the 3D seismic, new data from KL # 3 as well as recently acquired non public data from the Cannery Loop field; and
- On completion of the above, drill a side-track well within the KL # 3 giving it a bottom hole location within the known proven sand packages encountered by the KL # 1 well and the new sand packages in the KL# 3.

Prior to drilling KL # 3 the Company's plan was to drill an additional Kenai Loop well in April / May 2012 after the winter period, this timing has not changed.

KENAI LOOP RESERVES

Ralph E Davis completed an independent reserve assessment of the Kenai Loop project. Ralph E Davis is a respected consulting firm providing independent reservoir engineering, geological, technical and financial services to the domestic and international energy industry since 1924.

The Company requested that Ralph E Davis review these Reserves after the unsuccessful Kenai Loop # 3 well and they have advised the Company that there is no change to these Reserves.

The Reserves were calculated using subsurface mapping, pressure and flow rates data attained from Kenai Loop # 1 well. The current Reserves include only two sand packages at 9,700 feet and 10,000 feet. An average drainage area of 340 acres was used to calculate the Reserves and the Company expects that a second well will be required to drain the entire 340 acres. The Company's mapping indicates the two sand packages have a total closure area of 1,600-2,000 acres.

3D SEISMIC

Buccaneer has contracted with Weems Geophysical and commenced the permitting process to acquire approximately 25 square miles of 3D Seismic Survey in the area of its Kenai Loop Field. The Survey is targeted to be completed in the first quarter.

The purpose of the 3D Seismic Survey is to define the best drilling locations for the 2012 program and beyond. Three or four wells are targeted to be drilled this year. The 3D will de-risk the overall development program by optimizing the number and placement wells to maximize the reserves. This improved resolution of the reservoir sands will allow better mapping of the faults and reservoir continuity. Prior drilling was based on 1970 reprocessed 2-D seismic data.

ONSHORE EXPLORATION PROJECTS - ALASKA

WEST EAGLE PROSPECT

2D seismic was purchased covering the prospect area and is currently being re-processed so as to better define drilling locations.

As part of its lease obligations the Company is required to spud the first well on the lease position by in the third quarter 2012.

LOWER 48 OPERATIONS

TEXAS OFFSHORE

POMPANO PROJECT

BUCCANEER – 65% WORKING INTEREST

The Pompano Field is located approximately 90 miles southwest of Houston and 30 miles east of Port O'Connor, Texas. It is located 7 miles off the coast in the Gulf of Mexico in approximately 55' of water.

The Pompano project has existing production facilities on place including the following:

- An existing 4-pile production platform with 25 million cubic feet per day of gas production handling capacity and a satellite structure connected by flowlines to the production platform, from which new wells can be drilled, completed and connected to rapidly initiate production and sales; and
- An existing gas gathering pipeline providing immediate access for gas production to the sales market.

These facilities have an independent assessed replacement value of approximately US$15 million.

PRODUCTION OPERATIONS

The Group's wells in this field are currently shut in and under evaluation for other intervention or sidetracking operations for additional remaining gas reserves booked for the productive reservoirs in the field. Expenses have been brought to minimum until the best operational plan is determined and natural gas prices in the region warrant further capital expenditure.

TEXAS ONSHORE

LEE COUNTY PROJECT

BUCCANEER – 52.5% WORKING INTEREST

The Lee County project is located approximately 120 miles northwest of Houston, Texas. The Group holds a 52.5% working interest in Lee County project located in central Texas, USA. The Lee County project holds |excellent potential for obtaining significant recoverable amounts of oil and gas, the main target reservoirs are the Austin Chalk, Eagle Ford Shale, Buda, Edwards and Sligo Formations.

The Group has become aware of lease acquisitions adjacent to the Group's Lee County project. The target of these acquisitions is the Eagle Ford Shale which is in the oil zone of the Eagle Ford Shale play.

The Group has drilled 3 wells at Lee County with all 3 wells penetrating the entire Austin Chalk section and two wells have penetrated the entire Eagle Ford Shale section. In all cases the Austin Chalk is oil bearing and the two wells testing the Eagle Ford shale appear to have high oil saturation. To date the Group has chosen to complete wells as Austin Chalk wells.

The Group has completed a small scale (< 1 sq mile) test 3-D seismic over the Alexander lease block. The primary purpose of this test 3D was to determine the cost effectiveness and data quality of 3D in this area. The data have been processed and interpreted with positive results demonstrating relatively low acquisition and processing costs and good data quality. A 3-D covering the entire leasehold will better define both Eagle Ford Shale and Austin Chalk drilling opportunities.

ALEXANDER # 1 WELL

The Alexander #1 horizontal sidetrack was completed as a pumping oil producer in late September averaging about 60 BOPD and 170 BWPD the first few days after completion. Thereafter, oil production declined and water production increased to about 215 BWPD.

Testing of the water showed that the water being produced from the well was water used as drilling fluid during the sidetrack drilling operation, not Austin Chalk water. We are continuing to pump out the drilling water in the hopes that oil production will increase once all of the drill water lost in the well is pumped out.

VICK A #2 WELL

The Vick A #2 well continues to pump about 15 barrels of oil per month and 450 barrels of water per month holding a sizeable lease block.

The Group is determining the parameters for shooting a 3-D seismic survey over the entire lease block, in order to obtain high quality data to better interpret and select other drilling targets and well locations that could increase oil production from the Group's lease block, or support other alternatives for the leasehold interest.

SUBSEQUENT EVENTS

Subsequent to the end of the reporting period ended 31 December 2011:

On 2 February 2012 the Group announced that it had acquired a 25% working interest in the Cosmopolitan project in Alaska.

On 17 February 2012 the Group announced that it reached an agreement with Bergen Global Opportunity Fund, LP to raise $5.3 million via the issue of the convertible securities.

On 17 February 2012 the Group issued 2,057,009 fully paid ordinary shares to satisfy the commitment fee associated with the first trench received under the convertible note issued on the 17 February 2012.

On 20 February 2012 the Group announced that it reached an agreement with Australian Special Opportunity Fund, LP to raise a further $3.2 million via the issue of the convertible securities. The total raised under both convertible note agreements increased to $8.5 million.

On 24 February 2012 the Group announced that it has issued 7,500,000 unlisted options to the Company directors as approved by the shareholder at the Group 2011 annual general meeting.

On 24 February 2012 the Group issued 3,301,887 fully paid ordinary shares on the conversion of $175,000 of convertible securities issued on the 17 February 2012.

On 6 March 2012 the Group issued 16,337,269 fully paid ordinary shares on the conversion of $875,000 of convertible securities issued on the 17 February 2012.

On 14 March 2012 the Group issued 2,216,982 fully paid ordinary shares on the conversion of $117,500 of convertible securities issued on the 17 February 2012.

No other matters or circumstances have arisen since 31 December 2011 that have significantly affected or may significantly affect:

- (a) the Group operations in future years; or
- (b) the results of those operations in future years; or
- (c) the Group state of affairs in future years.

AUDITOR'S INDEPENDENCE DECLARATION

An independence declaration under section 307C of the Corporations Act 2001 has been provided by the Group's auditor, Crowe Horwath Sydney. A copy of this declaration is set out on Page 11, and forms part of, the half-year financial report for the six months ended 31 December 2011.

Signed in accordance with a resolution of the directors.

Dean Gallegos, Director

Sydney
15 March 2012

INDEPENDENT AUDITOR'S DECLARATION

Crowe Horwath™

The Board of Directors
Buccaneer Energy Limited
Level 9, 25 Bligh Street
Sydney NSW 2000

15 March 2012

Dear Board Members
BUCCANEER ENERGY LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Buccaneer Energy Limited.

As lead audit principal for the review of the consolidated financial statements of Buccaneer Energy Limited and its controlled entities for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

SUWARTI ASMONO
Principal

Crowe Horwath™

REPORT ON THE HALF-YEAR FINANCIAL REPORT

We have reviewed the accompanying half-year financial report of Buccaneer Energy Limited which comprises the consolidated condensed statement of financial position as at 31 December 2011, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Buccaneer Energy Limited and its controlled entities (the Group). The Group comprises both Buccaneer Energy Limited (the company) and the entities it controlled during that half-year.

DIRECTORS' RESPONSIBILITY FOR THE HALF-YEAR FINANCIAL REPORT

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Crowe Horwath™

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

CONCLUSION

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Buccaneer Energy Limited is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

EMPHASIS OF MATTER ON SIGNIFICANT UNCERTAINTY – GOING CONCERN

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 2, the Group's net current liability at 31 December 2011 was $155,789.

Notwithstanding the continued operating losses and net current liability at 31 December 2011, the financial report has been prepared on a going concern basis as the directors are of the opinion that the Group will:

- Have sufficient cash to continue to meet its liabilities as and when they fall due and payable; and
- Raise sufficient additional funds to finance the current exploration and development projects.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

Suwarti Asmono
PRINCIPAL

Dated this 15th day of March 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated 31 December 2011 $	Consolidated 31 December 2010 $
Revenues from continuing operations	3	238,700	1,486,581
Depletion expenses	4	–	(1,691,993)
Lease operating expenses	4	(562,489)	(1,390,931)
Repairs and maintenance	4	(923,395)	90
Depreciation and amortisation expenses	4	(29,760)	(21,697)
Interest and finance expenses	4	(104,453)	(536,510)
Salary costs		(1,020,439)	(870,353)
Share of net loss of jointly controlled entities accounted for using the equity method		(84,198)	–
Share based payments		–	(430,644)
Foreign exchange loss	4	–	(646,671)
Professional fees		(864,718)	(720,526)
Office rental expenses	4	(119,546)	(208,679)
Impairment expenses	4	(5,779,187)	(3,073,301)
Other expenses		(1,056,034)	(589,185)
Loss before income tax		(10,305,519)	(8,693,909)
Income tax (expense)/benefit		–	–
Loss for the period		(10,305,519)	(8,693,909)
Other comprehensive income			
Exchange differences on translation of foreign operations		1,348,332	(2,226,916)
Other comprehensive income/(loss) for the period		1,348,332	(2,226,916)
Total comprehensive loss for the period		(8,957,187)	(10,920,825)
Loss attributable to members of the parent entity		(10,305,519)	(8,693,909)
Total comprehensive loss attributable to members of the parent entity		(8,957,187)	(10,920,825)
Earnings per share			
Continuing operations:			
Basic earnings/(loss) per share (cents per share)		(1.19)	(3.48)
Diluted earnings/(loss) per share (cents per share)		(1.19)	(3.48)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	Note	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
CURRENT ASSETS			
Cash and cash equivalents	5	7,135,269	4,473,299
Trade and other receivables	6	14,136,079	6,892,404
Inventory		208,557	197,235
Other current assets		356,639	1,140,530
TOTAL CURRENT ASSETS		**21,836,544**	**12,703,468**
NON-CURRENT ASSETS			
Trade and other receivable	6	934,765	25,988
Investment in joint venture	7	2,377,401	–
Property, plant and equipment		121,109	115,133
Exploration and evaluation assets	8	21,477,215	11,689,636
Oil and gas assets	9	535,159	3,574,996
Other financial assets		80,282	199,615
Other non-current assets	10	2,863,709	96,377
TOTAL NON-CURRENT ASSETS		**28,389,640**	**15,701,745**
TOTAL ASSETS		**50,226,184**	**28,405,213**
CURRENT LIABILITIES			
Trade and other payables		15,183,494	4,087,750
Derivative financial instruments		–	1,157
Borrowing	11	6,808,839	1,500,000
TOTAL CURRENT LIABILITIES		**21,992,333**	**5,588,907**
NON-CURRENT LIABILITIES			
Provisions		4,012,406	2,936,835
TOTAL NON-CURRENT LIABILITIES		**4,012,406**	**2,936,835**
TOTAL LIABILITIES		**26,004,739**	**8,525,742**
NET ASSETS		**24,221,445**	**19,879,471**
EQUITY			
Issued capital	12	67,415,621	54,383,210
Reserves		(463,635)	(2,078,717)
Accumulated losses		(42,730,541)	(32,425,022)
TOTAL EQUITY		**24,221,445**	**19,879,471**

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

Consolidated group	Note	Issued Capital: Ordinary Shares $	Issued Capital: Options $	Reserves: Foreign currency translation $	Reserves: Options $	Accumulated Losses $	Total $
Balance at 1.7.2011		54,033,210	350,000	(3,360,639)	1,281,922	(32,425,022)	19,879,471
Other comprehensive income for the half year		–	–	1,348,332	–	–	1,348,332
Loss attributable to member of the consolidated entity		–	–	–	–	(10,305,519)	(10,305,519)
Transactions with owner in their capacity as owners:							
Shares issued during the period	12	14,080,000	–	–	–	–	14,080,000
Share issue transaction cost	12	(780,839)	–	–	–	–	(780,839)
Fair value of share based payments	12	(266,750)	–	–	266,750	–	–
Balance at 31.12.2011		67,065,621	350,000	(2,012,307)	1,548,672	(42,730,541)	24,221,445
Balance at 1.7.2010		36,585,026	350,000	111,213	663,772	(18,345,282)	19,364,729
Other comprehensive income for the half year		–	–	(2,226,916)	–	–	(2,226,916)
Loss attributable to members of the consolidated entity		–	–	–	–	(8,693,909)	(8,693,909)
Transactions with owners in their capacity as owners							
Shares issued during the period		4,609,944	–	–	–	–	4,609,944
Fair value of share based payments		–	–	–	872,034	–	872,034
Balance at 31.12.2010		41,194,970	350,000	(2,115,703)	1,535,806	(27,039,191)	13,925,882

The above statement of change in equity should be read in conjunction with the accompanying notes.

	Note	Consolidated 31 December 2011 $	Consolidated 31 December 2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		40,413	1,281,279
Payments to suppliers and employees		(3,617,444)	(3,299,857)
Interest received		88,975	34,404
Interest paid		(72,612)	(101,465)
Deposit paid		(226,989)	–
Net cash used in operating activities		**(3,787,657)**	**(2,085,639)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(26,246)	(298,588)
Payment for other non-current assets		(1,038,547)	–
Proceeds from the sale of plant and equipment		–	6,900
Proceeds from sale of investment		223,068	–
Payment for investment		(2,392,917)	(250,000)
Loan to other entities		(1,057,402)	–
Loan repaid other entity		80,000	600
Payments for exploration and evaluation		(10,614,028)	(1,615,051)
Rebates received		2,701,084	–
Payment for acquisition of Oil and Gas assets		–	(176,448)
Payment for Oil and Gas development / exploration expenditure		–	(1,376,005)
Net cash used in investing activities		**(12,124,988)**	**(3,708,592)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	12	13,580,000	–
Proceeds from issue of convertible notes	12	–	3,250,000
Share issue cost	12	(780,839)	–
Proceeds from borrowing		6,618,863	–
Borrowing cost		(321,819)	–
Repayment of borrowing		(1,000,000)	(400,000)
Net cash provided by financing activities		**18,096,205**	**2,850,000**
Net increase/(decrease) in cash & cash equivalents		**2,183,560**	**(2,944,231)**
Cash and cash equivalents at beginning of the reporting period		4,473,299	4,966,376
Effects of exchange rate fluctuations on the balance of cash held in foreign currencies at the beginning of the period		478,410	(131,949)
Cash and cash equivalents at the end of the reporting period	5	**7,135,269**	**1,890,196**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Buccaneer Energy Limited (The Company) and its controlled entity (the Group) for the half-year ended 31 December 2011 was authorised for issue in accordance with a resolution of the directors on 15 March 2012.

Buccaneer Energy Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange using the ASX code BCC.

NOTE 2: BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Buccaneer Energy Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

GOING CONCERN

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Group net current assets position at 31 December 2011 was ($155,789).

Whilst the Group has achieved exploration success with its exploration projects, the Directors recognise that the Group will have to seek additional funding in order to continue to exploit and develop its exploration assets.

The ability of the Group to continue to pay its debts as and when they fall dueand payable is dependent upon successfully raising additional funds and ultimately developing or selling its mineral properties. Since the balance date of 31 December 2011 the Group has:

- Commenced production and gas sales from its 100% owned Kenai Loop project located onshore Cook Inlet, Alaska;
- Raised $4.5 million through an issue of Convertible Securities to two institutions based in the United States; and
- Has a binding commitment from the same US based institutions to invest an additional $3.25 - $4.0 million in the form of Convertible Securities.

Given the above, the Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- The Directors have an appropriate plan to raise additional funds as and when they are required. In light of the Group current exploration and development projects, the Directors believe that the additional capital required can be raised in the market or via debt funding; and

NOTE 2: BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT (CONT.)

GOING CONCERN (CONT.)

- The Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable based on projected cash flow to be provided by the Group exploration projects.

In the unlikely event most or every matter referred to the above results in a negative outcome then, there is uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

NOTE 3: REVENUE

	Consolidated 31 December 2011 $	Consolidated 31 December 2010 $
Revenue		
Net production revenue	39,103	1,250,820
Interest received – third parties	93,362	28,755
Fair value of hedge income	–	204,480
Net gain on sale of investments	103,736	–
Other income	2,499	2,526
Total revenue	238,700	1,486,581

NOTE 4: EXPENSES

	Consolidated 31 December 2011 $	Consolidated 31 December 2010 $
Expense:		
Depreciation/amortisation expenses – plant and equipment	29,760	21,697
Interest paid – third parties	47,757	155,650
Borrowing cost – amortisation	56,696	380,860
Rental expenses on operating lease	119,546	208,679
Foreign currency translation loss	–	646,671
Impairment – goodwill	–	407,157
Impairment on prospect development cost	5,779,187	2,666,144
Depletion expense	–	1,691,993
Lease operating expenses	562,489	1,390,931
Well repairs and maintenance	923,395	–

5: CASH AND CASH EQUIVALENTS

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Cash is shown in the statement of financial position as:		
Cash at bank	5,658,310	3,383,812
Cash – other	1,476,959	1,089,987
	7,135,269	4,473,299

The amount designated "Cash – Other" is restricted cash held on deposit with Macquarie Bank Limited in controlled accounts under a Deposit Control Agreement as additional collateral against letter of credit outstanding to Macquarie Bank Limited as at 31 December 2011. These amounts could be accessed by the Group on approval by Macquarie Bank Limited.

NOTE 6: TRADE AND OTHER RECEIVABLE

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Current receivable		
Trade receivables	167,965	168,438
Other receivables	216,839	290,411
ACES rebate [1]	13,498,020	6,104,688
Loan receivable - other entity [2]	253,255	328,867
	14,136,079	6,892,404
Non-current receivable		
Other receivable	599,050	–
Receivable – joint venture	309,707	–
Loan receivable - other entity	25,988	25,988
	934,765	25,988

Notes:

1. The Group has estimated that $13,498,020 (30 June 2011: $6,104,688) is available in tax credits under the Alaska's Clear and Equitable Share (ACES) scheme. The Group has made it first application in August 2011, and has received the refund of US$2,701,084 in December 2011.

   There were no impaired trade or other receivables as at 31 December 2011.

2. The loan receivable consists of an at-call advancement provided under a share holder agreement with shared office space entity, under the agreement the Group is entitled to change a 3% pa on the outstanding amount. The Group believe this amount will be collected in full within next 12 Months.

NOTE 7: INVESTMENT IN JOINT VENTURE

Equity investment consists of the Group investment in the jointly controlled entity Kenai Offshore Ventures, LLC which has been accounted for using the equity method. Reconciliation in jointly controlled entities:

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Balance 1 July		
Acquisitions	2,461,599	–
Share of net loss for the year	(84,198)	–
	2,377,401	–

Summarised financial information in respect of the jointly controlled entity is set out below:

Financial position		
Total assets	72,016,436	–
Total liabilities	67,266,468	–
Net assets	4,749,968	–
Consolidated entity share of jointly controlled entity net assets	2,374,984	–

Summarised financial information in respect of the jointly controlled entity is set out below:

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Financial performance		
Total revenue	–	–
Total loss for the year	168,397	–
Consolidated entity share of the jointly entity loss	84,198	–

The funded capital expenditure commitment was US$8.3 million.

NOTE 8: EXPLORATION AND EVALUATION ASSETS

	Consolidated 31 December 2011			Consolidated 30 June 2011		
	Sub-surface assets $	Plant and Equipment $	Total $	Sub-surface assets $	Plant and Equipment $	Total $
Exploration and evaluation assets	18,057,230	3,419,985	21,477,215	11,689,636	–	11,689,636
Reconciliation of movements						
Opening balance	11,689,636	–	11,689,636	9,381,705	–	9,381,705
Exploration and evaluation expenditure	5,188,830	4,144,905	9,333,735	4,430,541	–	4,430,541
Exploration and evaluation expenditure written off	–	–	–	(158,475)	–	(158,475)
Exchange differences	334,672	119,172	453,844	(1,964,135)	–	(1,964,135)
Closing balance	**17,213,138**	**4,264,077**	**21,477,215**	**11,689,636**	**–**	**11,689,636**

NOTE 9: OIL AND GAS ASSETS

	Consolidated 31 December 2011			Consolidated 30 June 2011		
	Sub-surface assets $	Plant and Equipment $	Total $	Sub-surface assets $	Plant and Equipment $	Total $
Oil and gas assets	244,074	291,085	535,159	2,476,848	1,098,148	3,574,996
Reconciliation of movements						
Opening balance	2,476,848	1,098,148	3,574,996	7,981,136	2,340,204	10,321,340
Additions	1,253,862	–	1,253,862	869,799	355,256	1,225,055
Depreciation and depletion expense	–	–	–	(614,754)	(1,242,617)	(1,857,371)
Fair value impairment	(4,034,620)	(845,824)	(4,880,444)	(4,656,258)	–	(4,656,258)
Exchange differences	547,984	38,761	586,745	(1,103,075)	(354,695)	(1,457,770)
Closing balance	**244,074**	**291,085**	**535,159**	**2,476,848**	**1,098,148**	**3,574,996**

NOTE 10: OTHER ASSETS

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Non-current assets		
Subordinated loan to Kenai Offshore Ventures, LLC	935,408	–
Other assets [1]	1,915,008	–
Rental bonds	13,293	96,377
	2,863,709	96,377

Notes:

1. The Group incurred $1,915,009 in associated cost with the acquisition of the Jack-Up drilling rig in Kenai Offshore Venture, LLC.

NOTE 11: INTEREST- BEARING LOANS AND BORROWINGS

		Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Current Liability			
Bank Loan – unsecured	(a)	–	1,000,000
Convertible note	(b)	–	500,000
ACES bridge funding	(c)	6,808,839	–
		6,808,839	1,500,000
Loan facilities		49,231,981	1,000,000
Amount utilised		(6,808,839)	(1,000,000)
Amount available		42,423,142	–

(a) Banking facilities

During the financial year 30 June 2011 the Group had an AUD$1.0 million loan facility with Macquarie Bank Limited, the current facility has no financial or production covenants. On the 30 September 2011 the Group repaid the loan facility in full. This facility has since been terminated prior to 31 December 2011.

The interest rate payable under the credit facility agreement is 10.0% (2010: 10.0%).

The Macquarie Bank Limited held a lien over the Group's interest in the Pompano Project as collateral for the amount outstanding under this facility.

NOTE 11: INTEREST- BEARING LOANS AND BORROWINGS (CONT.)

(b) Convertible note

The Group had convertible loan facility with SpringTree Special Opportunities Fund, LP (Springtree).

On the 2 March 2011, the Group announced that it had terminated the Springtree facility, and replaced it with a one-off $2,500,000 investment in two convertible securities with Springtree. The new convertible notes were issued under the same term and conditions as the pervious notes issue. The Group issued 7,132,668 fully paid ordinary shares on the conversion of final $500,000 received under the convertible note funding agreement.

(c) ACES Bridge Funding

The Group executed a USD$ 50.0 million senior asset backed revolving credit facility with Centaurus Capital LP.

The credit facility, which matures in November 2016, is secured by receivables to be paid by the State of Alaska and available to the Group under the Alaskan Clear & Equitable Share (ACES) rebate program that was implemented by the state of Alaska in 2007.

Under the ACES program all rebates for the capital expenditure are paid between 5 and 18 months after the expenditure has been incurred/ while the maximum amount to be drawn down at any one time under the facility will be USD$50.0 million, it is anticipated that a multiple of this amount will be utilised over the life of the facility.

In December the Company received its first approval and subsequent cash rebate from the Alaskan Department of Revenue under the ACES incentive program.

NOTE 12: CONTRIBUTED EQUITY

	Consolidated 31 December 2011 $	Consolidated 30 June 2011 $
Ordinary fully paid shares	67,065,621	54,033,210
Listed options	350,000	350,000
Total issued contributed equity	67,415,621	54,383,210

NOTE 12: CONTRIBUTED EQUITY (CONT.)

	Reconciliation of Issued Capital			
Ordinary Shares	31 December 2011 $	31 December 2011 Number	30 June 2011 $	30 June 2011 Number
Opening Balance	54,033,210	683,755,475	36,585,026	449,071,926
Share movement during the year				
15 July 2011 (i)	13,580,000	194,000,000	–	–
22 July 2011 (ii)	500,000	7,132,668	–	–
12 July 2010 (iii)	–	–	1,759,943	20,148,650
12 July 2010 (iv)	–	–	1	5
30 July 2010 (v)	–	–	400,000	9,367,681
07 September 2010 (v)	–	–	550,000	15,759,312
12 October 2010 (v)	–	–	500,000	12,468,828
19 November 2010 (v)	–	–	600,000	16,172,507
24 December 2010 (v)	–	–	800,000	16,393,443
28 January 2011 (vi)	–	–	1,440,547	19,140,943
31 January 2011 (v)	–	–	800,000	15,151,515
07 March 2011 (v)	–	–	800,000	8,658,009
14 April 2011 (vii)	–	–	633,600	–
20 April 2011 (viii)	–	–	7,300,801	76,850,812
20 April 2011 (ix)	–	–	1,000,000	12,391,574
02 May 2011 (vi)	–	–	–	2
03 June 2011 (ix)	–	–	1,000,000	12,180,268
Share issue cost	(1,047,589)	–	(136,708)	–
Closing Balance	67,065,621	884,888,143	54,033,210	683,755,475
Listed Options				
Opening Balance	350,000	177,731,311	350,000	177,731,318
Options movement during the year				
12 July 2010 (ii)	–	–	–	(5)
02 May 2011 (ii)	–	–	–	(2)
Closing Balance	**350,000**	**177,731,311**	**350,000**	**177,731,311**

NOTE 12: CONTRIBUTED EQUITY (CONT.)

Issued Capital Notes:

(i) On 15 July 2011, the Group issued 194,000,000 fully paid ordinary shares to institutional and professional investors at an average price of $0.07 per share to raise $13,580,000.

(ii) On 22 July 2011, the Group issued 7,132,668 fully paid ordinary shares on the conversion of final $500,000 received under the convertible note funding agreement with SpringTree Special Opportunities Fund, LP.

(iii) On 12 July 2010 the Group issued 20,148,650 fully paid ordinary shares to the vendors of Stellar Oil & Gas, LLC to complete the acquisitions of leases in the Cook Inlet, Alaska. These shares are escrowed until 31 December 2010 or the completion of an onshore well, as approved at the Extraordinary General Meeting held on 7 July 2010.

(iv) On 12 July 2010 and 02 May 2011 the Group issued a total of 7 fully paid ordinary shares on the exercise of 7 listed options.

(v) During the twelve month period to 30 June 2011, the Group issued a total of 93,971,295 fully paid ordinary shares on the conversion of $4,450,000 received under the convertible note funding agreement with SpringTree Special Opportunities Fund, LP.

(vi) On 28 January 2011, the Group issued 19,140,943 fully paid ordinary shares on the exercise of 19,140,943 unlisted options, issued to Macquarie Bank Limited.

(vii) To the period ended 14 April 2011, the Group received a total $633,600 from Springtree on the exercise of their right to the 12 million collateral shares held under the convertible note funding agreement.

(viii) On 20 April 2011, the Group issued 76,850,812 fully paid ordinary shares under the Share Purchase Plan to existing shareholders, the share at 9.5 cents and raised $7,300,801.

(ix) On 20 April and 03 June 2011, the Group issued a total of 24,571,842 fully paid ordinary shares under the replacement convertible note facility with Springtree.

NOTE 12: CONTRIBUTED EQUITY (CONT.)

Unquoted options

Movements during half-year ended 31 December 2011

Grant date	Details	Exercise price	Expiry date	Number
1 July 2011	Opening balance	10.7 cents weighted average	Various	74,983,077
15 July 2011	options issued	10 cents	15 July 2016	9,700,000
31 December 2011	**Closing balance**	**10.6 cents weighted average**	**Various**	**84,683,077**

Movements during the year ended 30 June 2011

Grant date	Details	Exercise price	Expiry date	Number
1 July 2010	Opening balance	12 cents weighted average	Various	27,443,077
7 September 2010	options lapsed	10 cents	30 June 2013	47,550,000
30 November 2010	options issued	5.22 cents	30 September 2011	19,140,943
28 January 2011	options exercised	5.22 cents	30 September 2011	(19,140,943)
30 June 2011	**Closing balance**	**10.7 cents weighted average**	**Various**	**74,983,077**

NOTE 13: DIVIDENDS

No dividends were declared or paid in the half-year period.

NOTE 14: OPERATING SEGMENT

The Board of Directors has determined the operating segments based on reports presented to them for making strategic decisions.

The board considers the business from both a production and a geographic perspective and has identified five reportable segments:

- Alaska onshore exploration
  Consist of the all the exploration and evaluation of all oil and gas assets and projects located onshore within and around Alaska, USA.
- Alaska offshore exploration
  Consist of the all the exploration and evaluation of all oil and gas assets and projects located offshore within and around Alaska, USA.
- Lower 48 states onshore exploration
  Consist of the onshore exploration, evaluation, production and development of oil and gas assets and projects, in the USA, excluding Alaska, USA.
- Lower 48 states onshore exploration
  Consist of the onshore exploration, evaluation, production and development of oil and gas assets and projects, in the USA, excluding Alaska, USA.

NOTE 14: OPERATING SEGMENT (CONT.)

- Lower 48 states offshore production
  Consist of the offshore exploration, evaluation, production and development of oil and gas assets and projects around the USA, excluding Alaska, USA.

- Corporate - Head Office Australia
  This segment covers all other unallocated expenditure and income in managing the group corporate affairs.

(a) Segment performance

	Alaska Operations		Lower 48 States			
	Onshore operations $	Offshore exploration $	Onshore exploration $	Offshore exploration $	Corporate $	Segments total $
31 December 2011						
Sale revenue	–	–	–	39,103	513,983	553,086
Inter-segment revenue	–	–	–	–	(405,859)	(405,859)
Revenue from external customers	**–**	**–**	**–**	**39,103**	**108,124**	**147,227**
Well repairs and maintenance	–	–	–	(923,395)	–	(923,395)
Impairment – oil & gas asset	–	–	(3,742,660)	(2,031,960)	–	(5,774,620)
Segment results	–	–	(3,742,660)	(2,955,355)	(258,653)	(6,956,668)
Capital expenditure incurred	990,923	1,684,587		–	–	2,675,510
Segment assets	4,247,842	9,968,514		1,654,788	28,248,355	44,119,499
Segment liabilities	5,823,836	98,396		2,832,041	968,222	9,722,495
31 December 2010						
Sale revenue	–	–	–	1,250,820	152,006	1,402,826
Inter-segment revenue	–	–	–	–	(152,006)	(152,006)
Revenue from external customers	**–**	**–**	**–**	**1,250,820**	**–**	**1,250,820**
Depletion expense	–	–	–	(1,691,993)	–	(1,691,993)
Impairment – oil & gas assets	–	–	–	(2,666,144)	–	(2,666,144)
Segment results	–	(754,691)	–	(3,107,317)	(602,750)	(4,464,758)
Capital expenditure incurred	–	990,923	1,684,587	–	–	2,675,510
Segment assets	–	4,247,842	9,968,514	1,654,788	28,248,355	44,119,499
Segment liabilities	–	5,823,836	98,396	2,832,041	968,222	9,722,495

NOTE 14: OPERATING SEGMENT (CONT.)

(b) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the management is measured in a manner consistent with that in the statement of comprehensive income.

Revenues are derived from the sale of oil and gas to one distributor and is wholly derived from the United States of America.

	Consolidated Group	
	2011 $	2010 $
Segment revenue reconciles to total revenue from operation as follows:		
Total segment revenue	553,086	1,402,826
Intersegment eliminations	(405,859)	(152,006)
Interest revenue	88,974	28,755
Other revenue	2,499	207,006
Total revenue from continuing operations (note 3)	238,700	1,486,581

(ii) Segment result

A reconciliations of the segments' results to loss before income tax expense as follows:		
Total segment results	(6,956,668)	(4,464,758)
Intersegment eliminations	(405,859)	(152,006)
Interest revenue	79	418
Other revenue	2,498	206,085
Impairment – unallocated	–	(407,157)
Other expenses	(2,945,569)	(3,876,491)
Loss before income tax from continuing operations	(10,305,519)	(8,693,909)

NOTE 14: OPERATING SEGMENT (CONT.)

(b) Other segment information (continued)

(iii) Segment assets

	Consolidated Group	
	2011 $	2010 $
Reportable segments' assets are reconciles to total assets as follows:		
Total segment assets	66,725,704	44,119,499
Intersegment eliminations	(29,754,651)	(26,714,917)
Unallocated:		
Cash and cash equivalent	7,076,012	1,012,165
Trade and other receivable	320,309	635,644
Other current assets	539,612	503,338
Property, Plant & equipment	119,166	77,236
Investment in joint venture	2,377,401	–
Other non-current assets	2,822,631	4,920
Total assets as per the statement of financial position	50,226,184	19,637,885

(iv) Segment liability

The Group's borrowings and derivative financial instruments are not considered to be segment liabilities but rather managed by the treasury function.

	Consolidated Group	
	2011 $	2010 $
Reportable segments' liabilities are reconciles to total liabilities as follows:		
Total segment liabilities	17,922,161	9,722,495
Intersegment eliminations	–	(5,647,480)
Unallocated:		
Trade and other creditors	1,273,739	637,175
Borrowing	6,808,839	999,813
Total liabilities as per the statement of financial position	26,004,739	5,712,003

NOTE 15: COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments

	Consolidated 31 December 2011 $	Consolidated 31 December 2010 $
Operating lease commitments :		
Non-cancellable operating leases contracted for but not capitalised in the accounts:		
Rental of premises -		
Not later than 1 year	139,163	218,143
Later than 1 year and not later than 5 years	146,570	325,086
Total issued contributed equity	285,733	543,229

(b) Capital expenditure commitments

The Group had no capital expenditure commitments as of 31 December 2011 (December 2010: Nil).

(c) Contingent Liabilities

In accordance with normal oil and gas industry practice, the Group has entered into joint venture operations and farm-in agreements with other parties for the purpose of exploring and developing its licence interests. If a party to a joint venture operations defaults and does not contribute its share of joint venture operation obligations, then the other joint ventures are liable to meet those obligations. In this event, the interest in those licence held by the defaulting party may be redistributed to the remaining joint venturers.

The Company's current intention is to provide the necessary financial support for incorporated controlled entities, whilst they remain controlled entities, as is necessary for each company to pay all debts when they become due.

All the entities which form the Group as listed in Note 16 has provided guarantee to the funding and repayment of the liabilities associated with the Group investment in the Kenai Offshore joint venture.

NOTE 16: SUBSIDIARIES

		Percentage owned	
	Country of incorporation	31 December 2011	30 June 2011
Parent entity		2011	2011
Buccaneer Energy Limited	Australia	-	-
Controlled entities			
Buccaneer Resources LLC	USA	100%	100%
Buccaneer Alaska LLC	USA	100%	100%
Buccaneer Alaska Drilling LLC	USA	100%	100%
Buccaneer Alaska Operations LLC	USA	100%	100%
Kenai Drilling LLC[1]	USA	100%	100%
Buccaneer Royalties LLC [2]	USA	100%	-

Notes

1) Kenai Drilling LLC was formally renamed as Buccaneer Offshore Operations LLC on 1 November 2011.

2) Buccaneer Royalties LLC was established on 18 October 2011.

NOTE 17: SHARE-BASED PAYMENTS

The options outstanding at 31 December 2011 had a weighted average exercise price of 10.6 cents (2010: 9.6 cents) and a weighted average remaining contractual life of 2.07 years (2010: 1.87 years). Exercise prices range from 10 to 13.25 cents (2010: 5.22 to 13.25 cents) in respect of options outstanding at 31 December 2011.

The weighted average fair value of each option granted during the year was 2.75 cents (2010: 1.59 cents) this price was calculated by using a Black Scholes option pricing model.

The following share-based payment arrangements were outstanding during the year:

Options series	Number	Grant date	Expiry date	Exercise price $	Weighted Average Fair value at grant date (cents)
(1)	15,443,077	02/02/09	02/02/13	11 cents	1.34
(2)	12,000,000	30/04/10	22/02/13	13 cents	2.22
(3)	47,550,000	07/07/10	30/06/13	10 cents	1.30
(4)	9,700,000	15/07/11	15/07/16	10 cents	2.75

		Option Series			
Inputs into the model		(1)	(2)	(3)	(4)
Grant date share price	$	0.045	0.067	0.046	0.058
Exercise price	$	0.11	0.133	0.10	0.10
Expected volatility	%	82.5	94.4	113.8	73
Option life	years	4	3	3	5
Dividend yield	%	-	-	-	-
Risk-free interest rate	%	2.9	5.0	4.42	4.89

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate.

During the period the Group issued the following options:

On 15 July 2011 the group issued 9,700,000 unquoted options to Helmsec Global Capital Limited as consideration for the agreed share issue cost in raising $13.5 million.

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payments transactions recognised during the period as part of employee benefit expenses and share-based payment were as follows:

	Consolidated Group	
	2011 $	2010 $
Options issued under share-based payments	266,750	-
Options issued under employee options plan	-	430,644

NOTE 18: CASH FLOWS INFORMATION

NON-CASH FINANCING AND INVESTING ACTIVITIES:

During the period ended 31 December 2011, the Group issued 7,132,668 (2010: 70,161,771) fully paid ordinary shares on the conversion of $500,000 (2010: $2,850,000) convertible note issued to SpringTree Special Opportunities Fund, LP. Refer to note 12(ii).

During the period ended 31 December 2011, the Group issued 9,700,000 options to Helmsec Global Capital Limited as consideration for the agreed share issue cost in raising $13.5 million, the fair value of the options issued is $266,750 (2010: Nil). Refer to Note 17 for further information on the valuation of options.

NOTE 19: MATTERS SUBSEQUENT TO BALANCE DATES

Subsequent to the end of the reporting period ended 31 December 2011:

On 2 February 2012 the Group announced that it had acquired a 25% working interest in the Cosmopolitan project in Alaska.

On 17 February 2012 the Group announced that it reached an agreement with Bergen Global Opportunity Fund, LP to raise $5.3 million via the issue of the convertible securities.

On 17 February 2012 the Group issued 2,057,009 fully paid ordinary shares to satisfy the commitment fee associated with the first trench received under the convertible note issued on the 17 February 2012.

On 20 February 2012 the Group announced that it reached an agreement with Australian Special Opportunity Fund, LP to raise a further $3.2 million via the issue of the convertible securities. The total raised under both convertible note agreements increased to $8.5 million.

On 24 February 2012 the Group announced that it has issued 7,500,000 unlisted options to the Company directors as approved by the shareholder at the Group 2011 annual general meeting.

On 24 February 2012 the Group issued 3,301,887 fully paid ordinary shares on the conversion of $175,000 of convertible securities issued on the 17 February 2012.

On 6 March 2012 the Group issued 16,337,269 fully paid ordinary shares on the conversion of $875,000 of convertible securities issued on the 17 February 2012.

On 14 March 2012 the Group issued 2,216,982 fully paid ordinary shares on the conversion of $117,500 of convertible securities issued on the 17 February 2012.

No other matters or circumstances have arisen since 31 December 2011 that have significantly affected or may significantly affect:

(a) the Group operations in future years; or

(b) the results of those operations in future years; or

(c) the Group state of affairs in future years.

DIRECTORS' DECLARATION

The directors of Buccaneer Energy Limited declare that:

1. The financial statement and notes, as set out on page 14 to 35 are in accordance with the Corporation Act 2001, including:

a. Complying with Accounting Standards, the Corporation Regulations 2001 and other mandatory professional reporting requirements; and

b. Giving a true and fair value of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dean Gallegos
Director

Sydney
15 March 2012

BUCCANEER ENERGY

www.buccenergy.com

CORPORATE DIRECTORY

DIRECTORS

Mr. Alan J. Broome	Non-Executive Director – Chairman
Mr. Curtis D. Burton	Managing Director
Mr. Dean L. Gallegos	Executive Director
Mr. Frank Culberson	Non-Executive Director

COMPANY SECRETARY

Bruce Burrell

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