NAVIGATOR

THE QUARTERLY NEWSLETTER OF BUCCANEER ENERGY LIMITED

JUNE 2012 QUARTERLY REPORT

BUCCANEER ENERGY LIMITED ("BUCCANEER" OR "THE COMPANY") IS PLEASED TO PRESENT ITS QUARTERLY REPORT FOR THE 3 MONTHS TO 30 JUNE 2012.

THE LAST 3 MONTHS HAVE BEEN A BUSY PERIOD FOR THE COMPANY AS WE PREPARE TO COMMENCE ONSHORE AND OFFSHORE DRILLING PROGRAMS IN THE COOK INLET, ALASKA.

THE HIGHLIGHTS UP UNTIL THE DATE OF THIS REPORT ARE AS FOLLOWS:

- Excellent production performance at the Kenai Loop project
- Very encouraging 3D seismic results at Kenai Loop
- Preparing to spud Kenai Loop # 4 well onshore Cook Inlet, Alaska
- West Eagle drilling site identified and permitting commenced
- Endeavour jack-up rig repairs and modifications completed
- Endeavour jack-up rig mobilised to Cook Inlet, Alaska
- Completed a long term lease for the Glacier # 1 drilling rig with an option to purchase
- Completed and drawn on new US$20.0 million project finance facility
- Completed and drawn on new US$30.0 million ACES receivable revolving credit facility
- Raised $12.0 million through an institutional equity raise
- New Singapore based cornerstone shareholder
- Announced $1.5 million Share Purchase Plan ("SPP")
- Received US$12.8 million in ACES tax rebates from the State of Alaska

MISSION STATEMENT

Buccaneer Energy's wholly owned subsidiary Buccaneer Resources is based in Houston, Texas and is an upstream oil and gas company. It specialises in the development and expansion of behind-pipe proved and probable reserves and low-risk exploration plays with growth potential. Buccaneer's growth strategy is focused on the progressive expansion of oil and gas production and reserves by acquiring significant working interests in low-cost, low-risk development properties that possess significant undeveloped upside.

BUCCANEER ENERGY

KENAI LOOP PROJECT

The Company commenced production from its 100% owned Kenai Loop # 1 well on the 14th of January 2012 (US time). At the date of this report the well has been on continuous production for approximately twenty two weeks and is producing at 5.0 million cubic feet per day ("MMCFD"). The performance of the well up to this point has been excellent and the Company will seek to increase the production rate after the completion of the next Kenai Loop well.

The Kenai Loop # 1 well was in production for approximately 94% of the second quarter, with the only shut-in time being early June when ENSTAR performed planned pipeline maintenance. The Company took the opportunity to install additional equipment and perform pressure build-up tests on the Kenai Loop # 1 well.

The result of the pressure tests were positive and more than validate the proved developed producing ("PDP") reserves attributed to the well by the third party engineer Ralph E Davis Associates, Inc. Furthermore, Company now has an option to deliver into a low pressure (300 psi) system further increasing the proved developed reserves.

The PDP Reserves estimated by Ralph E Davis prior to the commencement of production was 12.1 BCF with a Net Present Value of US$45.0 million using a gas price of $6.24 / mcf and a production rate of 5.0 MMCFD. The NPV of these PDP Reserves will increase materially with an increase in the production rate, with each 1.0 MMCFD rate increase resulting in a corresponding 10.0% NPV increase.

In addition Ralph E Davis Associates estimated Proved Undeveloped ("PUD") reserves of 19.3 BCF with an additional NPV of US$65.0 million to the Company.

During the quarter the Company received US$2.8 million in gross[1] revenue from gas production at Kenai Loop, this represents actual production in the period March – May 2012. The Company's gas sales contract with ENSTAR allows for the Company deliver a minimum of 5.0 MMCFD and a maximum of 15.0 MMCFD to ENSTAR on the commencement of the CINGSA facility, at an annual weighted average price of US$6.24 / MCF. At 5.0 MMCFD the Kenai Loop # 1 well generates approximately US$8.5 million per annum in free cash after royalties and production expenses at the well head, with each 1.0 MMCFD rate increase resulting in a corresponding 20% increase in net cash flow.

The Company has built two drilling pads at the Kenai Loop project with each capable of having 6-8 wells drilled from them. The Kenai Loop # 1 and Kenai Loop # 3 wells were drilled from Drilling Pad # 1.

[1] It is expected that royalties and operational expenses will be equivalent to 25% of gross revenue

3D SEISMIC ACQUISITION

The Kenai Loop project consists of 9,308 acres and is immediately north and adjoins the lease boundary of the Cannery Loop field that has produced 180 BCF (30 MMBOE) and approximately 3 miles north of the Kenai Unit that has produced 2.4 TCF (400 MMBOE). The Cannery Loop and Kenai Unit were owned and operated by Marathon Oil Company and both share many of the same sand packages which have been encountered and are being produced in the Company's 100% owned Kenai Loop project.

The Company has completed a preliminary evaluation of the 23.4 square mile 3D seismic over the entire Kenai Loop project area. The initial evaluation effort has focused on the producing 9,700' and 10,000' sands (Tyonek formation) around the existing Kenai Loop # 1 well.

Ralph E Davis Associates, Inc., when estimating the Proven (1P) Reserves of 31.5 BCF and Proven and Probable (2P) Reserves of 38.3 BCF to the Kenai Loop project, attributed an aerial extent of 340 acres around the Kenai Loop # 1 well. The 3D seismic preliminary results indicates up to 840 acres around the Kenai Loop # 1 well bore in each of the producing 9,700' and 10,000' sands in the Tyonek formations i.e. a total of up to 1,680 acres.

Additionally, the Company has identified 11 new seismic hydrocarbon anomalies from stacked pays in the shallow Sterling and deeper Tyonek formations.

In the past month the Company has had three separate data processing companies (different software packages) to enhance the overall interpretation and to reduce risk. The final phase of the 3D seismic processing is underway, as fluid substitution and thickness modelling of the Tyonek zones that were logged and tested in the first Kenai Loop well drilled in 2011 is being applied to the 3D interpretation to high-grade the drilling opportunities.

The Company will risk assess each of these anomalies including a third party peer review prior to finalising a future drilling program.

The fault previously thought to have separated the Kenai Loop # 1 and Kenai Loop # 3 well but which could not be identified on the 1970's 2D seismic used to locate that well, is now clearly visible on the new 3D seismic and has been confirmed as the reason the Kenai Loop # 3 well drilled in late 2011 was unsuccessful.

The 3D seismic survey covered a total of 23.4 square miles and included the full 9,308 acre (14.5 square miles) lease position on the Company's 100% owned Kenai Loop project located onshore Cook Inlet, Alaska. The final coverage was slightly smaller than the planned 25 square mile program due to some wetland restricted areas but well within our design to properly image the targeted productive horizons. The Company has submitted a Unit application to the State of Alaska Department of Natural Resources to retain the majority of the leasehold.

KENAI LOOP # 4 WELL

All permits and clearances to commence drilling operations at the Kenai Loop project are in-place. The Glacier # 1 drilling rig has moved onto the Kenai Loop # 1 drilling pad ready to commence operations.

If the final bottom-hole location is more than 500 feet from the existing permitted location an application will have to be lodged for an amendment, if this is required it will result in a delay of approximately five days.

Consequently the Kenai Loop #4 well is expected to spud in early August from Drilling Pad # 1. The well has a targeted true vertical depth ("TVD") of 11,000 feet and is anticipated to take 35-40 days to drill, with an additional 10 days of testing planned.

GLACIER RIG ON LOCATION AT KENAI LOOP IN 2011

ENDEAVOUR JACK-UP RIG

Kenai Offshore Ventures, LLC ("KOV") has executed a heavy lift contract to transport the Endeavour from Singapore to the Cook Inlet, Alaska. The Endeavour mobilised from Singapore aboard the Kang Sheng Kou on 30 July 2012 and is expected to take approximately 21 days to reach the Cook Inlet, where the rig will be offloaded and towed via tug to the first well location in Buccaneer's offshore program. The route the Kang Sheng Kou will be taking is shown below and shareholders can track the voyage of the vessel in real time at **www.kenaioffshoreventures.com**.

On completion of the northern Cook Inlet 2012 drilling season anticipated to be in early November it is anticipated that the rig will then be towed to the Cosmopolitan location in the ice free southern Cook Inlet to commence drilling operations.

As previously advised Kenai Offshore Ventures, LLC ("KOV") executed a Repair Contract with Keppel FELS Shipyard in Singapore for the repair and modification of the jack-up rig, Endeavour. Substantially more work than was originally scheduled for the Singapore shipyard period has now been completed including the following:

- In early 2012 there was a change in US Federal government regulations that required an increase in lifeboat capability for jack-ups operating in US waters. This required engineering and steel works to be completed that was not originally anticipated;
- During 2012 several opportunities to use the rig as a standby rig for "major" operators who have projects in the Chukchi Sea and Beaufort Sea presented a unique opportunity to achieve improved utilization of the rig. In order to realize this improved utilization, however, additional improvements to the rig were needed to insure suitability;
- The acquisition of the Cosmopolitan project in the southern Cook Inlet that is ice free in winter meant a winter drilling location for the Endeavour thereby increasing its utilisation. This required the work that was going to be completed in the first winter period to be brought forward to Singapore; and
- The desire to certify the Endeavour with the American Bureau of Shipping (ABS) for the maximum 5 years so no interruptions to operations will be necessary meant that all key systems needed to be taken to workshops, stripped, repaired where necessary and then reinstalled.

The above additional work required resulted in a budget increase and approximately US$2.5 million of the funds raised from the recently announced capital raise will be used to satisfy Buccaneer's obligations to the joint venture company KOV.

MAP OF THE KANG SHENG KOU ENDEAVOUR PATH

KOV is also putting in place additional financial arrangements that require no additional lump sum payments from Buccaneer, to facilitate this Buccaneer has agreed to an increase in the Bare Boat Charter fee of 15% - 20%. The Bare Boat Charter fee forms part of the day rate Buccaneer will be charging itself and third parties and is subject to a 65.0% cash rebate from the Alaskan State Governments ACES incentive program.

ADDITIONAL MODIFICATIONS AND REPAIRS

As discussed above additional modifications and repairs were undertaken on the Endeavour to add significant capabilities to the rig and to extend its operating life beyond the minimum 5 year contract duration that was originally planned. They include:

- modifications to main deck to prevent overboard rain runoff/ discharge from the deck mounted equipment;
- enhanced drilling fluid mixing/treating components to facilitate the use of sophisticated drilling fluid systems that reduce environmental impact and enhance drilling performance;
- upgraded electrical load capacity to handle electric heaters and newer electronic monitoring and control equipment;
- replaced outdated drawworks and machinery housings to reduce environmental pollution and enhance safety;
- upgraded critical piping to facilitate a full 15k psi rating for critical cementing operations and to enhance high pressure well control capabilities;
- replaced cement pumping equipment with 15k high pressure equipment that includes enhanced controls and safety features along with electronic monitoring of operational parameters;
- upgraded living quarters to international standards required by "majors" and installed necessary heating equipment to enable year-round arctic operations;
- winterized/protected the rig for year round operation in arctic conditions, not just the summer drilling season;
- installed higher capacity lifeboats and davit launched emergency life rafts to comply with updated USCG regulations;
- completed all ABS class and registry requirements to enable operations without interruption for any further certification for the duration of the 5 year term contract – this included full dry docking to inspect/repair hull and lower legs;
- replace rig floor controls with updated equipment including high graded emergency shutdown and monitoring systems;
- installed high pressure BOP control circuitry and needed plumbing so that 10k psi and 15k psi BOP equipment can be used interchangeably;
- certified BOP equipment to new OEM standards enabling operation of the rig worldwide without further certification;
- improved rig lighting to enable year round operation in prolonged periods of darkness that exist in arctic areas;
- modified and certified machinery components to operate with arctic lubricants for year round operation;
- replaced rig-side windows on living quarters with explosion proof designed windows to meet the newest standards;
- identified and replenish/paint critical components that could not be properly maintained and painted in a year round, arctic operating environment;
- recertifed all winches and pad-eyes to international standards for arctic operation to enable year round use;
- recertification and load testing of all cranes to provide "as-new" ratings for full arctic use and installed enclosed operating cabins for year round use;
- full inspection and repair program for jacking systems in preparation for year round operation. Some of this was originally planned for maintenance during winter shutdown periods;
- "zero discharge" capabilities for drilling fluid/cuttings to enable operating in the Cook Inlet, Beaufort Sea and Chukchi Sea and other similar environmentally sensitive areas were added;
- the capability to capture deck rain runoff for use in water based mud systems, limits deck discharge overboard and reduces required boat/barge transport of water to the rig was added;
- refitted the helicopter deck support structure to certify support capacity and facilitate use of larger capacity helicopters; and
- completed a cleaning of the legs, spud can interior spaces and pre-load tanks removing potential "contaminants" or other "imported" marine growth from outside Alaskan waters in compliance with upcoming DNV regulations.

COMPARATIVE LEASING RATES

The Cook Inlet is considered a remote and harsh location and the most direct comparable location is the North Sea. The Cook Inlet has no operating jack-up rigs in the class of the Endeavour, whereas the North Sea region (including Norway) currently has 43 jack-up rigs operating.

Lease rates have increased by 49.7% (at the mid-point[2]) with utilisation rates in the North Sea currently at 90% - 100%, the industry expectation is that lease day rates will continue to be firm. The acquisition of the Endeavour was negotiated (July 2011) and was completed at the low point in the jack-up valuation cycle.

[2] As calculated by IHS Petrodata June 2012

ENDEAVOUR JACK-UP RIG

BACKGROUND

In mid-December 2011 KOV executed a Repair Contract with Keppel FELS Shipyard in Singapore for the repair and modification of the jack-up rig, Endeavour. That work included:

- 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 dismantling and assessment of the drilling equipment was completed. Refurbishment work to this drilling equipment was also completed prior to re-installation and finalisation of the repair and modification program.

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.

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 blow out protectors ("BOPs"), both 10,000 and 15,000 PSI, giving it the 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.

ENDEAVOUR SPIRIT OF INDEPENDENCE

SHIPYARD IMAGES


HELI DECK AS VIEWED FROM THE WHARF


LIVING QUARTER

CLOSED UP VIEW OF THE HELI DECK. SOME PARTS HAVE BEEN PAINTED BY KFELs


DINING ROOM

ENDEAVOUR BEING LOADED ONTO HEAVY LIFT VESSEL

ENDEAVOUR BEING LOADED ONTO HEAVY LIFT VESSEL

MOVING TOWARDS HEAVY LIFT VESSEL

RELATED AGREEMENTS

As part of the acquisition of the jack-up rig 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 in late August 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 leasing the Endeavour to third party operators in the Cook Inlet, with whom discussions have already commenced.

The Company has 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.

WEST EAGLE PROSPECT

The Company has purchased and reprocessed 230m^2 of 2D seismic covering the prospect area. A large structural anomaly has been identified within the project area. A drill pad location has been identified and the Company has commenced permitting for a well to be drilled.

WEST NICOLAI PROSPECT

A 3-D seismic program for the West Nicolai Prospect was designed during the quarter, and the program is targeted to be shot late this northern winter.

OFFSHORE DEVELOPMENT PROGRAM

ENDEAVOUR JACK-UP RIG

OFFSHORE PROGRAM SCHEDULE

On arrival of the Endeavour jack-up rig to the Cook Inlet in late August 2012 it is the Company's intention to spud its first offshore well within the North West Cook Inlet ("NWCI") unit. The NWCI unit adjoins ConocoPhillips ("CoP") North Cook Inlet field that has produced 1.85 TCF (308 MMBOE) from the Sterling and Beluga formations. The Company's NWCI project lies within the same geological structure as CoP North Cook Inlet field.

The Company has an average 98.2% working interest in NWCI and is the Operator. Netherland, Sewell & Associates has estimated a P50 Resource of 45.9 MMBOE to the Company's NWCI project with shallow gas targets in the Beluga and Sterling formations and deeper oil targets in the Lower Tyonek formations.

The Company's first drilling location at NWCI is located approximately a mile to the north from the Shell Oil Company's North Cook Inlet State # 1 well drilled in 1964 which is located within the CoP North Cook Inlet field. The Shell #1 conducted a successful production test of gas from the shallow Beluga formation and a successful production test of oil of 2,270 BOPD from the Upper Tyonek formation. Shell did not complete the well as a producer due to low oil and gas prices at that time.

The Company has submitted a request to the Alaskan Department of Natural Resources ("DNR") to amend the Plan of Exploration ("POE") to the Southern Cross Unit to extend the date to drill the first well in the Southern Cross Unit from September 30, 2012 to September 30, 2013 and the second well from September 30, 2014 to September 30, 2015.

The Company has had some positive discussions with the DNR since the lodgement of the request, and given the Company's substantial efforts in bringing a jack-up rig into the Cook Inlet to drill its projects feels that the request will be viewed in a positive light. It is expected that the DNR will formally respond to the Company's request in the next 14-21 days.

It is anticipated that upon completion of the northern Cook Inlet summer drilling season in November the jack-up rig will be moved south to the Cosmopolitan project, an area that is ice free during the winter months (November – April), to undertake initial appraisal drilling.

OFFSHORE PERMITTING

The Company's permitting plan was implemented approximately 24 months ago and is on schedule for completion prior to the arrival of the Endeavour – Spirit of Independence jack-up rig in the Cook Inlet.

ACQUISITION OF THE GLACIER # 1 RIG

In the March quarter the Company announced that it had executed a purchase agreement with Glacier Drilling Company, a wholly owned subsidiary of the Marathon Oil Company ("Marathon"), to acquire the Glacier Drilling Rig # 1 ("Glacier Rig") for US$7,338,000.

The Company facilitated the purchase of the Glacier Rig by a third party that specialises in the energy sector.

The new owner and a wholly owned subsidiary of the Company, Kenai Land Ventures, LLC ("Kenai Land"), that has been set up specifically for this transaction have entered into a 3 year Bare Rig agreement.

The Bare Rig lease rate to be paid by Kenai Land is at a discount to the rates charged by Glacier Drilling to the Company for drilling the Kenai Loop wells in 2011 and therefore this is seen as a financially advantageous transaction for the Company. Kenai Land has exclusive access to the Glacier Rig during this period or alternatively it can lease the rig to third parties and charge a premium to the lease rate charged by the owner to Kenai Land.

OPTION TO PURCHASE

Kenai Land has an option to purchase the Glacier Rig at any time after the first 6 months for US$7,338,000. Upon exercise of the option to purchase, a portion of the lease payments paid to the owner will be credited against the purchase price.

The Glacier Rig is a Mesa 1000 carrier mounted land drilling rig. It was built in 2000 and can drill to depths of approximately 15,000'. The rig is unique in that it was designed and built with the input of the drillers that would operate the rig on the Kenai Peninsula, Alaska. The Glacier Rig was designed to operate close to neighborhoods on Alaska's Kenai Peninsula. The small size is ideal for pad drilling, minimizing the drilling footprint and impact to its surroundings.

The Glacier Rig was used to drill both of the Company's Kenai Loop wells in 2011 and the Company considers its acquisition as an enabling asset and ensures its ability to develop onshore projects.

ACQUISITION OF COSMOPOLITAN PROJECT

In early February 2012 the Company executed a Purchase and Sale Agreement for the acquisition of the two main productive leases in the former Cosmopolitan Unit ("Cosmo") from Pioneer Natural Resources Alaska, Inc. ("Pioneer").

The acquisition is being jointly made with privately owned Fort Worth, Texas based BlueCrest Energy II, LP ("BlueCrest") with Buccaneer acquiring a 25% working interest and BlueCrest a 75% working interest, with Buccaneer acting as operator on the project.

Since that time the seller, Pioneer Natural Resources Alaska, Inc. ("Pioneer"), has granted two extensions to the settlement date of the transaction, both of which have been requested by BlueCrest.

While Buccaneer is fully funded to settle on its 25.0% working interest in Cosmo, BlueCrest has requested an extension until the 14 August 2012 (US time) so as to put financing in place to settle the remaining 75.0% working interest.

Buccaneer has been working with third parties who have expressed an interest in the Cosmo transaction and who have substantial financial capabilities. These parties have confirmed that they would like to proceed and fund the acquisition of the remaining 75.0% working interest if BlueCrest are unable to proceed to settlement.

GLACIER # 1 RIG

CORPORATE DEVELOPMENTS

PROJECT FINANCE FACILITY

In late May the Company executed binding agreements with New York based Richmond Hill Investment Co., LP for the provision of a US$20.0 million project finance facility ("the Facility").

The Facility uses a secured note issued by the Company's wholly owned subsidiaries, Buccaneer Alaska, LLC and Buccaneer Alaska Operations, LLC, to be guaranteed by the Company. This type of funding allows for flexibility and limits shareholder dilution.

The Facility matures 17 January 2013 at which time the Company will either repay or refinance the Facility. This will enable the company to capitalize on the further development of its Cook Inlet assets prior to putting into effect a potential long dated financing alternative.

In addition to the above Facility the Company also executed a US$30 million revolving credit facility with Richmond Hill to fund receivables under the State of Alaska, ACES exploration and development incentive program ("ACES Facility"). The new ACES Facility matures 31 December 2013.

This new ACES Facility replaced the facility put in place with Centaurus Capital, LLC in December 2011 and simplified the Company's security arrangements with its lenders.

INSTITUTIONAL PLACEMENT & CORNERSTONE SHAREHOLDER

In mid July the Company advise that it had executed binding agreements for the issue of 292,682,927 shares in the Company at an issue price of $0.041 to raise a total of $12.0 million ("Placement").

The Placement will be completed in two tranches with Tranche 1 of 141,798,925 shares to raise $5,813,756 being undertaken immediately under the Company's 15% capacity under ASX Listing Rule 7.1 and was settled on 23 July 2012.

Tranche 2 of the Placement of 150,884,002 shares to raise $6,186,244 will be completed subject to shareholder approval at a general meeting that is expected to be held in early September 2012.

Bell Potter Securities is acting as Lead Manager to the Placement.

The Company is also pleased to advise that Zenith Securities Pte Ltd, Singapore ("Zenith") and Augsburg Investments Ltd, Hong Kong ("Augsburg") have each subscribed to 48,780,488 shares in Tranche 1 of the Placement with each corresponding to a 4.3% interest in the Company.

The Company views the issue of shares to Zenith and Augsburg as the start of a long term strategic relationship and as such it intends offering Zenith and Augsburg jointly one non-executive board seat to cement this new partnership.

The remainder of the Placement was supported by existing institutional shareholders and a range of new international and domestic institutions and sophisticated investors and was heavily oversubscribed.

SHARE PURCHASE PLAN

In addition, the Company will also implement a Share Purchase Plan ("SPP") to eligible shareholders capped at $1,500,000 at an issue price of $0.041.

The Company anticipates sending SPP documentation to shareholders with the documentation for the shareholders meeting, the SPP will be timed to close shortly after the shareholders meeting to be held in early September.
On closing the SPP the Company will decide upon an allocation policy and provide the policy to shareholders so that the process is transparent and fair to all shareholders eligible to participate in the SPP.

ENDEAVOUR LIFE RING

FROM WHARF LOOKING AT LEGS 320' HIGH

The following are detailed overviews of each of the Company's onshore and offshore Cook Inlet assets.

ONSHORE DEVELOPMENT PROJECTS

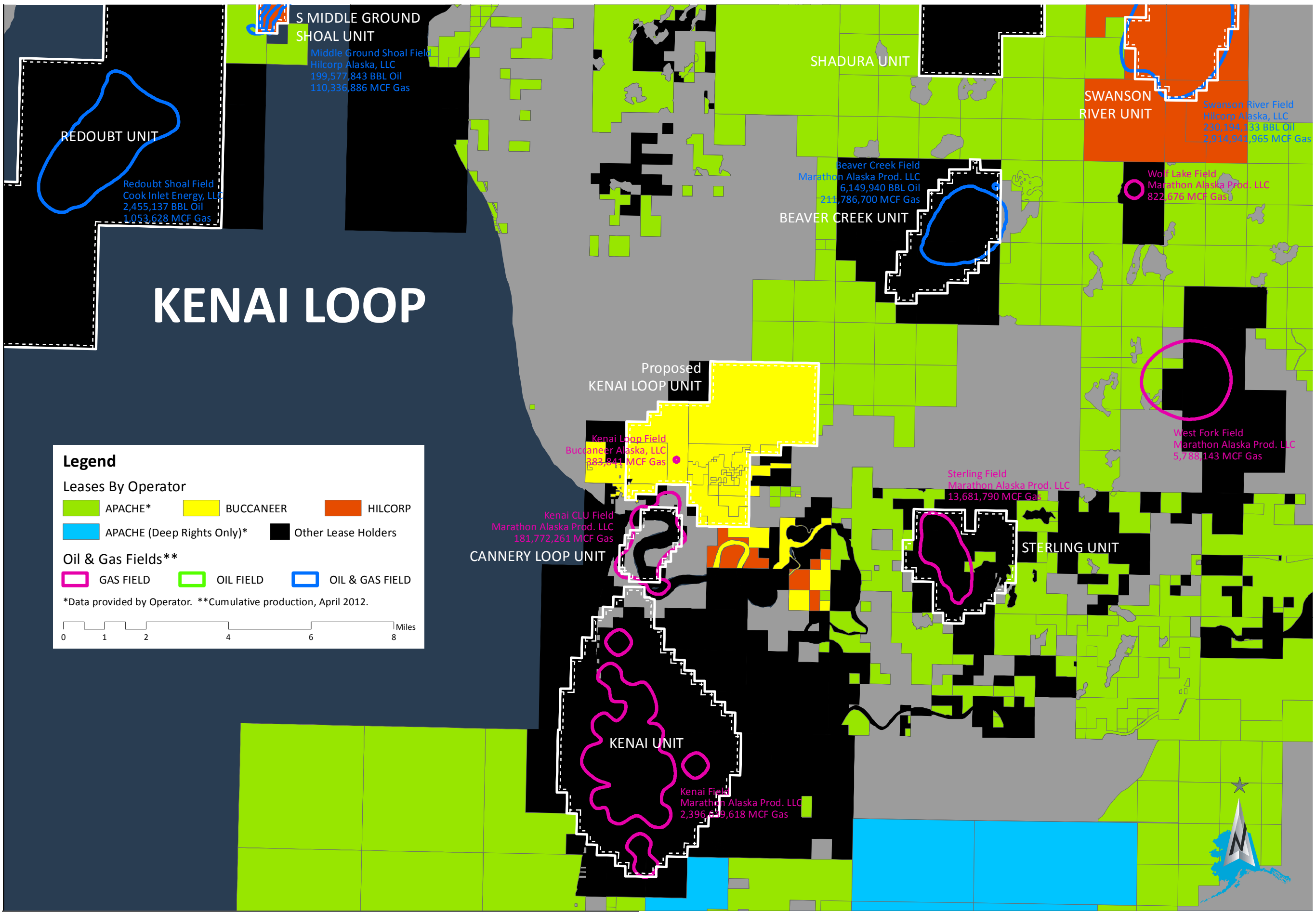
KENAI LOOP PROJECT

The Kenai Loop Project consists of 9,308 acres and is 100% owned by the Company and has an 77.5% - 82.5% Net Revenue Interest.

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.



MAP OF KENAI LOOP

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.

	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
	31.5	38.3	51.6
Oil Equivalent MMBOE[1]	3.9	4.8	6.5

[1] Gas to Oil conversion using a Gas to Oil ratio of 8:1

ONSHORE DEVELOPMENT PROJECTS

Netherland, Sewell & Associates (NSA), one of the leading US based engineering firms, completed a third party engineering report on the reserves for both North West Cook Inlet and the Southern Cross Unit. NSA was chosen to complete this report as they are experienced in the Cook Inlet, having completed reserves estimations for a number of multi-national energy companies that have oil and gas operations offshore in the Cook Inlet of Alaska.

The combined Proven & Probable (2P) Reserve and P50 Resource for the Company's two offshore units totals 73.3 Million barrels of oil equivalent (MMBOE).

SOUTHERN CROSS UNIT

Buccaneer holds a 100.0% Working Interest in the Southern Cross Unit, the Net Revenue Interest is 79.25%. The NSA report attributed a Proved + Probable (2P) Reserves of 12.7 MMBOE and P50 Resources of 14.7 MMBOE.

HIGHLIGHTS

The Southern Cross Unit is in approximately 50' of water with no unusual technical hurdles to drill and develop reserves.

Buccaneer's initial test well will offset several wells on its leasehold that tested oil and gas but that were never produced. Buccaneer's first well is approximately 300 feet from the Pan Am 17595 # 3 (circa 1960's) which tested 230 feet oil and 1080 feet of mud cut oil from the Lower Tyonek and 165 feet of oil from the Hemlock.

It will also be structurally high to the Pan Am 17595 # 2 (circa 1960's) which tested the Lower Hemlock and recovered gas to the surface followed by fluid from which 990 feet of clean oil was recovered. Other wells on the lease tested gas from the Upper Tyonek. Buccaneer's well will be within the demonstrated hydrocarbon column for this area.

OFFSHORE DEVELOPMENT PROJECTS

The Company has a 3D seismic survey license over the Southern Cross Unit.

Southern Cross is within 5 miles of four significant oil and gas fields with combined production of 1.08 Billion BO and over 550 BCF of gas:

- Trading Bay Field with production to date of 103 million BO, 73 BCF of gas and 360 thousand barrels of Natural Gas Liquids (NGL);
- McArthur River Field with production to date of 630 million BO, 261 BCF of gas and 9 million barrels of NGL;
- Middle Ground Shoal Field with production to date of 198 million BO and 93 BCF of gas; and
- Granite Point Field with production to date of 147 million BO and 131 BCF of gas.

RESERVES

Prospect	Proven (1P)		Proven + Probable (2P)		Proven + Probable + Possible (3P)	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Tyonek	3.4	0.5	7.2	6.7	13.5	16.4
Hemlock	1.2	9.2	2.8	9.8	6.0	11.1
Total	4.6	9.7	10.0	16.5	19.5	27.4
MMBOE*[1] Gross to 100% Working Interest	6.3		12.7		24.1	

*Million barrels of oil equivalent
[1] Natural Gas has been converted to oil using a Gas to Oil ratio of 6:1

Oil makes up approximately 78% of the 2P Reserves.

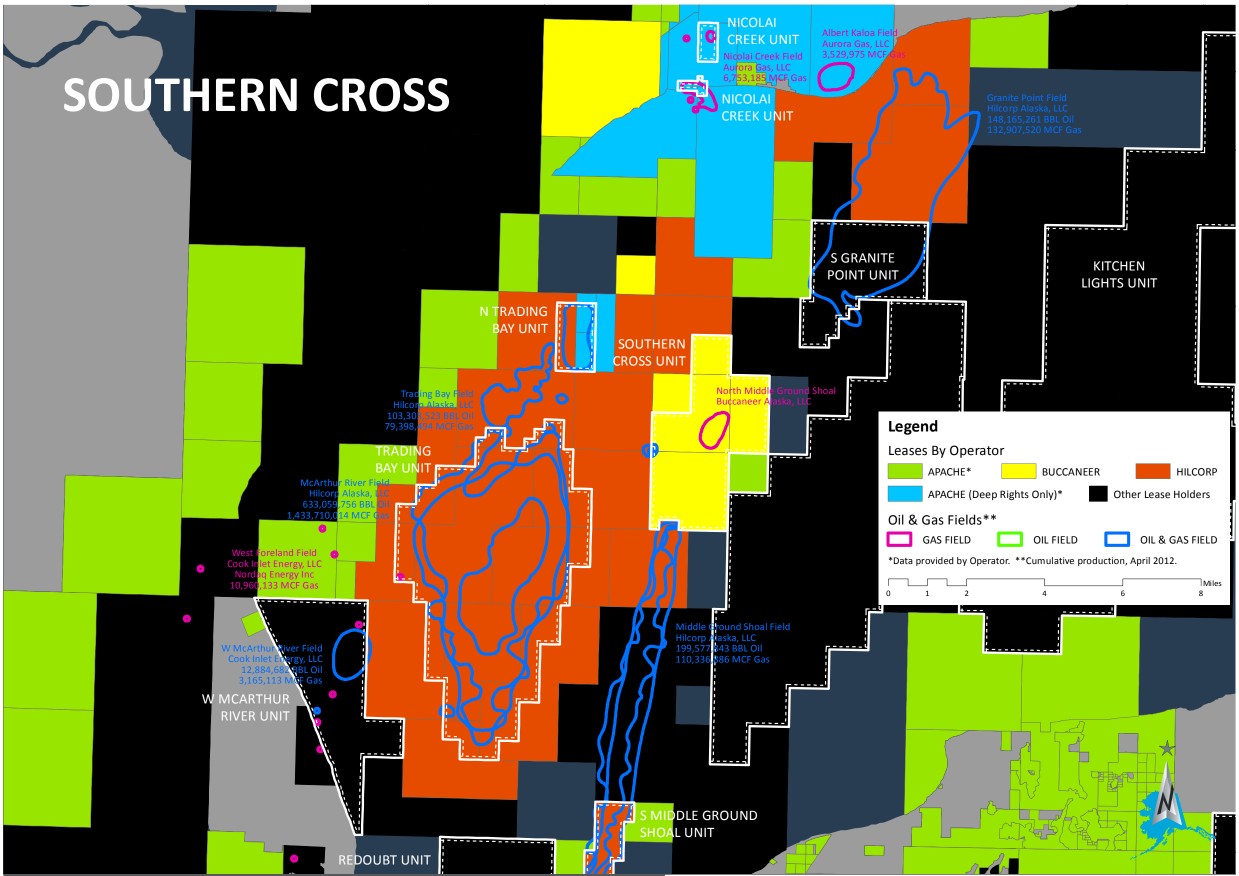
RESOURCES

The following Prospective Resources reflect the Company's Working Interest in Southern Cross Unit.
Buccaneer holds a 100.0% Working Interest in the project, the Net Revenue Interest is 79.25%:

Prospective Resource	Low Estimate (P90)		Best Estimate (P50)		High Estimate (P10)		Mean	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Tyonek	3.2	1.2	8.9	3.3	23.7	9.0	11.6	4.4
Hemlock	1.2	0.5	4.9	1.9	18.0	6.9	7.6	2.9
Total	4.4	1.7	13.8	5.2	41.7	15.9	19.2	7.3
MMBOE*[1] Gross to 100% Working Interest	4.7		14.7		44.3		20.4	

*Million barrels of oil equivalent
[1] Natural Gas has been converted to oil using a Gas to Oil ratio of 6:1

Oil makes up approximately 94% of the P50 Resource. These resources will be produced through the same facilities constructed for the 3P reserve base detailed above, thus will have a lower incremental development cost.



SOUTHERN CROSS UNIT

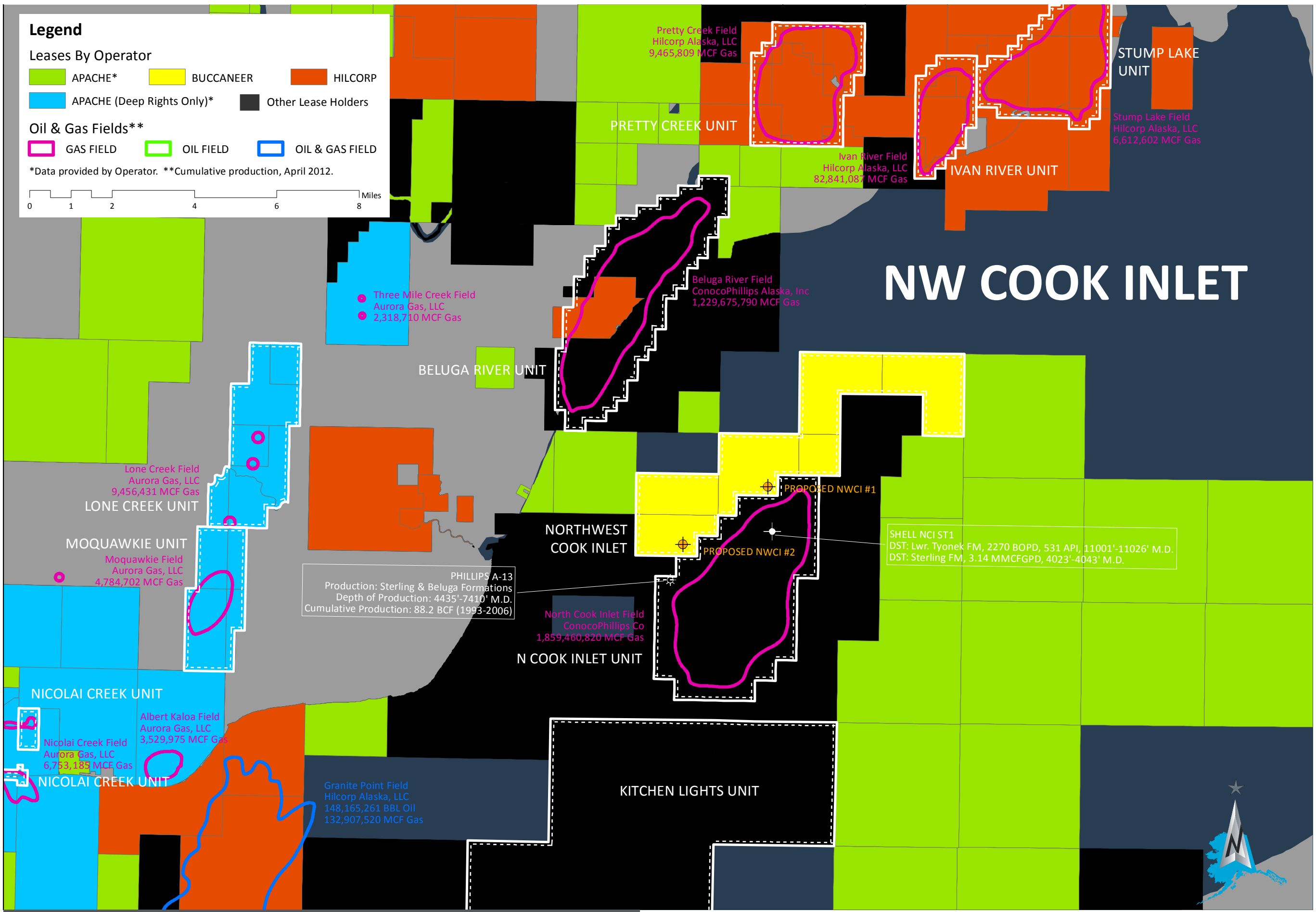
NORTH WEST COOK INLET UNIT

The following Prospective Resources reflect the Company's Working Interest in North West Cook Inlet. Buccaneer holds an 87.5% - 100.0% Working Interest in the project, with an average 98.2% Working Interest and average Net Revenue Interest of 77.66%.

NORTH WEST COOK INLET - NETHERLAND SEWELL RESOURCES

Prospect	Low Estimate		Best Estimate		High Estimate		Mean	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Beluga	0.0	48.9	0.0	172.5	0.0	339.0	0.0	186.3
Sunfish	3.1	3.0	7.8	7.4	14.6	13.8	8.4	8.0
Tyonek Channel	4.0	3.8	7.7	7.3	13.0	12.3	8.2	7.8
MMBOE* Gross to 100% Working Interest	16.4		46.7		88.5		50.3	
MMBOE* Net to Buccaneer Working Interest	16.1		45.9		86.9		49.4	

* million barrels of oil equivalent



NORTH WEST COOK INLET

NORTH WEST COOK INLET - HIGHLIGHTS

The North West Cook Inlet project is in approximately 100' water depth with no unusual technical hurdles to drill and develop.

- The lease adjoins ConocoPhillips North Cook Inlet field that is in production and has produced 1.8 trillion cubic feet (TCF) of gas.
- The Company's lease offsets an earlier well drilled in the western portion of the North Cook Inlet Field (ConocoPhillips) that produced 85 BCF of gas (Phillips # A-13), this well is less than 1 mile from the lease boundary.
- The majority of the production from the North Cook Inlet field has come from the Sterling sands which are above 6,000' in depth. The slightly deeper Beluga Formation will also be gas bearing and should be mostly or totally un-drained in the north-western portion of the structure which makes up the Northwest Cook Inlet Prospect.
- The Prospect also presents a deeper oil opportunity. Field discovery wells tested oil in the Lower Tyonek and Hemlock Formations that have never been produced in the field and that would require a deeper, 14,000 foot exploratory test.
- Five wells drilled by Phillips, Shell, and Arco found the deeper oil sands. The Shell well is the most northerly of these tests, and it found and tested oil at the rate of 2,270 barrels of oil per day from these sands, and is approximately 1 mile from the Prospect. This deeper oil potential was never produced.

COSMOPOLITAN PROJECT

The Company is acquiring a 25.0% working interest in the Cosmopolitan Project ("Cosmo") and is being appointed Operator. Cosmo is an undeveloped oil and gas field located in 50 feet of water in the Cook Inlet of Alaska and is in close proximity to the shoreline at Anchor Point on the Kenai Peninsula. Cosmo has regional proximity to Buccaneer's other Alaskan assets and will utilise the capabilities of the Endeavour rig during the northern hemisphere winter.

The strong interest in the region, which contains the Cosmo project, is demonstrated by Apache Corporation acquiring leases surrounding and adjoining the leases near Cosmo during the last State lease sale conducted in June 2011.

RESERVES

As part of its due diligence on Cosmo, Buccaneer and BlueCrest engaged respected consulting firm Ralph E Davis to conduct an independent reserve estimate on the project. The 2P Reserves of Cosmo increase Buccaneer's independently assessed Alaskan 2P Reserves from 17.5 million barrels of oil equivalent ("MMBOE") to 31.3 MMBOE, a significant increase of 79%.

OFFSHORE DEVELOPMENT PROJECTS

COSMO RESERVES ESTIMATES

	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
Gas - BCF	-	90.0	179.0
Oil - MMBO	31.0	44.0	70.0
Oil Equivalent MMBOE[1]	31.0	55.2	92.4
Net to Buccaneer 25.0% Working Interest	7.8	13.8	23.1

[1] Gas to Oil conversion using a Gas to Oil ratio of 8:1

These Reserves estimates for the Cosmo project are supported by drilling, production testing and 3D seismic.

PRELIMINARY DEVELOPMENT PLANS

Development of the Cosmo project involves two separate plans:

- A shallow gas development (3,000 – 4,000 feet) to be drilled with the Endeavour jack-up rig; and
- A deeper oil development (6,000 – 8,000 feet) that can be exploited using directionally drilled wells from the shoreline.

An offshore well using the Endeavour jack-up rig is planned for late 2012 that will further quantify both the oil and gas zones of the project.

Development of the Cosmo project will begin in the northern hemisphere winter of 2012 and continue through to 2014. The preliminary development plan includes drilling and producing oil wells from the existing onshore production site and drilling offshore water injection wells for reservoir pressure maintenance.

Separately, offshore gas wells will be drilled and tied back to the existing onshore site which will be connected to ENSTAR's recently completed gas transportation line.

INCREASED JACK-UP RIG UTILISATION IMPROVES ECONOMICS

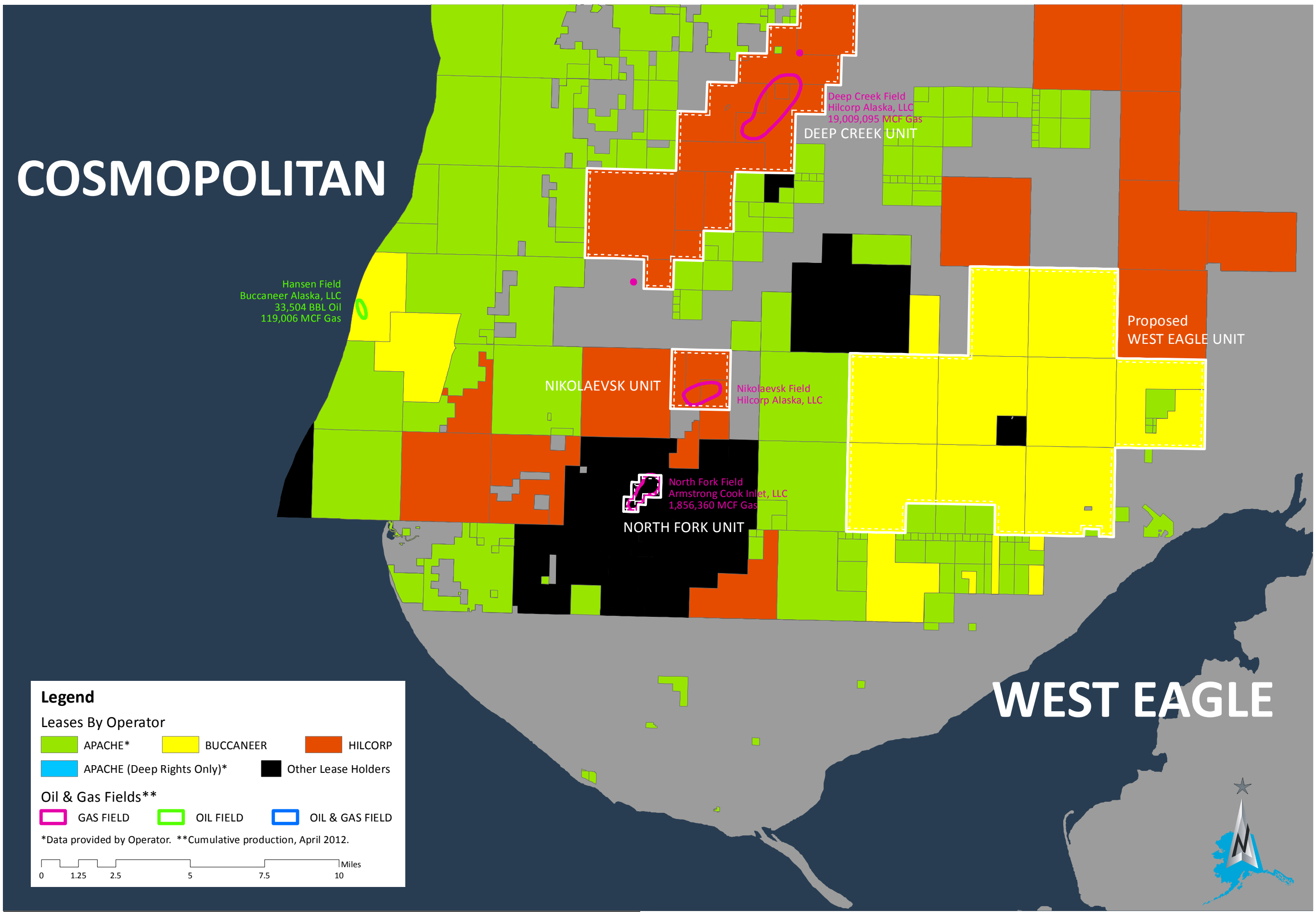
The acquisition of Cosmo will allow the use of the Endeavour jack-up rig to provide a more efficient development plan than was previously available to Pioneer. Without access to a jack-up rig, all wells, including water injection wells needed to be drilled as long reach directional wells from onshore. Further, the shallower gas reserves could only be reached by an offshore drilling program that will utilise the Endeavour. Utilisation of the Endeavour jack-up rig materially improves the economic parameters of the overall project.

The Cosmo project is located in the southern part of the Cook Inlet which is free of ice flows during winter. Cosmo will provide a winter operational location for the Endeavour jack-up rig to utilise the rig when ice flows in the northern part of the Cook Inlet preclude drilling during the November – March period.

This provides several years of winter drilling business and is expected to materially improve the profitability of the Company's offshore drilling division which was previously based on a 240 day drilling season.

ENDEAVOUR SPIRIT OF INDEPENDENCE BEING TOWED TO HEAVY LIFT VESSEL IN SIGNAPORE 29 JULY 12

ONSHORE EXPLORATION PROJECTS ALASKA



KENAI PENINSULA

WEST EAGLE PROSPECT

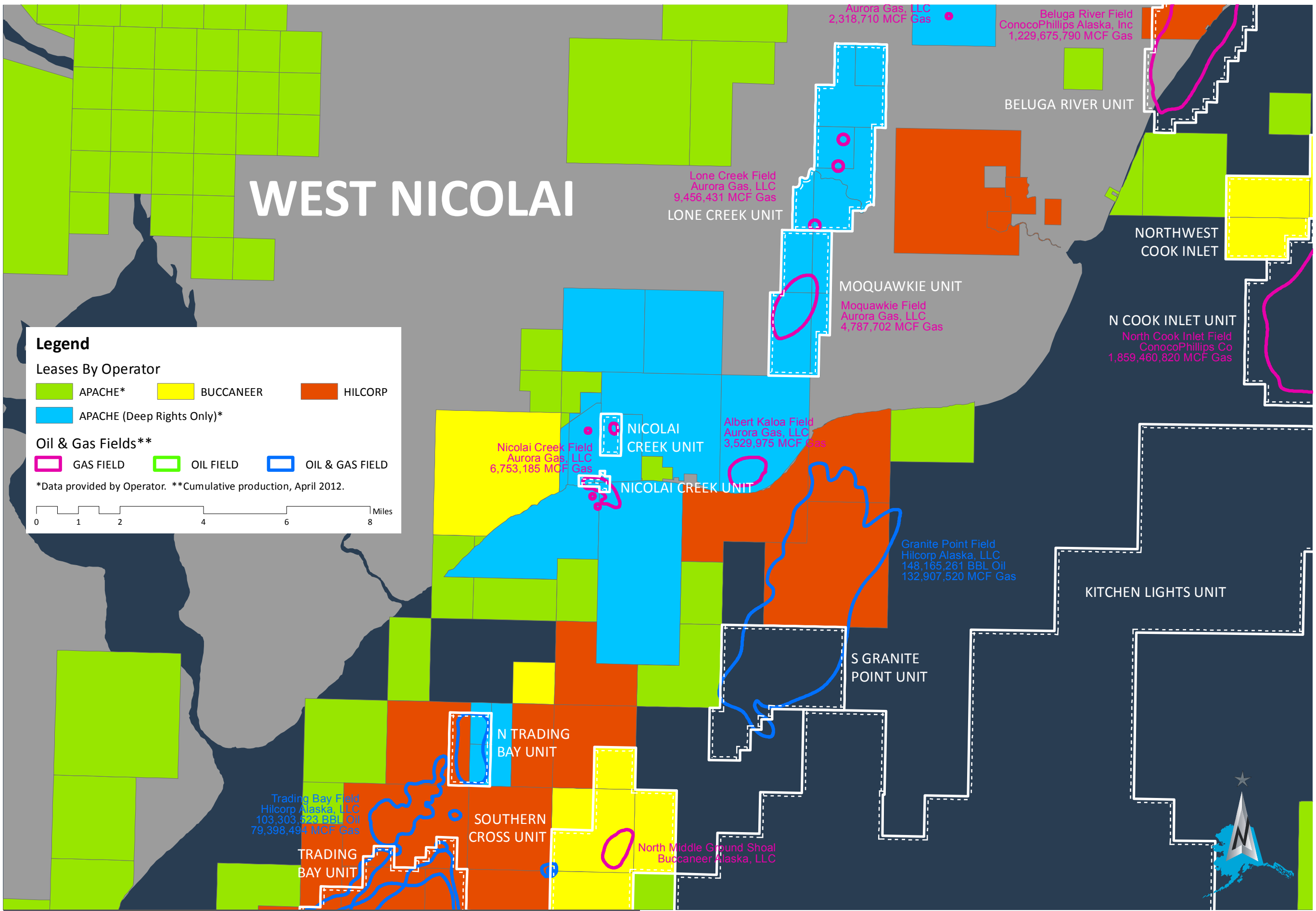
As part of its lease obligations the Company is required to spud the first well on the lease position by the end of third quarter 2012.

The West Eagle Prospect includes 12 State Leases totalling more than 52,044 acres and is on the eastern limb of the Cook Inlet Basin. The Prospect is designed to test potential oil on trend or slightly down-dip to, possible, logged oil pay in wells drilled in the 1960's. In such a position, the sands should be thicker and better developed and on the migration pathway of any oil moving into the structure. The Company has a 100% working interest and 79.25% net revenue interest in these leases.

Gas is also expected in the shallower section. A 10,000' test will be required to test the Tyonek (5,000'; gas potential) through the Hemlock (9,800'; oil potential).

- The exploration potential is significant.
- Approximately 8 miles east of Union Oil's (Chevron) Nikolaevsk/North Fork Gas Unit and 10 miles southeast of the Deep Creek Gas Unit.
- The exploratory P10 gas reserves are approximately 330 BCF within the Tyonek Formation. The P50 reserves are 100 BCF. The exploratory P10 oil reserves are approximately 47 MMBO within the Hemlock Formation. The P50 reserves are 10 MMBO.

ONSHORE EXPLORATION
PROJECTS ALASKA



WEST NICOLAI PROSPECT

WEST NICOLAI PROSPECT

West Nicolai is an onshore lease on the west side of Cook Inlet. Buccaneer has a Working Interest of 100% and 83.75% net revenue interest.
The assessed P10 reserves are 25 BCF of gas.
The P50 reserves are 14 BCF.

The Prospect includes one State Lease with 5,653 acres and is on the western edge of the Cook Inlet Basin. The 2D seismic data was used to map the lead which has the same productive intervals at depths of 1000 to 3000 feet as the Nicolai Creek Field about two miles to the east.

- Low-cost, high impact onshore gas project
- Analogous to the >10 BCF Nicolai Creek Gas field with multiple stacked pays
- Low development cost – nearly US$5.0 million per well for drilling and completion. Gas pipeline connection and processing facilities less than 2 miles at Nicolai Creek Gas Field
- Roads and infrastructure close-by
- Other leads on trend to the north
- Oil lead to the southeast

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.

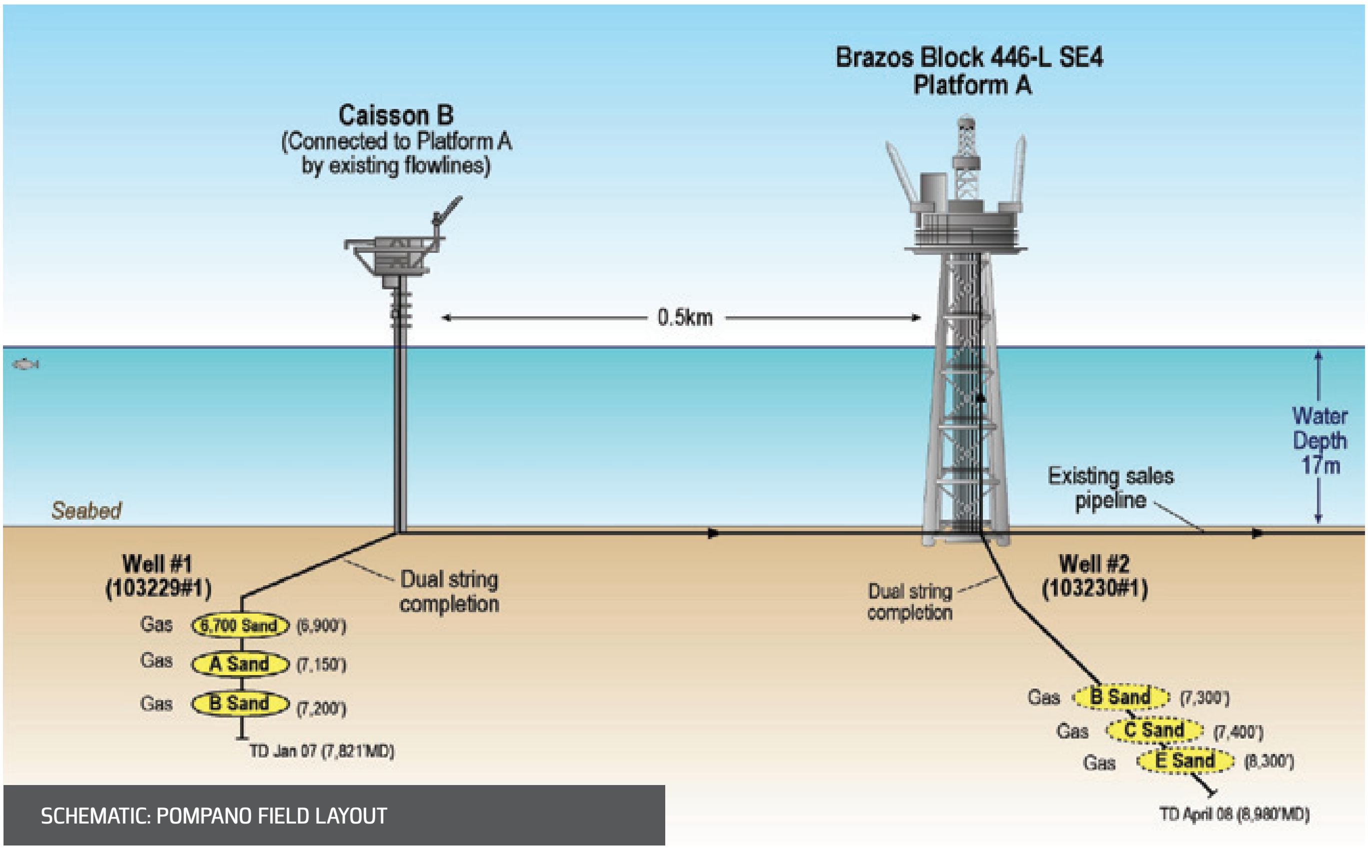
The Pompano project has existing production facilities in place including the following:

- 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 Company'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.



SCHEMATIC: POMPANO FIELD LAYOUT

LEE COUNTY PROJECT

BUCCANEER – 52.5% WORKING INTEREST

The Lee County project is located approximately 120 miles northwest of Houston, Texas. The Company 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 Lee County project is located approximately 120 miles northwest of Houston, Texas. The Company 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 Company has become aware of lease acquisitions adjacent to the Company'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 Company 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 Company has chosen to complete wells as Austin Chalk wells.

The Company 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 has been processed and interpreted with positive results demonstrating relatively low acquisition and processing costs and good data quality. A 3D seismic survey 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 Company 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 Company's lease block, or support other alternatives for the leasehold interest.

CORPORATE

ACES BRIDGE FUNDING

At the date of this report the Company had US$14.4 million drawn under its revolving credit facility with Richmond Hill, LP. The Alaskan Department of Revenue has approved a rebate of US$8.4 million and the Company is expecting receipt of this amount in mid August 2012. The remaining rebates are due to be paid to the Company by the State of Alaska over the next 6 - 9 months.

AVAILABLE CASH FACILITIES

The Company will have the following cash resources in US$ millions available for development of its Alaskan assets on completion of the following:

- Acquisition of the Company's 25.0% interest in Cosmopolitan project;
- The contribution of cash to Kenai Offshore Ventures - as disclosed above;
- receipt of rebates from the ACES program approved by the State of Alaska and due to be received in the next 14 days; and
- Tranche 2 of the Placement and SPP that is scheduled to take place in early September 2012.

	Limit	Drawn	Available
Cash	-	-	$4.8
Placement Tranche 2 & SPP[2]			$7.4
Finance Facility	$20.0	$15.0	$5.0
ACES Revolving Credit Facility	$30.0	$7.4	$22.6
Total			$39.8

[2] Net of Fees

The Company's total normal corporate overheads are approximately $550,000 per month. On average the Kenai Loop # 1 well currently produces approximately US$750,000 per month in free cash flow net of royalties and cost of production at the well head.

Yours faithfully

BUCCANEER ENERGY LIMITED

Dean Gallegos
Director

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Buccaneer Energy that its expectations, estimates and forecast outcomes will be achieved.

Information pertaining to Lee County project contained in this report were compiled by Gary Rinehart, BS in Geology from University of Oklahoma and who has had more than 35 years experience in petroleum geology. Mr Rinehart has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 30 years experience including employment by Shell Oil Company, Union Texas Petroleum, Burlington Resources and Renaissance Alaska. Dr. Bangia has approved the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

ALASKAN CLEAR & EQUITABLE SHARE (ACES)

In 2007 the Alaskan Government introduced the ACES program to incentivise new entrants to explore within Alaska. This program takes the form of a rebate of between 45 - 65% of direct exploration costs and up to 55% of development costs. This is a significant incentive and substantially reduces the commercial discovery threshold.

On 19th April 2010 the Alaskan Legislature approved a significant amendment to Alaska's ACES program. The Governor signed this legislation into law on May 10, 2010.

Most significantly, the statutory amendments enacted with this legislation will establish a tax credit of up to US$25 million for new wells drilled into the pre-Tertiary strata of the Cook Inlet with a jack-up drilling rig.

THE NEW INCENTIVE PROVIDES FOR THE FOLLOWING:

- If Buccaneer drills the first well in the Cook Inlet using a jack-up rig, it will be eligible to claim up to US$25 million of all drilling costs (including rig mobilisation costs). If it drills the second well, the claim will be US$22.5 million, and if its drills the third well, it is entitled to claim US$20 million. A company is eligible for only one of these incentives and is required to repay one-half (50%) the incentive equally over 10 years but only if hydrocarbons are successfully produced.
- On any subsequent well in the Cook Inlet, Buccaneer will still be eligible for a rebate of 65% of all drilling costs and 45% of all other development costs.
- Buccaneer has a substantive acreage position in the Cook Inlet and is positioned to move forward with exploration drilling plans later this year.

The above incentives apply irrespective of the success of any well or development program.

ALASKA
– OIL & GAS OVERVIEW

Alaska's offshore waters and onshore prospects hold the potential to fuel the state's economy for decades and to play a key role in ensuring America has the energy it needs until alternative sources become available on a large scale

FACTS & ECONOMIC IMPACT

- Alaska's oil and gas industry has produced more than 16 billion barrels of oil and 6 trillion cubic feet of natural gas, accounting for an average of 20 percent of the entire nation's domestic production (1980 - 2000). Currently, Alaska accounts for approximately 13.4% of U.S. production.
- The oil industry continues to be the largest source of unrestricted revenue to the state, accounting for 93 percent, or $11.2 billion, of all unrestricted state revenue in fiscal year 2008. Unrestricted general fund revenues from the oil and gas industry in fiscal year 2009 is expected to reach $5.5 billion, 87 percent of the anticipated unrestricted revenue.
- The oil and gas industry accounts for more than 41,744 jobs, which is 9.4 percent of all employment in the state and 11.2 percent of all wages at $2.4 billion.
- A new analysis by the University of Alaska Anchorage showed the oil industry supports as many as 110,000 jobs in Alaska (one-third of the state's workforce), including funding for three-quarters of state government jobs.
- The Alaska Permanent Fund, worth $30 billion in spring 2009, was created in 1976 to set aside a portion of oil revenues for future generations. The fund has paid out more than $13 billion in dividends to Alaskans.
- The oil and gas industry has invested over $50 billion in North Slope and Cook Inlet infrastructure since the 1950s.

PRODUCTION & PROCESSING

- Alaska ranks second behind Texas in daily oil production.
- There are seven producing oil and gas fields on the Kenai Peninsula and offshore Cook Inlet. This area has produced a cumulative total of over 1.3 billion barrels of oil and 7.3 trillion cubic feet of natural gas.
- Alaska has four refineries that produce gasoline, diesel and jet fuel for Alaska markets. Refineries are located in Nikiski, Valdez and near Fairbanks.
- A gas liquefaction plant at Nikiski, the only one of its type in North America, supplies liquefied natural gas (LNG) to Japan each month.
- LNG exports to Japan accounted for about a third of total Cook Inlet gas production. Total industrial use of Cook Inlet gas, including LNG exports, fertilizer manufacture and oil field operations, has remained constant at about 75 percent of total consumption since 1990. In recent years, Cook Inlet natural gas production has been steadily declining with current production at approximately 190 BCF per year.

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733
Quarter ended ("current quarter") 30 June 2012

			Current Quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities			
1.1	Receipts from Product Sales and related debtors		$2,853	$3,392
1.2	Payments for	(a) Exploration and Evaluation	-$9,416	-$11,427
		(b) Development	-$10,027	-$24,871
		(c) Production	-$193	-$1,470
		(d) Administration	-$1,864	-$7,435
1.3	Dividends received			
1.4	Interest and other items of similar nature received		$1	$91
1.5	Interest and other costs of finance paid		-$392	-$464
1.6	Property Taxes paid (Alaska)		-$188	-$188
1.7	Other	(a) Net Hedge Payments	$0	$6
		(b) GST Refunds	$39	$212
	Net operating cash flows		-$19,187	-$42,154
	Cash Flows relating to investing activities			
1.8	Payments for purchases of:			
		(a) Prospects	$0	-$384
		(b) equity investments (Jack-Up Rig)	-$733	-$2,188
		(c) Other fixed assets	-$3	-$3,216
1.9	Proceeds from sale of:			
		(a) Prospects	$0	$0
		(b) Equity investments	$0	$223
		(c) Other fixed assets	$0	$0
1.10	Loans to other entities		$0	-$30
1.11	Loans repaid by other entities		$10	$90
1.12	Security Deposit Refund		$0	-$25
	Net investing cash flows		-$726	-$5,530
1.13	Total operating and investing cashflows (carried forward)		-$19,913	-$47,684

+ See Chapter 19 for defined terms

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited	ABN: 63 125 670 733
Quarter ended ("current quarter")	30 June 2012

Consolidated statement of cash flows continued

		Current Quarter $A'000	Year to date (12 months) $A'000
1.13	Total operating and investing cashflows (carried forward)	-$19,913	-$47,684
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	$0	$18,080
1.15	Proceeds from sale of forfeited shares	$0	$0
1.16	Proceeds from Project Finance Facility / ACES Revolver	$33,012	$47,378
1.17	Repayment of borrowings	-$8,994	-$12,859
1.18	Dividends paid	$0	$0
1.19	Other - Share issue costs and Financing Fees	-$3,156	-$4,158
	Net financing cash flows	$20,861	$48,441
	Net increase (decrease) in cash held	$948	$757
1.20	Cash at beginning of quarter/year to date	$2,547	$3,255
1.21	Exchange rate adjustments to item 1.20	$52	-$465
1.22	Cash at end of quarter	$3,547	$3,547

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related parties

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	$189
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for understanding the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in which the reporting entity has an interest

+ See Chapter 19 for defined terms

FINANCIAL REPORT

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733
Quarter ended ("current quarter") 30 June 2012

Financing facilities available

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities - Richmond Hill, LP		
	– ACES Revolver	$30,000	$14,400
	– Project Finance Facility	$20,000	$15,000
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

4.1	Exploration and evaluation	-$18,775
4.2	Development	-$1,750
4.3	Production	$2,700
4.4	Administration	-$1,600
4.5	Operational Expenses	-$1,000
4.6	Royalties and Well Opex	-$700
4.7	Project Finance Funding	$5,000
4.8	ACES Receivables Financing	$10,776
	Total (Net Inflow)	**-$5,349**

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank*	$3,547	$2,547
5.2	Deposits at call	$0	$0
5.3	Bank overdraft	$0	$0
	Total: Cash at end of quarter (item 1.22)	**$3,547**	**$2,547**

* Does not include proceeds from the $12.0M Placement and $1.5M SPP announced on 18 July 2012

Changes in interests of mining tenements

		Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	–	–
6.2	Interests in mining tenements acquired or increased	–	–

+ See Chapter 19 for defined terms

BUCCANEER ENERGY

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited	ABN: 63 125 670 733
Quarter ended ("current quarter")	30 June 2012

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

		Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1	Preference Shares +	Nil			
7.2	Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
7.3	+ Ordinary Securities	992,176,566	992,176,566		
7.4	Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	66,541,990	66,541,990	$0.046	$0.046
7.5	+ Convertible Debt Securities - Performance Shares	Nil			
7.6	Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	Nil			
				Exercise Price	*Expiry Date*
7.7	Options				
	Options – Listed	177,731,313	177,731,313	$0.10	30-Nov-12
	Options – Macquarie Bank Limited	15,443,077	Nil	$0.11	02-Feb-13
	Options – SpringTree Special Opportunities, LP	12,000,000	Nil	$0.1325	22-Feb-13
	Options – Helmsec Global Capital	9,700,000	Nil	$0.10	15-Jul-16
	Options - NewOak Capital Markets	2,500,000	Nil	$0.10	22-Nov-13
	Options – ESOP	47,550,000	Nil	$0.10	30-Jun-13
	Options – ESOP	7,500,000	Nil	$0.11	30-Jun-16
	Listed	177,731,313			
	Unlisted	94,693,077			
7.8	Exercised during quarter	Nil	Nil	Nil	Nil
7.9	Issued during quarter	Nil	Nil		
7.10	Expired during quarter (Lapsed)	Nil	Nil		
7.11	Debentures	Nil			
7.12	Unsecured Notes	Nil	Nil		

+ See Chapter 19 for defined terms

COMPLIANCE STATEMENT

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2. This statement does give a true and fair view of the matters disclosed.

   Signed: Dean L Gallegos

   Date: 31 July 2012

NOTES

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid shares.

4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See Chapter 19 for defined terms

BUCCANEER ENERGY
CORPORATE DIRECTORY

DIRECTORS

Alan Broome, AM – Chairman
Curtis Burton – Managing Director
Dean Gallegos – Director
Frank Culberson - Director

COMPANY SECRETARY

Bruce Burrell

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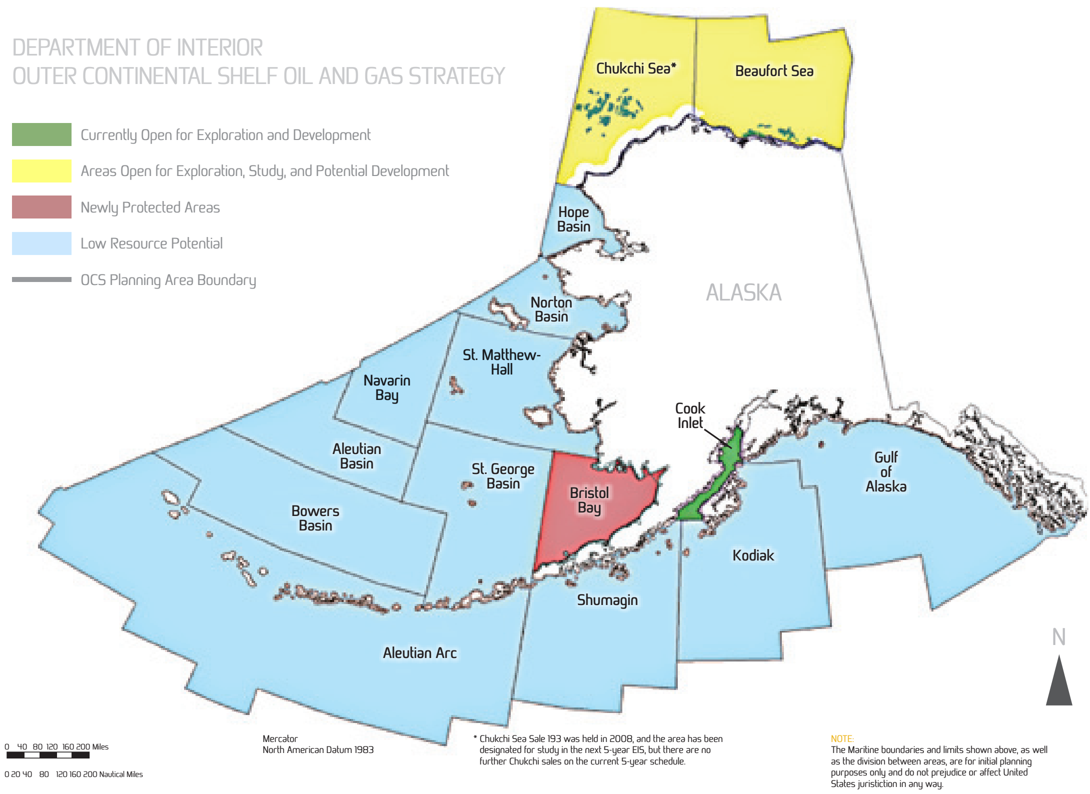

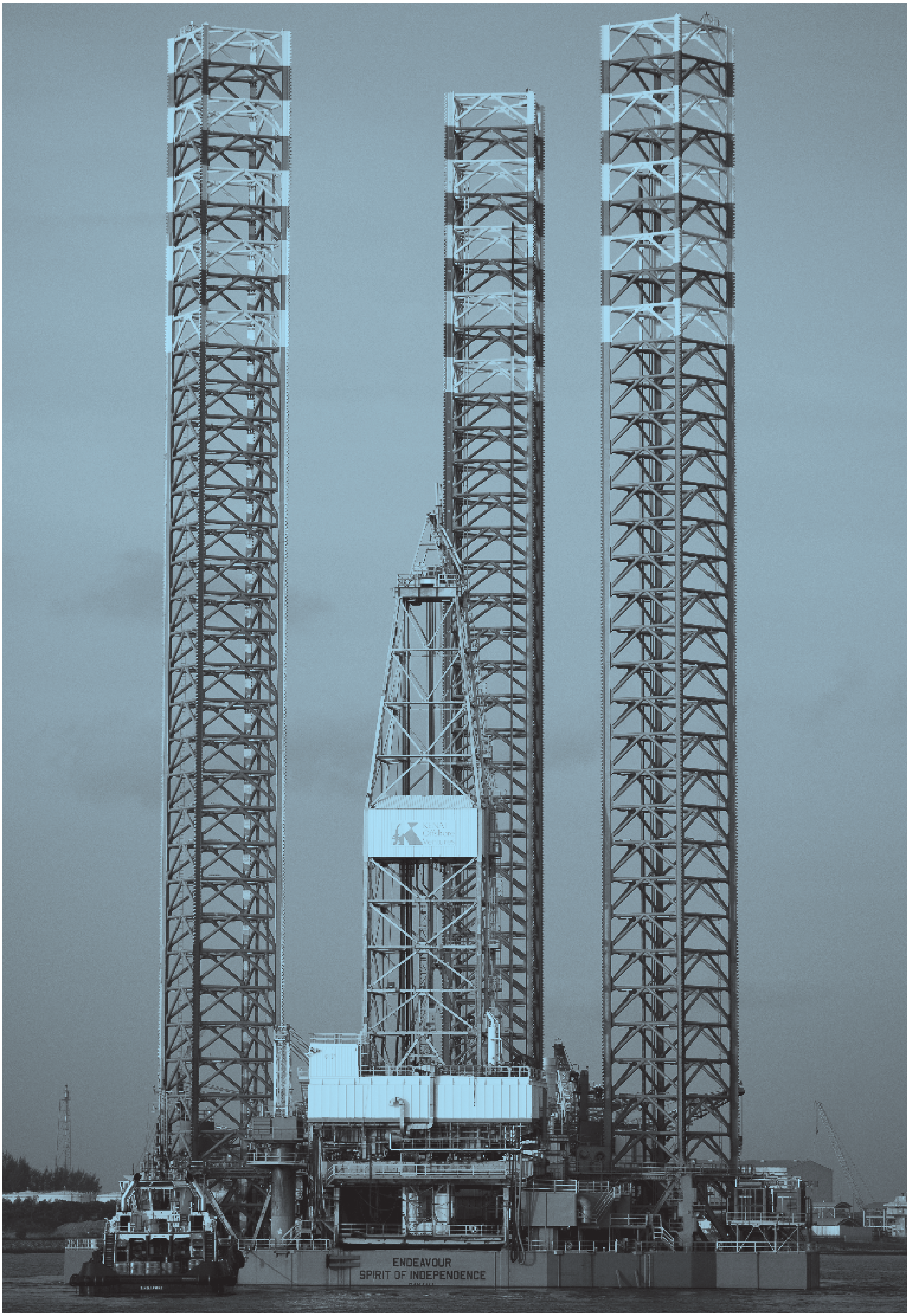
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