



ASX RELEASE – 31 AUGUST 2012

ONSHORE DRILLING SCHEDULE

As previously advised Buccaneer Energy Limited (“Buccaneer” or “the Company”) has applied to the Alaskan Department of Natural Resources (“DNR”) to unitise its 100% owned West Eagle project located on the southern Kenai Peninsula, the submission of this application included a substantial body of technical appraisal work undertaken by the Company over the last 2 years. The presented data shows the presence of a potential hydrocarbon accumulation within the project area and a drill pad location has also been identified.

The current lease terms required the Company to spud a well by 30 September 2012. On lodgement of the Unit application to the DNR this drilling deadline was automatically suspended and will be re-established as part of the Unit approval process. The Company expects that on approval of a Unit by the DNR the Company will be required to spud a well at West Eagle in mid to late 2013 and the drilling of this well will maintain the entirety of the leases within the approved Unit.

Although the Company had definite plans to move forward with the drilling program in the near term, the DNR indicated that a final unit decision may not be forthcoming until late in the fourth quarter 2012. The extension will allow Buccaneer to undertake further interpretation of seismic data and complete well design before spudding in the first quarter 2013.

The Company intended to drill and complete the Kenai Loop # 4 well and then mobilise the Glacier Drilling Rig to the West Eagle location so as to meet its 30 September 2012 drilling commitment. The Glacier Drilling Rig will now remain at Kenai Loop, and allow Buccaneer to focus on drilling additional locations within the Kenai Loop Field which has:

- Reserves certified by a third party engineer;
- A recently completed 3D seismic survey of 24 square miles;
- A gas sales agreement to supply gas to local utility ENSTAR; and
- A gas sales agreement to supply gas to ConocoPhillips LNG Facility through existing infrastructure.

Background

The proposed West Eagle Unit includes 9 State Leases on the eastern limb of the Cook Inlet Basin. The Company has reprocessed and interpreted 230 miles of 2D seismic data and the first well is designed to test potential oil and gas accumulations on a large structural high up-dip from wells with log shows drilled in the 1960s. The Company has a 100% working interest and 79.25% net revenue interest in these leases.

The first planned well at West Eagle will be approximately 10,000’ total vertical depth and is planned to test the Tyonek shallow gas and deep oil target. This location has:

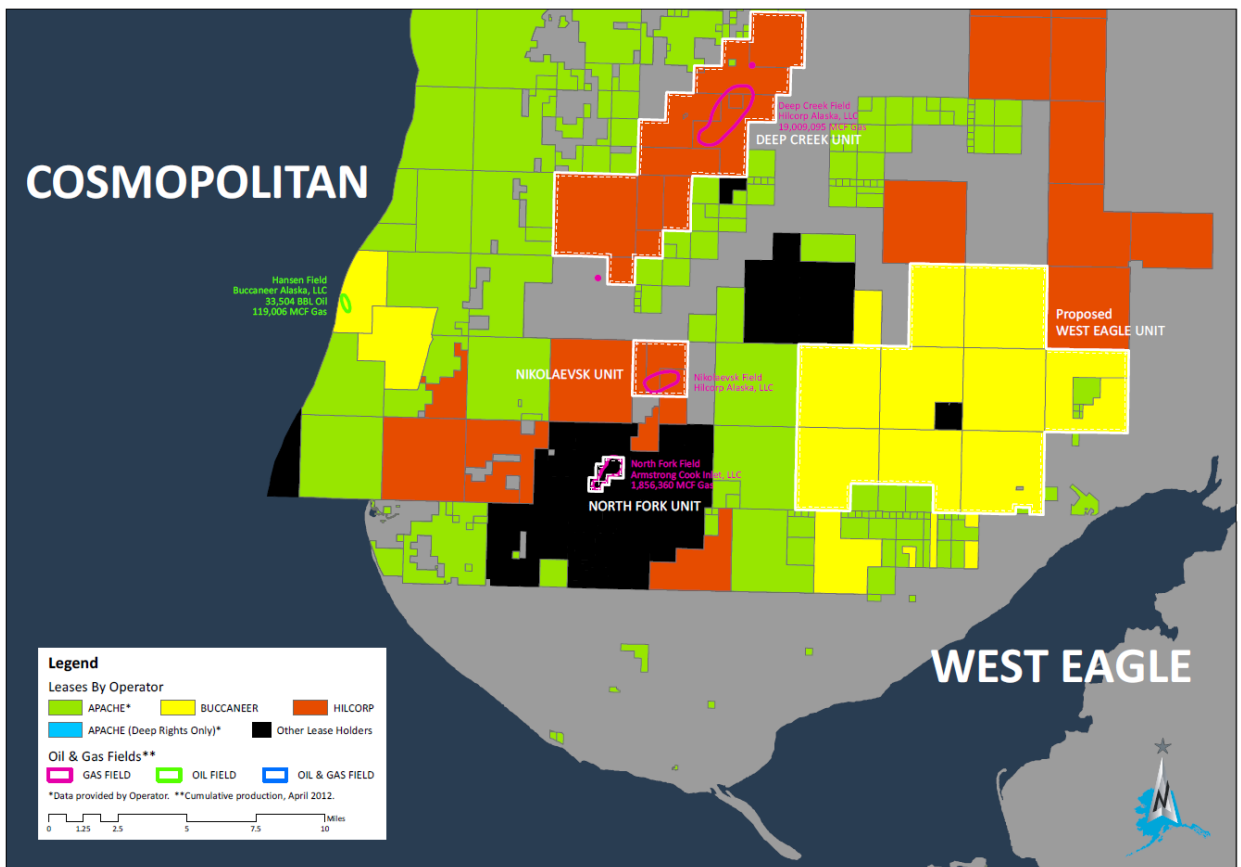
- Large potential reserves;
- Is 8 miles east of Union Oil’s (Hilcorp) Nikolaevsk; and
- 10 miles southeast of the Deep Creek Gas Unit (produced 19 Bcf).



Yours faithfully
BUCCANEER ENERGY LIMITED

Mr Dean Gallegos
Director

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



Competent Person Statement

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.



About Buccaneer

Buccaneer Energy Limited is an Australian listed company focused on developing its 100% owned oil & gas assets in Alaska. The Company's flagship projects are a series of onshore and offshore developmental and exploration prospects in Alaska's Cook Inlet.

Buccaneer Energy has a 3 pronged cash flow strategy:

- *Developing the 100 % owned Kenai Loop onshore gas project with independently assessed 4.8 MMBOE¹ in 2P Reserves;*
- *Operating a Offshore Jack Up rig for use by third parties in the Cook Inlet; and*
- *Developing its 100% owned offshore Cook Inlet projects that have independently assessed 73.3 MMBOE in 2P Reserves / P50 Resources using the acquired Jack Up rig.*

Buccaneer Energy has a 50/50 joint venture with Singaporean based Ezion, a leader in the development, ownership and chartering of strategic offshore assets and the Alaskan Industrial Development and Export Authority ("AIDEA"). This joint venture has acquired the jack-up rig "Endeavour" which is capable of drilling in all areas of the Cook Inlet, the Beaufort Sea and the Chukchi Sea. Mobilisation of the Endeavour into the Cook Inlet took place on 30 July 2012 and is due to arrive in the cook Inlet on 25 August 2012 to commence drilling operations in early September 2012.

The Alaskan Government is supportive of oil and gas in the Cook Inlet. There are a number of fiscal incentive programs for exploration and development in the Cook Inlet.

Buccaneer Energy has drilled the onshore Kenai Loop #1 well. The well was tested to have a flow rate of 6 – 8 mmcf/d (750 - 1,000 BOEPD¹) and the Company constructed both the pipeline and facilities at Kenai Loop, the well started production and selling gas in early January 2012. The Company plans to drill Kenai Loop #4 in 3Q 2012. Full development of the onshore Kenai Loop field could exceed 10 producing wells.

Buccaneer Energy also has major working interests in two producing projects in Texas, USA. Pompano is an offshore gas project located in the Gulf of Mexico, drilled by the Company in 2008 and has an additional pipeline of 'drill-ready' gas prospects. Lee County is an onshore oil project, currently producing a small amount of oil.

¹ Using a Gas to Oil conversion ratio of 8:1