



ASX RELEASE – 19 SEPTEMBER 2012

KENAI LOOP # 4 WELL – DRILLING REPORT # 1

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to provide the following update on the progress of the Kenai Loop # 4 (“KL # 4”) well:

Time: 11.00am (Sydney) 19 September / 5.00pm (Anchorage) 18 September 2011.

Depth: 3,050 feet Total Vertical Depth (“TVD”).

Activity: Surface casing run and cemented. Installed 10,000psi blow-out protector (“BOP”). Preparing to drill ahead.

Comment: The primary target in the KL # 4 well are 7 stacked potential pay sands in the Tyonek formation, the well will have a bottom-hole location approximately 2,000’ north-west of the successful Kenai Loop # 1. All of the 7 stacked potential pay sands have been identified and mapped using data from the recent 3D seismic interpretation and all have hydrocarbon indicators.

The targeted pay sands within the Tyonek include the 9700’ and 10000’ sands that are currently being produced in Kenai Loop # 1 well.

The Kenai Loop # 4 well is planned to drill deeper than the Kenai Loop # 1 (10,660’) , and is anticipated to take 35-40 days to drill with an additional 10 days for testing.

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

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 development 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 was completed in late August 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