



BUCCANEER ENERGY LIMITED

ACN 125 670 733

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Date of Meeting: 28 November 2012
Time of Meeting: 11.00am (Sydney Time)
Place of Meeting: CTA Business Club
19 Martin Place
Sydney NSW 2000

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of shareholders of Buccaneer Energy Limited ACN 125 670 733 (**Company**) will be held at the offices of CTA Business Club, 19 Martin Place, Sydney NSW, on Wednesday 28 November 2012 at 11.00am (Sydney time).

AGENDA

ORDINARY BUSINESS

FINANCIAL REPORTS

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company and its controlled entities for the financial year ended 30 June 2012.

1. RESOLUTION ONE – REMUNERATION REPORT

To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2012 (as set out in the Directors Report) is adopted."

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Memorandum.

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the proposed resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or, if the Company is part of a consolidated entity, for the entity.

NOTICE OF ANNUAL GENERAL MEETING (CONT.)

2. RESOLUTION TWO – RE-ELECTION OF MR ALAN JOHN BROOME

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Mr Alan John Broome, who retires by rotation in accordance with Rule 37.1 of the Company’s Constitution and, being eligible, offers himself for re election, be re-elected as a Director.”

3. RESOLUTION THREE – APPROVAL OF ISSUE OF OPTIONS TO CURTIS BURTON

To consider and, if thought fit, pass the following resolution with or without modification, as an Ordinary Resolution of the Company:

“That in accordance with section 208(1) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 7,000,000 Options to Curtis Burton, being an Executive Director of the Company, or his nominee on the terms set out in the Explanatory Memorandum (Burton Options).”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- (a) Curtis Burton and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of a person in (a) above.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

4. RESOLUTION FOUR – APPROVAL OF ISSUE OF OPTIONS TO DEAN GALLEGOS

To consider and, if thought fit, pass the following resolution with or without modification, as an Ordinary Resolution of the Company:

“That in accordance with section 208(1) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 8,000,000 Options to Dean Gallegos, being an Executive Director of the Company, or his nominee on the terms set out in the Explanatory Memorandum (Gallegos Options).”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- (a) Dean Gallegos and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of a person in (a) above.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

NOTICE OF ANNUAL GENERAL MEETING (CONT.)

5. RESOLUTION FIVE – RATIFICATION OF ISSUE OF OPTIONS TO OPVS GROUP PTE LTD AND OTHERS

To consider and, if thought fit, pass the following resolution with or without modification, as an Ordinary Resolution of the Company:

“That in accordance with Listing Rule 7.4 and for all other purposes, the Shareholders ratify the previous allotment and issue a total 2,500,000 Options to Opvs Group Pte Ltd, Martin Otway, Mersan Capital Singapore Pte Ltd and Joel Andre Ornstein (OPVS Tranche 1 Option Recipients) on 4 October 2012 on the terms set out in the Explanatory Memorandum (OPVS Tranche 1 Options)”.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- (a) OPVS Tranche 1 Option Recipients and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of a person in (a) above.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

6. RESOLUTION SIX – APPROVAL OF ISSUE OF OPTIONS TO OPVS GROUP PTE LTD

To consider and, if thought fit, pass the following resolution with or without modification, as an Ordinary Resolution of the Company:

“That in accordance with Listing Rule 7.1 and for all other purposes, the Company be authorised to issue 2,500,000 Options to OPVS Group Pte Ltd or their nominee on the terms set out in the Explanatory Memorandum (OPVS Tranche 2 Options).”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by:

- (a) OPVS Group Pte Ltd and any person who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed; and
- (b) any associate of a person in (a) above.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

NOTICE OF ANNUAL GENERAL MEETING (CONT.)

7. GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the board



Dean Gallegos
Director
9 October 2012

EXPLANATORY MEMORANDUM

BUCCANEER ENERGY LIMITED ACN 125 670 733

1. INTRODUCTION

This Explanatory Memorandum is provided to shareholders of **Buccaneer Energy Limited** ACN 125 670 733 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at CTA Business Club, 19 Martin Place, Sydney NSW on Wednesday 28 November 2012 commencing at 11.00am (Sydney time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 6.

2. CONSIDER THE COMPANY'S ANNUAL REPORT

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2012 were released to the ASX Limited on 28 September 2012. The Company's Annual Report is placed before the shareholders for discussion. No voting is required on this item. Shareholders can obtain a copy of the Company's 2012 Annual Report by downloading a copy from the Company's website: www.buccenergy.com.

3. RESOLUTION ONE – REMUNERATION REPORT

3.1 Background

In accordance with section 250R of the Corporations Act, the Remuneration Report for the Company and its subsidiaries is submitted to the AGM for Shareholder approval. The Remuneration Report is set out on pages 29 to 35 of the Directors' Report section of the Annual Report.

The vote on the resolution is advisory only and does not bind the Directors of the Company.

The Remuneration Report details:

- the remuneration of Directors;
- the remuneration of the top 5 most highly paid executives of the consolidated entity;
- the remuneration of the 5 executives with the greatest authority for the strategic direction and management of the consolidated entity;
- any performance hurdles for the exercise of Options; and
- the reasons for the granting of any specific short and long-term incentives.

Note: For the purposes of calculating remuneration, salary, bonuses and Options that have vested during the financial year at the deemed value at the time of issue are included

The Company will allow a reasonable opportunity for the shareholders to ask questions about, or make comments on, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Company.

Voting restrictions on Key Management Personnel and their proxies and Closely Related Parties

Members of the Key Management Personnel and their proxies and Closely Related Parties are restricted from voting on a resolution (**Voting Restriction**) put to Shareholders that the remuneration report of the Company be adopted. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

EXPLANATORY MEMORANDUM (CONT.)

The Voting Restriction does not apply where:

- the chairperson or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy (Management Proxy) with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company; or
- the chairperson is appointed in writing (by a shareholder who is not a member of the Key Management Personnel or a Closely Related Party of Key Management Personnel) as a proxy with no specific instructions on how to vote on a resolution to adopt the remuneration report where the Shareholder provides express authorisation for the chairperson to vote on the resolution.
- Shareholders should be aware that any undirected proxies given to the Chairperson will be cast by the Chairperson and counted in favour of the resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act.

4. RESOLUTION TWO – RE-ELECTION OF MR ALAN JOHN BROOME AS A DIRECTOR

Mr Alan John Broome retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Non-Executive Director.

Under Rule 37.1 of the Constitution, one-third of the Directors are required to retire at each annual general meeting (excluding any Managing Director).

Mr Broome was re-elected to the board on 28 November 2010. He has been a director since 11 July 2007.

Alan Broome is a metallurgist with over 20 years experience in the Secondary Metals Industry and 25 years experience in the Mining, Resources and Energy Industries. He had an extensive background in primary metal production before joining the mining industry as Managing Director of a major Australian Coal Industry owned group.

He has extensive knowledge of the mining and resources industries accumulated through involvement with mining technology companies, government agencies and major international mining companies in promoting Australian mining and developing global trade.

He is a Director and Chair of a number of Australian mining technology companies including Micromine Pty Ltd, Nepean Mining Ltd, Workpac Group Ltd, and Carbonxt Group Pty Ltd; the Chair of the Australian mining technology export group, Austmine; previous Chair of the Australian Government Action Agenda promoting Mining Technology; and previously Deputy Chair of the world's largest Internet based mining procurement company, Quadrem.

In New Zealand, he is Chairman of CRL Energy Limited, and a Director of the State owned coal mining company Solid Energy Limited.

He also sits on the Energy Sector Advisory Council of the CSIRO; the "Minerals Down Under" National Flagship advisory committee of the CSIRO; and is a Director of the New Zealand Coal Association.

He is retained as an adviser to a number of Australian and international mining, mining services and engineering companies and associated organisations.

In 1999 he was awarded the Westpac / Institute of Export award for mining and in 2000 the Order of Australia (AM) for services to mining. In 2005 he was awarded the AusIMM President's Award for contributions to the development of the Australian mining supply sector.

Mr Broome was previously Chairman of ASX listed companies Nimrodel Resources Ltd, JAT Energy Ltd, Endocoal Limited, and Jupiter Mines Limited.

The Directors (with Mr Broome abstaining) recommend that you vote in favour of this ordinary resolution.

EXPLANATORY MEMORANDUM (CONT.)

5. RESOLUTIONS THREE AND FOUR – APPROVAL OF ISSUE OF OPTIONS TO CURTIS BURTON AND DEAN GALLEGOS

5.1 Background

In recognition of the key functions that Mr Burton and Mr Gallegos have in executing the Company's business plan the Company has elected to issue:

- a. 7,000,000 Options to Curtis Burton or his nominee (**Burton Options**); and
- b. 8,000,000 Options to Dean Gallegos or his nominee (**Gallegos Options**),
(collectively the **Director Options**).

The terms of the Director Options are set out in more detail below.

Approval for the issue of the Director Options is sought in accordance with the Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

In order for the Director Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

5.2 Option Terms

The Director Options will be issued on the following terms:

- a. an exercise price of \$0.10 per Director Option;
- b. Vesting Dates:
 - i. 25% of each of the Burton Options and the Gallegos Options will vest on 31 March 2013;
 - ii. 25% of each of the Burton Options and the Gallegos Options will vest on 30 September 2013;
 - iii. 25% of each of the Burton Options and the Gallegos Options will vest on 31 March 2014;
 - iv. 25% of each of the Burton Options and the Gallegos Options will vest on 30 September 2014; and
 - v. All of the Directors Options (or such number of Directors Options which have not already vested under clauses (1), (2), (3) or (4) above) will vest if an offer has been made for more than 51% of the issued capital of the Company;
- c. an expiry date of 30 November 2015;
- d. each Option may be exercised into one share; and
- e. otherwise on the terms set out in Annexure 'A' to this explanatory memorandum.

5.3 Regulatory Requirements

a. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition (including where shareholder approval is obtained).

Resolutions 3 and 4, if passed, will confer financial benefits on the recipients of those Director Options (being related parties of the Company) and the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders.

b. The related parties to whom Resolutions 3 and 4 would permit the financial benefit to be given

Curtis Burton (or his nominee) and Dean Gallegos (or his nominee) both being Directors of the Company.

EXPLANATORY MEMORANDUM (CONT.)

c. The nature of the financial benefit

The nature of the proposed financial benefit to be given is:

- i. the grant of 7,000,000 Burton Options to Curtis Burton (or nominee) as referred to in Resolution 3;
- ii. the grant of 8,000,000 Gallegos Options to Dean Gallegos (or nominee) as referred to in Resolution 4;
- iii. the Director Options shall be granted for nil consideration;
- iv. the Director Options shall vest and be capable of exercise into fully paid ordinary Shares on the Vesting Dates;
- v. the Director Options shall be exercisable into Shares on or before 30 September 2015;
- vi. the exercise price for the Director Options shall be \$0.10 per Director Option.

Presently Curtis Burton holds 9,000,000 unlisted Options and Dean Gallegos holds 9,000,000 unlisted Options. It has been the practice of the Company Board, to have a combination of short term incentives in the form of cash bonuses and long term incentives by the issue of Options. The intention of this practice being that upon exercise, those directors will have contributed equity to the Company and are, by holding Shares, bound by and incentivised to act to improve, the performance of the Company in the longer term.

d. Directors' Recommendation

With respect to Resolution 3, all directors other than Curtis Burton recommend that Shareholders vote in favour of this resolution. Curtis Burton is interested in the outcome of Resolution 3, accordingly he makes no recommendation to Shareholders in respect of Resolution 3.

With respect to Resolution 4, all directors other than Dean Gallegos recommend that Shareholders vote in favour of this resolution. Dean Gallegos is interested in the outcome of Resolution 4, accordingly makes no recommendation to Shareholders in respect of Resolution 4.

The reasons for the recommendations by the Directors include:

- i. the grant of the Director Options as proposed to Curtis Burton and Dean Gallegos will provide them with reward and incentive for future services they will provide to the Company to further the progress of the Company;
- ii. the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- iii. in the Company's circumstances as they existed as at the date of this Explanatory Memorandum, the Director Options provide a cost effective and efficient incentive as opposed to alternative forms of incentives (eg; cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

EXPLANATORY MEMORANDUM (CONT.)

e. Directors' Interest and other remuneration

Curtis Burton has a material personal interest in the outcome of Resolution 3, as it is proposed that Director Options be granted to him (or his nominee). Excluding the Burton Options, Curtis Burton (and entities associated with him) holds 13,428,250 Shares and 9,000,000 unlisted Options in the Company.

Curtis Burton is the Managing Director and Chief Executive Officer of the Company and is considered a key member of the Company's management team. The term under his formal service agreement with the Company expired in late 2010 and since then Mr Burton has been engaged on a monthly basis. The total amount paid to Curtis Burton in Australian Dollar equivalent during the 12 month period to 30 June 2012 can be found on page 32 of the Remuneration Report within the 2012 Annual Report.

A summary of those terms in US\$ is as follows:

Base Remuneration:	US\$300,000 per annum
Car Allowance:	US\$24,000 per annum
Prescribed Benefits ¹ :	US\$30,000 per annum
Short Term Incentive ² ("STI"):	US\$130,000 (this STI was in relation to the FY 11)
Term:	Currently no fixed term his employment can be terminated on 30 days notice by either party

During the 12 months period to 30 June 2012 the Company had no formal STI Plan in place, all STI awarded were at the discretion of the non-executive directors. Mr Burton has been granted a STI of US\$160,000 for the 12 month period to 30 June 2012 (FY 12), which will be paid to Mr Burton during FY 13.

1. Includes Health benefits, Retirement Fund contributions and Insurance Payments

2. Relates to the 2011 Fiscal Year

The Company has moved to retain Mr Burton's services by negotiating a new employment contract with him on the following terms:

Base Remuneration

Base Remuneration:	US\$425,000 per annum
Car Allowance:	US\$24,000 per annum
Prescribed Benefits ¹ :	US\$30,000 per annum

The above will come into affect when the next well in the Kenai Loop development plan is deemed commercial and will be backdated to 1 July 2012.

1. Includes Health benefits, Retirement Fund contributions and Insurance Payments

Employment Conditions

Term:	30 June 2015
Review:	To be reviewed by non-executive directors annually and when market capitalisation of the Company exceeds \$250 million.

EXPLANATORY MEMORANDUM (CONT.)

Short Term Incentives

The Company has implemented a Buccaneer Energy Short Term Incentive Plan ("the STI Plan") in which all nominated employees participate at between 40% to 100% of their individual Base Remuneration. Curtis Burton participates in the STI Plan up to a maximum of 100% of his Base Remuneration.

The STI Plan is designed around the following criteria each of which equally contributes to an individual's annual short term incentive:

- Annual production growth;
- Annual growth in Prove Developed Producing ("PDP") Reserves;
- Share price growth on a annual Volume Weighted Average Price ("VWAP") basis; and
- A discretionary basis to recognise that not every part of an individual's contribution can be measured.

As detailed below a minimum threshold of 30% needs to be achieved before any amounts become payable under the quantitative measures of the STI Plan.

SUMMARY

Metric	Weight	Measure	Base at 30 June 2012	Threshold	Target	Outperform
Multiplier				25.0%	50.0%	100.00%
Production ¹	25.0%	BO	304,167	Base + 30%	Base + 60%	Base + 90%
PDP Reserves ^{1 & 2}	25.0%	BO	1,916,667	Base + 30%	Base + 60%	Base + 90%
Share Price	25.0%	12 month VWAP ³	\$0.070	Base + 30%	Base + 60%	Base + 90%
Discretionary	25.0%					

1. Gas converted to oil at a ratio of 6:1

2. Reserves as per third party engineer

3. Volume weighted average price of all share trades on ASX

4. Bonus paid 50% in October and remaining 50% in January subject to Company liquidity

The specific targets for the 2012 Fiscal year are as follows:

Metric	Weight	Measure	Base at 30 June 2012	Threshold	Target	Outperform
Multiplier				25.0%	50.0%	100.00%
Production ¹	25.0%	BO	304,167	395,417	486,667	577,917
PDP Reserves ^{1 & 2}	25.0%	BO	1,916,667	2,491,667	3,066,667	3,641,667
Share Price	25.0%	12 month VWAP ³	\$0.070	\$0.091	\$0.112	\$0.133
Discretionary	25.0%					

1. Gas converted to oil at a ratio of 6:1

2. Reserves as per third party engineer

3. Volume weighted average price of all share trades on ASX

4. Bonus paid 50% in October and remaining 50% in January subject to Company liquidity

EXPLANATORY MEMORANDUM (CONT.)

Dean Gallegos has a material personal interest in the outcome of Resolution 4, as it is proposed that Director Options be granted to him (or his nominee). Excluding the Gallegos Options, Dean Gallegos (and entities associated with him) holds 12,607,898 Shares and 9,000,000 unlisted Options in the Company.

Dean Gallegos is the Company's Finance Director and is considered a key member of the Company's management team. The term under his formal services agreement with the Company expired in late 2010 and since then, Mr Gallegos has been engaged on a monthly basis. The total amount paid to Dean Gallegos during the 12 month period to 30 June 2012 can be found on page 32 of the Remuneration Report within the 2012 Annual Report.

A summary of those terms are as follows:

Base Remuneration:	\$300,000 per annum
Car Allowance:	\$16,000 per annum
Short Term Incentive ¹ ("STI"):	\$150,000 (this STI was in relation to the FY 11)
Term:	Currently no fixed term his employment can be terminated on 30 days notice by either party

During the 12 months period to 30 June 2012 the Company had no formal STI Plan in place, all STI awarded were at the discretion of the non-executive directors. Mr Gallegos has been granted a STI of \$160,000 for the 12 month period to 30 June 2012 (FY 12), which will be paid to Mr Gallegos during FY 13.

1. Relates to the 2011 Fiscal Year

The Company has moved to retain Mr Gallegos' services by negotiating an employment contract with him on the following terms:

Base Remuneration

Base Remuneration:	\$425,000 (inclusive of superannuation) per annum
Car Allowance:	\$24,000 per annum
Prescribed Benefits ¹ :	\$10,000 per annum

The above will come into affect when the next well in the Kenai Loop development plan is deemed commercial and will be backdated to 1 July 2012.

1. Includes Health benefits and Insurance Payments

Employment Conditions

Term:	30 June 2015
Review;	To be reviewed by non-executive directors annually and when market capitalisation of the Company exceeds \$250 million.

Short Term Incentives

Dean Gallegos participates in the STI Plan up to a maximum of 100% of his Base Remuneration.

Independent Review

To ensure the Company complied with industry best practice in relation to the remuneration of its executive directors the non-executive directors of the Company engaged Godfrey Remuneration Group ("GRG") to conduct an independent assessment of the remuneration packages negotiated with Mr Curtis Burton and Mr Dean Gallegos prior to the execution of individual contracts.

EXPLANATORY MEMORANDUM (CONT.)

GRG completed a 3 stage approach as follows:

- Step 1: A comparator group of 20 ASX listed companies was selected by GRG all of which operated in the energy sector either domestically or in the United States and who had market sizes ranged from \$40 million to \$150 million and the remuneration practices of the comparator group was analysed ("the Comparator Group").
- Step 2: The Company submitted the individual remuneration packages including the STI Plan and issue of options under the ESOP for review.
- Step 3: A report was prepared by GRG for consideration by the non-executive directors of the Company.

The conclusions of the independent review conducted by GRG was the following:

- The average of the combined Base Remuneration of Mr Curtis Burton and Mr Dean Gallegos is in the 75th Percentile of the Comparator Group; and
- The STI Plan and LTI Plan (issue of Director Options under the ESOP) and the levels in which Mr Curtis Burton and Mr Dean Gallegos participate is consistent with Comparator Group.

If all of the Director Options granted are exercised by Curtis Burton and Dean Gallegos (or their respective nominee as the case may be), the following will be the effect on their holding in the Company:

Director	Current Share Holding ¹	% of Total Share Capital ²	Share Capital Upon Exercise of Director Options ¹	% of Total Share Capital ³
Curtis Burton	13,428,250	1.02%	20,428,250	1.53%
Dean Gallegos	12,607,898	0.94%	20,607,898	1.54%
Total	26,036,148	1.96%	41,036,148	3.07%

Notes

1. This assumes that none of the current Options on issue in the Company (including those held by Curtis Burton and Dean Gallegos) are exercised and that no further securities are issued, including those subject to Resolutions 6. There are currently 267,424,390 Options on issue which have vested.
2. This assumes that there are currently 1,321,445,371 Shares on issue.
3. This assumes that there will be 1,336,445,371 Shares on issue upon the exercise of all of the Director Options.

f. Valuation

The Director Options are not quoted on the ASX and as such have no market value. The Director Options each grant the holder a right of grant of one Share in the Company upon exercise of the Director Options and payment of the exercise price of the Director Options described above. Accordingly, the Director Options may have a present value at the date of their grant.

The Director Options may acquire future value dependent upon the extent to which the Shares exceed the exercise price of the Director Options during the term of the Director Options.

As a general proposition, Options to subscribe for ordinary fully paid shares in a company have a value. Various factors impact upon the value of Options including:

- i. the period outstanding before the expiry date of the Options;
- ii. the exercise price of the Options relative to the underlying price or value of the securities into which they may be converted;
- iii. the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (i.e. whether or not the shares that might be acquired upon exercise of the Options represent a controlling or other significant interest);
- iv. the value of the shares into which the Options may be converted; and
- v. whether the Options are listed (i.e. readily capable of being liquidated).

EXPLANATORY MEMORANDUM (CONT.)

There are various formulae which can be applied to determining the theoretical value of Options (including the formula known as the Black-Scholes Model Option valuation formula).

The Company has commissioned an independent valuation of the Options, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolutions 3 and 4 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black Scholes Model, which is the most widely used and recognised model for pricing Options. The value of an Option calculated by the Black Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black Scholes Model was:

- i. the exercise price of the Director Options being \$0.10;
- ii. a market price of Shares of \$0.065;
- iii. expiry date of 30 September 2015;
- iv. a volatility measure of 62.23% (historical 12 months);
- v. a discount of 30% to reflect the illiquid nature of the Director Options
- vi. a risk-free interest rate of 2.45% (3 year Australian Government Bond rate) on the Options proposed to be issued to the Directors; and
- vii. a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of Director Options as "American style" Options (being exercisable at any time prior to the stated expiry date). Theoretically, the Black Scholes Model prices "European style" Options (being exercisable only on the exercise date).

Based on the independent valuation of the Director Options, the Company agrees that the value of the Director Options to be issued pursuant to Resolutions 3 and 4 is:

- i. Curtis Burton - \$84,000; and
 - ii. Dean Gallegos - \$96,000.
- g. Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its Directors save and except as follows:

Market Price movements:

The Director Options valuation noted above is based on a market price per Share of \$0.065.

There is a possibility that the market price of the Shares will change up to the date of the Meeting.

Trading History

The Company does not intend to apply for listing of the Director Options on the ASX. However, the Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Director Option.

The trading history of the Shares over the past 12 months is set out below:

	Market Price 8 October 2012	Market Price 6 months prior to date of Meeting	Market Prices 12 months prior to date of Meeting
High	\$0.062	\$0.059	\$0.067
Low	\$0.060	\$0.058	\$0.065

EXPLANATORY MEMORANDUM (CONT.)

Opportunity Costs

The opportunity costs and benefits foregone by the Company issuing the Director Options to the Director is the potentially diluted impact on the issued Share capital of the Company (in the event that the Director Options are exercised). Until exercised, the issue of the Director Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares may be detrimental to the Company, if at all, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Director Options is dependent upon a concomitant increase in the value of the Company generally.

Taxation Consequences

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at fair value of the equity instrument on the grant date. Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the grant date and the vesting date are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

Dilutionary Effect

There are currently 1,321,445,371 Shares on issue and there will be 1,336,445,371 Shares on issue upon the exercise of all of the Director Options (assuming no further securities are issued, including those the subject of Resolution 6 and no Options are exercised). If all of the Director Options granted are exercised by Curtis Burton and Dean Gallegos (or their respective nominees), and there are no other securities issued or Options exercised, then the effect of their holdings in the Company will dilute existing shareholders' interest by 3.07%.

Listing Rule 10.11

Listing Rule 10.11 requires an entity to obtain the approval of shareholders to an issue of securities to a related party. Curtis Burton and Dean Gallegos, both being Directors of the Company, are each a related party of the Company. Accordingly, because the issue of the Director Options will result in the Company issuing securities to a related party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- The maximum number of Director Options to be issued is 7,000,000 Director Options to Curtis Burton and 8,000,000 Director Options to Dean Gallegos;
- The Director Options are intended to be granted as soon as possible following the Meeting, but in any event, within one (1) month of the date of the Meeting;
- The Director Options are being issued for nil consideration; and
- No funds are being raised by the grant of the Director Options.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Save as set out in this Explanatory Memorandum, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 3 and 4.

EXPLANATORY MEMORANDUM (CONT.)

6. RESOLUTION FIVE – RATIFICATION OF ISSUE OF OPTIONS TO OPVS GROUP PTE LTD AND OTHERS

6.1 Background

The Company engaged OPVS Group Pte Ltd to provide corporate advisory services in respect to introducing potential investors to the Company via its Asian network. OPVS Group introduced Ausburg Investments Limited and Zenith Securities Pte Ltd to the Company who subsequently invested \$4.0 million on 23 July 2012.

As partial consideration for the provision of these services, the Company issued a total of 2,500,000 Options to Opvs Group Pte Ltd, Martin Otway, Mersan Capital Singapore Pte Ltd and Joel Andre Ornstein (**OPVS Tranche 1 Options**). The Company also proposes to issue a further 2,500,000 Options to OPVS Group Pte Ltd (or its nominee) as partial consideration for the services provided to the Company, subject to Shareholder approval (see Resolution 6). The OPVS Tranche 1 Options have an exercise price of \$0.10 and an expiry date of 30 June 2015. The Company issued these Options on 4 October 2012.

6.2 Summary of Options terms

A summary of the material terms of the OPVS Tranche 1 Options that are subject to this resolution, are set out below and in Annexure B:

- a. Expiry Date: 14 July 2014;
- b. Shares issued on Option exercise: If all of the OPVS Tranche 1 Options are exercised an additional 2,500,000 Shares in the Company will be issued;
- c. Exercise price: \$0.10; and
- d. Each Option may be exercised into one Share.

6.3 ASX Listing Rule 7.4

ASX Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it.

In accordance with ASX Listing Rule 7.4, Shareholder approval is sought to ratify the issue of the OPVS Tranche 1 Options, being an issue of Options made by the Company for which Shareholder approval has not already been obtained.

If this Resolution 5 is approved it will have the effect of refreshing the Company's ability to issue up to a further capital during the next 12 months without the need to obtain further Shareholder approval (subject to the Listing Rules and the Corporations Act). If Resolution 5 is not passed, the OPVS Tranche 1 Options will be counted towards the 15% limit pursuant to Listing Rule 7.1 for a period of 12 months from the date of issue.

For the purposes of Listing Rule 7.5, the Company advises:

- a. A total of 2,500,000 OPVS Tranche 1 Options were issued to Opvs Group Pte Ltd (1,406,250 Options), Martin Otway (468,750 Options), Mersan Capital Singapore Pte Ltd (312,500 Options) and Joel Andre Ornstein (312,500 Options). Each OPVS Tranche 1 Option is capable of being exercised into one Share;
- b. The OPVS Tranche 1 Options have an exercise price of \$0.10 per Option;
- c. The OPVS Tranche 1 Options were issued on the terms set out in 6.2 (above) and in Annexure B;
- d. The OPVS Tranche 1 Options were issued as partial consideration for services rendered to the Company, and, as such no funds were raised from the issue of the OPVS Tranche 1 Options.

EXPLANATORY MEMORANDUM (CONT.)

The Directors unanimously recommend that you vote in favour of this Resolution.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO OPVS GROUP PTE LTD

7.1 Background

The Company engaged OPVS Group Pte Ltd to provide corporate advisory services in respect to introducing potential investors to the Company via its Asian network. OPVS Group introduced Ausburg Investments Limited and Zenith Securities Pte Ltd to the Company who subsequently invested \$4.0 million on 24 July 2012.

As partial consideration for the provision of these services, the Company proposes to issue 2,500,000 Options to OPVS Group Pte Ltd or their nominee (OPVS Tranche 2 Options). The OPVS Tranche 2 Options have an exercise price of \$0.10 and an expiry date of 30 June 2015. Subject to approval of Resolution 6, the Company proposes to issue the OPVS Tranche 2 Options within three months of the date of this Meeting.

In accordance with Listing Rule 7.1 the Company is seeking Shareholder approval to issue the OPVS Tranche 2 Options. Further details on ASX Listing Rule 7.1 are set out below

7.2 Option terms

The material terms of the OPVS Tranche 2 Options to be issued to OPVS Group Pte Ltd are the same as the Option terms set out in Section 6.2 above of this explanatory memorandum.

7.3 ASX Listing Rule 7.1

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

For the purposes of ASX Listing Rule 7.3, the Company advises:

- a. The maximum number of OPVS Tranche 2 Options to be issued to OPVS Group Pte Ltd (or its nominee) is 2,500,000. Each of the OPVS Tranche 2 Options is exercisable into one Share.
- b. The Company will issue and allot the OPVS Tranche 2 Options within three months of the date of this Meeting.
- c. The OPVS Tranche 2 Options will be issued as partial consideration for services rendered to the Company and as such, no funds will be raised from the issue of the OPVS Tranche 2 Options.
- d. Upon exercise of the OPVS Tranche 2 Options the Shares issued shall rank pari passu with all other existing Shares on issue in the Company.

The Directors unanimously recommend that you vote in favour of this Resolution.

EXPLANATORY MEMORANDUM (CONT.)

8. INTERPRETATION

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 69.

Board means the board of directors of the Company.

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a. a spouse or child of the member; or
- b. a child of the member's spouse; or
- c. a dependant of the member or the member's spouse;
- d. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- e. a company the member controls; or
- f. a person prescribed by the regulations for the purposes of this paragraph.

Company means Buccaneer Energy Limited ACN 125 670 733.

Corporations Act means the Corporations Act 2001 (Cth).

Key Management Personnel has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

Listing Rules means the listing rules of the ASX.

Meeting means the Annual General Meeting of the Company to be held on Wednesday 28 November 2012.

Options means options to subscribe for Shares.

OPVS Options means the OPVS Tranche 1 Options and the OPVS Tranche 2 Options.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Resolution means a resolution to be proposed at the Meeting.

Shares means ordinary fully paid shares in the issued capital of the Company.

Shareholder means a shareholder of the Company.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Dean Gallegos (Director):

Buccaneer Energy Limited

Level 9, 25 Bligh Street, Sydney, NSW, Australia 2000

Ph: (02) 9233 2520

Fax: (02) 9233 2530

Email: info@buccenergy.com

EXPLANATORY MEMORANDUM (CONT.)

ANNEXURE A

RIGHTS ATTACHING TO DIRECTOR OPTIONS

1. The Director Options are Options to subscribe for ordinary shares (**Shares**) in the capital of the Company.
2. The exercise price for each Director Option is \$0.10 per Option (**Exercise Price**).
3. The Director Options expire on 30 November 2015 (**Expiry Date**).
4. The Director Options are transferable in whole or in part.
5. The Director Options will vest upon satisfaction of the following conditions (**Vesting Conditions**):
 - i. 25% of each of the Burton Options and the Gallegos Options will vest on 31 March 2013;
 - ii. 25% of each of the Burton Options and the Gallegos Options will vest on 30 September 2013;
 - iii. 25% of each of the Burton Options and the Gallegos Options will vest on 31 March 2014;
 - iv. 25% of each of the Burton Options and the Gallegos Options will vest on 30 September 2014; and
 - v. All of the Directors Options (or such number of Directors Options which have not already vested under clauses (1), (2), (3) or (4) above) will vest if an offer has been made for more than 51% of the issued capital of the Company;
6. Subject to the Vesting Conditions being satisfied, the Director Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Director Option to the Company at any time on or after the Director Options vest and on or before the Expiry Date.
7. Upon the valid exercise of the Director Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.
8. Holders of Director Options do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Director Options, in accordance with the requirements of the ASX Listing Rules.
9. The holder of Director Options does not participate in any dividends unless the Director Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
10. The Company does not intend to apply for listing of the Director Options on the ASX.
11. Subject to the Company being listed on the ASX, the Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Director Options.

EXPLANATORY MEMORANDUM (CONT.)

12. If there is a pro rata issue (except a bonus issue), the exercise price of a Director Options may be reduced according to the following formula:

$$O^n = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Director Options.
- O = the old exercise price of the Director Options.
- E = the number of underlying Shares into which one Option is exercisable.
- P = if the Company is listed on the ASX, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date; or
if the Company is not listed on the ASX, the market value determined by the auditor of the Company.
- S = the subscription price for a Share under the pro rata issue.
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13. If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Director Options is exercisable may be increased by the number of Shares which the Option holder would have received if the Director Options had been exercised before the record date for the bonus issue.
14. The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Director Options shall not be changed to reduce the Exercise Price, increase the number of Director Options or change any period for exercise of the Director Options.
15. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- the number of Director Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Director Options which are not conferred on shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Director Options will remain unchanged.

EXPLANATORY MEMORANDUM (CONT.)

ANNEXURE B

RIGHTS ATTACHING TO OPVS OPTIONS

1. The OPVS Options are Options to subscribe for ordinary shares (**Shares**) in the capital of the Company.
2. The exercise price for each OPVS Option is \$0.10 per Option (**Exercise Price**).
3. The OPVS Options expire on 14 July 2014 (**Expiry Date**).
4. The OPVS Options are transferable in whole or in part.
5. The OPVS Options may be exercised wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per OPVS Option to the Company at any time on or before the Expiry Date.
6. Upon the valid exercise of the OPVS Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.
7. Holders of OPVS Options do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the OPVS Options, in accordance with the requirements of the ASX Listing Rules.
8. The holder of OPVS Options does not participate in any dividends unless the OPVS Options are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
9. The Company does not intend to apply for listing of the OPVS Options on the ASX.
10. Subject to the Company being listed on the ASX, the Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any OPVS Options.
11. If there is a pro rata issue (except a bonus issue), the exercise price of a OPVS Options may be reduced according to the following formula:

$$O^n = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the OPVS Options.
- O = the old exercise price of the OPVS Options.
- E = the number of underlying Shares into which one Option is exercisable.
- P = if the Company is listed on the ASX, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five (5) trading days ending on the day before the ex rights date or ex entitlements date; or
if the Company is not listed on the ASX, the market value determined by the auditor of the Company.
- S = the subscription price for a Share under the pro rata issue.
- D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

EXPLANATORY MEMORANDUM (CONT.)

12. If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the OPVS Options is exercisable may be increased by the number of Shares which the Option holder would have received if the OPVS Options had been exercised before the record date for the bonus issue.
13. The terms of the OPVS Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the OPVS Options shall not be changed to reduce the Exercise Price, increase the number of OPVS Options or change any period for exercise of the OPVS Options.
14. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - a. the number of OPVS Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the OPVS Options which are not conferred on shareholders; and
 - b. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the OPVS Options will remain unchanged.

EXPLANATORY MEMORANDUM (CONT.)

PROXIES AND REPRESENTATIVES

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at, posted to, or sent by facsimile transmission to the address listed below, or the Share Registry, ComputerShare Investor Services Pty Limited, GPO Box 253 Sydney NSW 2001 not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

Buccaneer Energy Limited
Level 9, 25 Bligh Street
Sydney NSW 2000
Telephone No: (02) 9233 2520
Facsimile No: (02) 9233 2530

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (Sydney time) on 26 November 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SIGNING INSTRUCTIONS

You must sign the proxy form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | Where the holding is in one name, the holder must sign. |
| Joint Holding: | Where the holding is in more than one name, all of the security holders should sign. |
| Power of Attorney: | To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i>) does not have a Company Secretary, a Sole Director can also sign alone.

Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place. |



www.buccenergy.com

Buccaneer Energy Limited

ACN 125 670 733

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 BCC
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11.00am (Sydney time) on Monday 26 November 2012.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose (except in relation to Item 1 where you have appointed a member of the key management personnel of the Company (other than the Chairman) or their closely related parties as your proxy, in which case there are additional restrictions explained below). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

Appointment of Chairman

If the Chairman of the Meeting is appointed your proxy (or becomes your proxy by default), you authorise the Chairman to exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman of the Meeting for those resolutions other than as proxy holder will be disregarded because of that interest, subject to the requirements of the *Corporations Act 2001* (Cth). If you have directed your proxy how to vote on an Item and your named proxy either does not attend the Meeting or attends the Meeting but does not vote on a poll on the Item, the Chairman of the meeting will become your proxy in respect of that Item.

Exercise of undirected proxies by Key Management Personnel

If a member of the Company's key management personnel (other than the Chairman) or their closely related parties is your proxy and you have not directed the proxy how to vote, that person will not vote your shares on Item 1 (being a resolution connected directly with the remuneration of members of the Company's key management personnel).

If the Chairman of the Meeting is appointed your proxy (or becomes your proxy by default), and you have not directed the proxy how to vote, you authorise the Chairman to exercise your proxy on Item 1 even though Item 1 is connected directly with the remuneration of a member of key management personnel (and the Chairman is a member of key management personnel). The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business (including Item 1). If you do not wish to authorise the Chairman to vote your proxy in this way, you should direct your proxy in accordance with the instructions in this proxy form.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

916CR_0_Sample_Proxy/000001/000002

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Buccaneer Energy Limited hereby appoint

☐ the Chairman of the Meeting

 OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Buccaneer Energy Limited to be held at CTA Business Club, 19 Martin Place, Sydney NSW 2000 on Wednesday 28 November 2012 at 11.00am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on Item 1: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is connected directly or indirectly with the remuneration of members of the Company's key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on any Item by marking the appropriate box in step 2 below. The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

STEP 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Alan John Broome	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of issue of Options to Curtis Burton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Options to Dean Gallegos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of issue of Options to OPVS Group Pte Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of issue of Options to OPVS Group Pte Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /