



**ASX RELEASE – 12 NOVEMBER 2012**

**KENAI LOOP # 4 WELL – LOGGING RESULTS**

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to advise that a set of wire line logs were successfully run from the intermediary casing point of 8,609' to the total depth of 13,080'. These logs measure porosity and resistivity of the reservoirs as well as the presence of gas within the individual sand packages encountered.

The logging has identified multiple sands with indications of gas within the Tyonek Formation. This includes 5 separate sands that have an average thickness of 34' each and that compare in quality to known productive sands ('A' zones) in the Cannery Loop field that adjoins Kenai Loop, with each of these sands having gas shows while drilling. Further testing is needed to confirm these zones can be commercially produced as they were at Cannery Loop, the Cannery Loop field has produced 180 BCF (30 MMBO).

Additionally the equivalent 9,700' and 10,000' zones that are productive in the Kenai Loop # 1 well and producing a combined 6.0 MMCFD (1000 BOEPD) were also encountered in Kenai Loop # 4 well with both of these zones having very good gas shows while drilling. The 3D seismic indicates these sands are continuous from the Kenai Loop # 1 well to the south-east. In the Kenai Loop # 4 well, the 9,700' sand is 24' thick and the 10,000' sand is 76' thick.

Additionally the Kenai Loop # 4 well has also encountered several additional sands that appear to be gas bearing, but do not compare with known productive sands ('B' zones) in either the Cannery Loop or Kenai Loop fields. Side wall cores and fluid samples were planned to determine if any of these sands have the potential to produce. However, the well condition in the lower section of the well deteriorated and the decision was made to run and cement casing prior to this information being gathered.

Further preparation of the well for installing the casing is in progress.

A production testing program is now being designed for the above 'A' Zones and will commence as soon as the Company receives its spacing permit from the Alaskan Oil and Gas Conservation Commission ("AOGCC"). This is anticipated to be granted on 27 or 28 November Anchorage, Alaska time.

The results to date are very encouraging and are at the upper end of the Company's expectations at this point in the development of the area.

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](http://www.buccenergy.com).

#### **Competent Persons Statement**

The information contained in that report pertaining to the Alaskan offshore projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 32 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 6.4 MMBOE<sup>1</sup> 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 88.4 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 BOEPD<sup>1</sup>) and the Company constructed both the pipeline and facilities at Kenai Loop, the well started production and selling gas in early January 2012.*

*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.*

<sup>1</sup> The Gas to Oil conversion ratio has been amended from 8:1 to 6:1 to align with accepted industry reporting standards.