



ASX RELEASE – 30 NOVEMBER 2012

KENAI LOOP PRODUCTION RATE INCREASE & NEW GAS CONTRACT

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that it has increased the production rate at its 100% owned Kenai Loop # 1 well to 6.5 million cubic feet per day (“MMCFD”).

Additional production rate increases will be considered on completion of testing of the Kenai Loop # 4 well.

The Company previously advised that it had executed a gas sales agreement with a third party to sell 1.0 MMCFD at US\$7.50 MCF, net of pipeline tariffs, for the period 15 October – 15 December 2012. Effective 14 November 2012 the third party has agreed to increase the price under gas sales agreement to US\$15.00 MCF.

Additionally the Company has executed a new gas sales agreement with an additional third party in the Cook Inlet to sell 0.5 MMCFD at US\$15.00 MCF, net of pipeline tariffs, for the period up until 31 December 2012. The Company may have an ability to extend the contract and increase deliveries however both are subject to the buyers’ requirements at that time.

On completion of the above short term contracts the additional supply will be delivered to the local gas utility ENSTAR and will be priced using the daily auction pricing process that has been established by ENSTAR for winter peak demand. Peaking demand and the potential for premium gas prices is weather determined but are expected to persist until mid February 2013.

The high gas prices reflect the tight nature of Cook Inlet gas supply, especially during winter months. Independent studies commissioned by utilities with South Central Alaska where 80% - 90% of the population reside and who rely on the Cook Inlet for their energy requirements have forecast that the gas shortfalls will persist for at least the next 2-3 years.

Buccaneer is very well positioned to take advantage of these shortfalls by supplying new reserves to the supply base.

The Kenai Loop # 1 well commenced production on 14 January 2012 and has been on continuous production since late February 2012. Since that time the production rate has been increased by 30% and the well performance continues to be excellent.

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 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 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 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 BOEPD¹) 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.
