

**PLACEMENT & LOANS TO RAISE \$19.2 MILLION**

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that on the evening of the 24 December 2012 it executed binding agreements for the issue of 198,000,000 shares in the Company at an issue price of \$0.047 to raise a total of \$9.3 million (“the Placement”) and for an unsecured loan of \$9.9 million (“the Loan”), for total funds raised of \$19.2 million (US\$20.0 million).

The issue price of \$0.047 is a 13.0% discount to the last closing price.

The Placement will be undertaken under the Company’s 15% limit allowed under ASX Listing Rule 7.1 and therefore does not require shareholder approval, the Placement is scheduled to close on 31 December 2012. The Placement and Loan were subscribed equally by three high net worth Asian based investors with a history of investing in and operating businesses in the energy sector. Each subscriber will have a 4.3% interest in the Company.

The Loan is repayable 12 months after draw down, with draw down expected in mid January 2013.

The proceeds of the Placement and Loan will be used for the following purposes:

- Support the Company’s offshore and onshore Cook Inlet exploration program;
- Additional contributions to Kenai Offshore Ventures, LLC that will be used to finalise the modifications and upgrades to the Endeavour jack-up rig; and
- Costs of the issue and general working capital.

**Refinance of Existing Facilities**

The Company is in the final stages of a refinance of the existing secured US\$20.0 M term loan that expires 16 January 2013 and US\$30.0 million ACES Revolver that expires in December 2013 with a new facility with a substantial longer maturity date.

The new \$9.9 million (US\$10.3 million) unsecured loan is additional to the existing term loan and the anticipated new facility when the refinance is completed.

It is anticipated that the refinancing of the existing US\$20.0 million term loan will be structured as a reserve based lending facility with a borrowing based determined upon proved developed producing (“PDP”) reserves at the Company’s 100% owned Kenai Loop project. Dependent on the successful testing of the Kenai Loop # 4 well the Company would expect that the borrowing base available for draw down will substantially increase thereby making more funds available for the development of the Company’s Kenai Loop project.

**Buccaneer Director Dean Gallegos said:**

*“The Company has had a substantial amount of interest from both existing shareholders and new investors and believes that the combination of both equity and unsecured loans both strengthens the Company’s balance sheet and limits dilution of existing shareholders.”*



*We are about to embark on a parallel drilling program for both our onshore and offshore projects and we see the next 6-12 months as an exciting one for the Company and its shareholders"*

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).*

### **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 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 is expected in 2Q 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) 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.*

---