



ASX RELEASE – 29 JANUARY 2013

US\$100 MILLION CREDIT FACILITIES

Buccaneer Energy Limited (“Buccaneer” or the “Company”) is pleased to advise that it has executed binding agreements with Chicago-based Victory Park Capital (“Victory Park”) for the provision of credit facilities totalling US\$100 million.

The credit facilities are broken into a Delayed Draw Senior Secured Term Note (“the Term Note”) with a maximum issue amount of US\$75 million and a Senior Secured Revolver (“the Revolver,” and collectively with the Term Note, the “Facility”) with a maximum limit of US\$25 million.

The amount that can be drawn by the Company (the “Borrowing Base”) under the Term Note is predominantly determined by the value of the Proved Developed Producing (“PDP”) reserves of the Company’s 100%-owned Kenai Loop project. Additional capacity may be added by the value of the Company’s Kenai Loop Proved Undeveloped (“PUD”) reserves, appraised value of 2D and 3D seismic and appraised value of the Kenai Loop acreage.

Upon completion and acceptance of a third party reserve estimate of the Kenai Loop #4 well, the Company expects its Borrowing Base availability under the Term Note to increase to approximately US\$50 to US\$55 million.

The Revolver may be drawn to pre fund drilling and development expenses eligible to receive rebates from the State of Alaska under the ACES exploration and development incentive program. The Revolver can be used for development of the Company’s onshore and offshore projects.

The Term Note can initially be used to fund the Company’s onshore Kenai Loop projects and, in combination with the Revolver, is expected to be sufficient for the anticipated drilling programs at both Kenai Loop and West Eagle for 2013. Additional drilling success at Kenai Loop would further increase the available Borrowing Base under the Facility.

The Company has initially drawn on the Facility to refinance its previous lender and to pay fees and expenses associated with this transaction. The Facility expires on 30 June 2016 and is secured by the Company’s U.S. assets. New York based Source Capital Group Inc. acted as sole Placement Agent for the transaction.

Buccaneer Finance Director Dean Gallegos said:

“The new Facility with Victory Park is another significant milestone for the Company and provides significant funding to continue development of our onshore and offshore assets in the Cook Inlet, Alaska.

Importantly, the Borrowing Base of the Facility is designed to grow as we grow. This allows the Company to maintain its development momentum and reduce reliance on equity to the benefit of our shareholders.”

Victory Park Capital Investment Professional Derek Ferguson said:

“With expertise in providing specialized financing solutions to small and middle market companies, we feel very fortunate that we have the opportunity to provide financing to a dynamic and growing business such as Buccaneer.



Our facilities will help advance Buccaneer's future development efforts in the Cook Inlet, enabling the Company to strengthen its operations and expand its delivery of vital natural gas and other resources to customers and consumers alike throughout Alaska."

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 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 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.

About Victory Park

Victory Park Capital ("VPC") provides specialized direct financing solutions to small-cap and middle-market companies across a wide range of industries. The firm focuses on complex situations and seeks to build long-term sustainable value in its companies. VPC is based in Chicago and has professionals in Chicago, New York, Boston and San Francisco.

For more information, please visit <http://www.victoryparkcapital.com/>
