

CHANGE OF CONTROL PROPOSAL RECEIVED

On the 27 March 2013 Buccaneer Energy Limited (“Buccaneer” or “the Company”) advised it had appointed Canaccord Genuity (Australia) Limited (“Canaccord”) as its financial advisor to advise the Company on seeking strategic alternatives in respect to the Company’s assets with a view of maximising shareholder value.

In the Rights Issue Information Booklet released to the ASX on 12 April 2013 the Company advised that one of the outcomes of the above process is that it may receive a change of control proposal.

The Company now advises that it has received a conditional and non-binding Letter of Intent (“LOI”) to acquire 100% of the Company’s ordinary shares. The Company can confirm that the LOI is from a credible party which is known to the Company and with whom the Company has previously discussed the possibility of a business combination. The indicative pricing within the LOI is at a premium to the rights issue price of \$0.04 per share.

The directors of the Company have reviewed the LOI in conjunction with both Canaccord and its lawyers, HopgoodGanim. At this stage the board has determined that the LOI is not compelling enough to support or proceed with as it does not properly reflect the value of the Company, its assets and prospects, nor is it presently considered to be in the best interest of the Company or its shareholders. However, the Company is open to continued dialogue with the prospective bidder to ascertain if an acceptable outcome may be achieved for the Company and its shareholders, although there is no certainty that an improved or binding proposal or offer from this third party will be forthcoming.

Buccaneer has only recently commenced the strategic review process with Canaccord and the interest expressed by other third parties to date has been positive, as such, it is the board’s intention to continue to review the Company’s strategic alternatives via the established process. The strategic review may or may not result in a proposal being made on terms of which may be put to shareholders with the recommendation of the Board.

The Company will give additional updates on the received LOI in accordance with its obligations under the Listing Rules and Corporations Act.

Background

While Buccaneer has undertaken a significant amount of work and made considerable progress on its Alaskan assets since entering the Cook Inlet in 2010, the Company’s current market capitalisation fails to recognise the underlying inherent value contained in these assets.

The three projects within the Company’s portfolio that have Proven third party certified Reserves are as follows:

Project	Proven Reserves ¹ MMBOE	Proven Reserves Present Value (PV10) US\$ Million
Kenai Loop Project ²	3.7	\$70.0
Southern Cross	6.3	\$129.0
Cosmopolitan	7.8	\$143.0
Total	17.8	\$342.0

¹ All reserves validated by third party engineers as at 1 February 2013

² Proved Undeveloped Reserves not included, pending third party certification

Buccaneer made its first lease acquisition in the Cook Inlet, Alaska in April 2010 and since that time has gone through a process of adding to the initial lease position as well as de-risking the projects to a drill ready stage.

An overview of the highlights of what has been achieved since that time is as follows:

- Unitised the Southern Cross Unit and North West Cook Inlet Unit;
- Completed permitting for two wells at each of the Southern Cross Unit, North West Cook Inlet Unit and Cosmopolitan project;
- Leased 9,308 acres at the Kenai Loop Project from three separate lease owners;
- Permitted four wells and drilled three wells at Kenai Loop, two of which were successful;
- Permitted and built a pipeline at the Kenai Loop Project;
- Achieved production of 10.0 MMCFD at the Kenai Loop project with corresponding significant cash flow;
- Permitted and acquired a 25 m² 3D seismic data over Kenai Loop;
- Acquired the Cosmopolitan project;
- Reprocessed 3D seismic data over the Southern Cross Unit and Cosmopolitan projects;
- Reprocessed 2D seismic data over the North West Cook Inlet Unit and gained access to a 3D seismic data set;
- Reprocessed 230 miles of 2D seismic at West Eagle project;
- Successfully unitised the West Eagle Unit;
- Acquired the West Nicolai project at lease sale;
- Acquired and refitted the Endeavour jack-up rig with exclusive access for 5 years;
- Secured exclusive access to the Glacier onshore rig until May 2015, with an option to purchase;
- Third party certification of Proven Reserves of 19.4 MMBOE, Proven and Probable Reserves of 32.9 MMBOE and P50 Resource of 60.4 MMBOE; and
- Secured \$100 million in new debt facilities to support the ongoing development of the Company's Kenai Loop project.

Yours faithfully

BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
Director

Competent Person Statement

Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 31 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.

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 Canaccord Genuity

Canaccord Genuity is a global full-service investment bank, with offices in 21 cities and 13 countries, with the capability to list companies on 10 stock exchanges worldwide.

In CY2012 Canaccord led raisings totalling more than US\$2.9 billion and has completed over 370 M&A advisory transactions valued at over ~US\$95 billion since 2008 led by a team of 270+ investment bankers globally.

Canaccord focuses exclusively on the small & mid cap sectors of the market via four global service lines, including Energy, it has 120+ research professionals covering over 1000 stocks and speaks daily to over 3,500 institutions.

Canaccord have a dedicated global energy team with deep advisory and industry experience within the Oil & Gas sector. Canaccord has significant capabilities in North America, Asia, Europe and Australia.

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 two wells onshore Kenai Loop both of which are in production at a combined rate of 9.0 MMCFD (1,500 BOEPD), the Company expects this to increase to 10 - 12 MMCFD (1,666 – 2,000 BOEPD) by 31 March 2013 when construction of permanent production facilities for the second well have been completed

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.
