



ASX RELEASE – 6 MAY 2013

## NORTH COOK INLET DEEP OIL RIGHTS – ADDITIONAL INFORMATION

### HIGHLIGHTS

- Proven oil formations
- 10 historical wells successfully penetrated oil formations; flow tested at rates up to 4,343 BOEPD (North Forelands # 1 well)
- Expecting 1P and 2P Reserves

Buccaneer Energy Limited (“Buccaneer” or the “Company”) is pleased to provide additional information in respect to the farm-in agreement announced earlier today in respect to the North Cook Inlet area.

The oil is contained in the Lower Tyonek, Hemlock, Sunfish and West Foreland Formations. Since 1962 these formations have been penetrated by 13 wells (see Table 1); all of which were drilled within the North Cook Inlet Unit acreage. Seven of the wells were drilled in the 1990s; the remaining six wells were drilled by various majors during the discovery and delineation phase of the Cook Inlet in the 1960s.

Of the 13 wells drilled, a total of 10 wells were successfully flow tested at rates of up to 4,343 BOEPD (North Forelands # 1 well) and 4,320 BOEPD (North Cook Inlet # B-02 well), or had logging results confirming the presence of productive oil. The three unsuccessful wells had oil shows but were drilled outside the oil fairway. A table outlining the 13 wells and the results of each are in Table 1.

Buccaneer has engaged Netherland, Sewell and Associates (“NSAI”) to provide a Reserve Report on the oil reserves acquired by the Company, and is expecting to book meaningful Proven and Probable Reserves. NSAI has previously assigned a P50 Resource of 15.5 million BO and 187.2 BCF of gas (46.7 MMBOE) to the Company’s 100% owned North West Cook Inlet Unit that is within the same geological structure as the leases being farm into by the Company.

### Drilling Plans

The Company plans to spud a well in Block A to test the Hemlock Formation using the Endeavour jack-up rig. This well will be an offset to the ARCO North Forelands #1 well that was flow tested at 4,343 BOEPD from three formations (including the Hemlock) with oil testing at 43° API Gravity. The ARCO North Forelands # 1 well was drilled in 1992 when oil averaged US\$19.25 per barrel.

The well in Block B will be drilled as an offset to the Shell NCI #1 well that was flow tested at 2,270 BOPD from one Tyonek horizon. The Shell NCI #1 well was drilled in 1964 when oil averaged US\$3.00 per barrel.

Yours faithfully,

**BUCCANEER ENERGY LIMITED**

**Mr Dean Gallegos**  
Director



TABLE 1 – HISTORICAL OIL WELLS

Well Name	Well #	Operator	Block	Year Drilled	Oil Price -Nominal	Oil Price - Inflation Adjusted to 2012	Significant Results
North Cook Inlet State	1	Shell	Northern	1964	\$3.00	\$22.20	Tested C Sand at 2,270 BOPD (57° API Gravity)
Sunfish	1	ARCO	Southern	1992	\$19.25	\$31.53	Tested Sunfish Sand at 1,200 BOPD (41° API Gravity) and 1.1 MMCFD
North Foreland	1	ARCO	Southern	1992	\$19.25	\$31.53	Tested Sunfish Sand, C Sand and Hemlock Sand at combined rate of 4,160 BOPD (43° API Gravity) and 1.1 MMCFD
Sunfish	3	ARCO	Southern	1994	\$15.66	\$24.27	Tested C Sand and Sunfish Sand at combined rate of 395 BOPD (42° API Gravity). No test performed on Channel Sand, but logs indicated commercial pay.
North Cook Inlet	B-01A	Phillips	Southern	1998	\$11.91	\$16.80	Tested Sunfish Sand at 2,186 BOPD (43° API Gravity) and 2.0 MMCFD
North Cook Inlet	B-02	Phillips	Southern	1998	\$11.91	\$16.80	Tested C Sand and Sunfish Sand at combined 3,874 BOPD / (40° API Gravity) and 2.7 MMCFD.
Cook Inlet State 17589	1A	Pan Am	Southern	1962-1964	\$3.00	\$22.20	Drilled as a relief well to the Cook Inlet State #1 well. Tested Tyonek C Sand, Sunfish Sand and Channel Sand at combined 439 BOPD and 3.0 MMCFD.
Cook Inlet State 17591	1	Pan Am	Southern	1964	\$3.00	\$22.20	Penetrated top part of Sunfish Sand with oil show and petrophysical pay. Well not tested due to Cook Inlet ice.
North Cook Inlet	A-12	Phillips	Southern	1970	\$3.39	\$20.08	Strong oil and gas mud log shows recorded through most of the Sunfish Sand, Channel Sand, Hemlock and West Foreland formations. Not tested as Tyonek Platform had no oil handling equipment.
North Cook Inlet	B-03	Phillips	Southern	1998	\$11.91	\$16.80	Logs confirmed presence of productive Sunfish Sand and C Sand. Not tested.
Cook Inlet State 17589	1	Pan Am	Southern	1962	\$2.85	\$21.85	Not tested as well blow-out in Channel Sand. North Cook Inlet 17589 #1A drilled as relief well.
Sunfish	2	Phillips	Southern	1992	\$19.25	\$31.53	Mechanical difficulties in drilling well through oil formations. Plugged back to allow gas production from shallower Beluga and Sterling Formations.
North Cook Inlet	B-01	Phillips	Southern	1997	\$18.64	\$26.69	Not test as Sunfish Sand absent on the very top of the structure.

**Legend**

■ PLATFORM    —●— PIPELINE

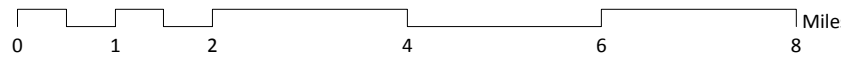
**Leases By Operator**

APACHE\*   
  BUCCANEER   
  HILCORP  
 APACHE (Deep Rights Only)\*   
  Other Lease Holders

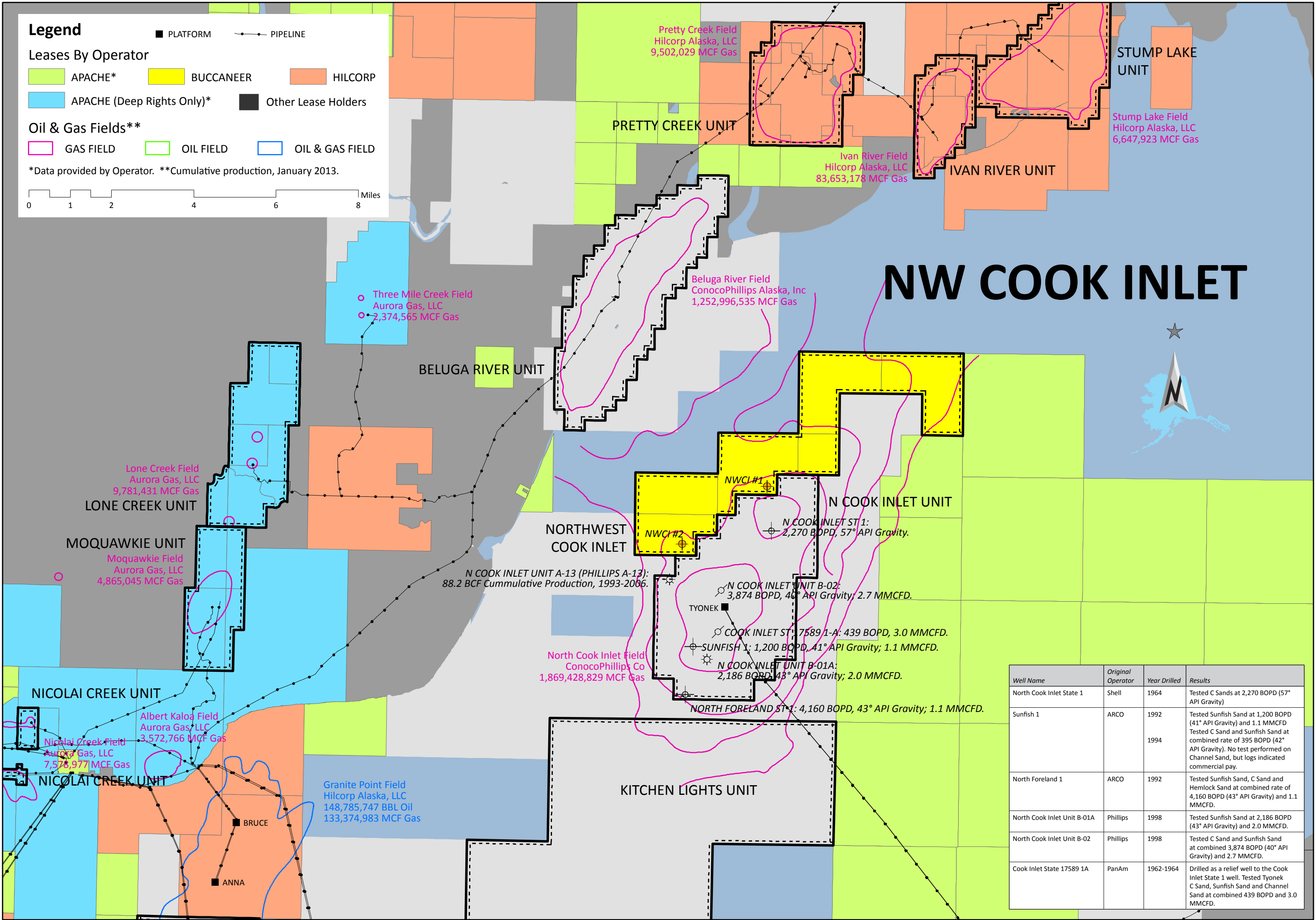
**Oil & Gas Fields\*\***

GAS FIELD   
  OIL FIELD   
  OIL & GAS FIELD

\*Data provided by Operator. \*\*Cumulative production, January 2013.



# NW COOK INLET



Well Name	Original Operator	Year Drilled	Results
North Cook Inlet State 1	Shell	1964	Tested C Sands at 2,270 BOPD (57° API Gravity)
Sunfish 1	ARCO	1992	Tested Sunfish Sand at 1,200 BOPD (41° API Gravity) and 1.1 MMCFD
		1994	Tested C Sand and Sunfish Sand at combined rate of 395 BOPD (42° API Gravity). No test performed on Channel Sand, but logs indicated commercial pay.
North Foreland 1	ARCO	1992	Tested Sunfish Sand, C Sand and Hemlock Sand at combined rate of 4,160 BOPD (43° API Gravity) and 1.1 MMCFD.
North Cook Inlet Unit B-01A	Phillips	1998	Tested Sunfish Sand at 2,186 BOPD (43° API Gravity) and 2.0 MMCFD.
North Cook Inlet Unit B-02	Phillips	1998	Tested C Sand and Sunfish Sand at combined 3,874 BOPD (40° API Gravity) and 2.7 MMCFD.
Cook Inlet State 17589 1A	PanAm	1962-1964	Drilled as a relief well to the Cook Inlet State 1 well. Tested Tyonek C Sand, Sunfish Sand and Channel Sand at combined 439 BOPD and 3.0 MMCFD.

## NORTH COOK INLET STRATIGRAPHIC COLUMN

PERIOD	DIVISION	FORMATION	RESERVOIR TYPE	
<b>TERTIARY</b>	PLIOCENE	Sterling	Gas	
	MIOCENE	Beluga	Gas	
		UPPEREK LOWEREK	C Sands	Oil
			Sunfish Sands	Oil
			Channel Sands	Oil
	OLIGOCENE	Hemlock	Oil	
	EOCENE	W. Foreland	Oil	
	PALEOCENE	Chickaloon		
<b>CRETACEOUS</b>	UPPER	Matanuska		
	LOWER	Unnamed Shale		
<b>JURASSIC</b>	UPPER	Nakenek		
		Chinitna		
	MIDDLE	Tuxedni Gp	Oil Source	
	LOWER	Talkeetna		

#### 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.

#### 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 10.0 MMCFD (1,666 BOEPD), the Company expects this to increase to 11 - 12 MMCFD (1,833 – 2,000 BOEPD) if a third gas sales contract can be finalised in the coming months.*

*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.*