

ASX RELEASE – 19 JUNE 2013

KENAI LOOP PRODUCTION MILESTONE & PERFORMANCE

HIGHLIGHTS

- **Kenai Loop Field produced 3.0 BCF to date;**
- **No material production time lost since commissioning facilities;**
- **Wells continue to perform with no production decline;**
- **May 2013 production 91% increase on May 2012.**

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that the 100% owned Kenai Loop project has now produced a total of 3.0 billion cubic feet (“BCF”) of gas (500,000 BOE) since the commencement of the field’s production in January 2012.

Since the completion of the commissioning of the Kenai Loop facilities in February 2012 virtually no production time has been lost due to the production facilities or well performance. This excellent accomplishment was a direct result of the initial design and construction of the field’s production facilities by the Company’s in-house engineering team and the oversight and maintenance by the Company experienced field operations staff.

The Kenai Loop # 1 well has been on production for approximately 17 months and has not experienced production decline during this timeframe; the well’s production rate has been increased twice.

The Kenai Loop # 4 well has been on production for approximately 4 months and again has not experienced production decline during this timeframe.

The reservoirs of the Kenai Loop # 1 and # 4 wells continue to perform at or above expectation; a sample of the most recent pressure decline and production curves for each well is attached.

The production in May 2013 was a record for the Company with a total of 300,593 MCF produced from the two wells, this is a 91% increase over production in May 2012. Total gross production revenue in May 2013 was almost US\$1,889,000 which is the second highest on record.

Yours faithfully

BUCCANEER ENERGY LIMITED

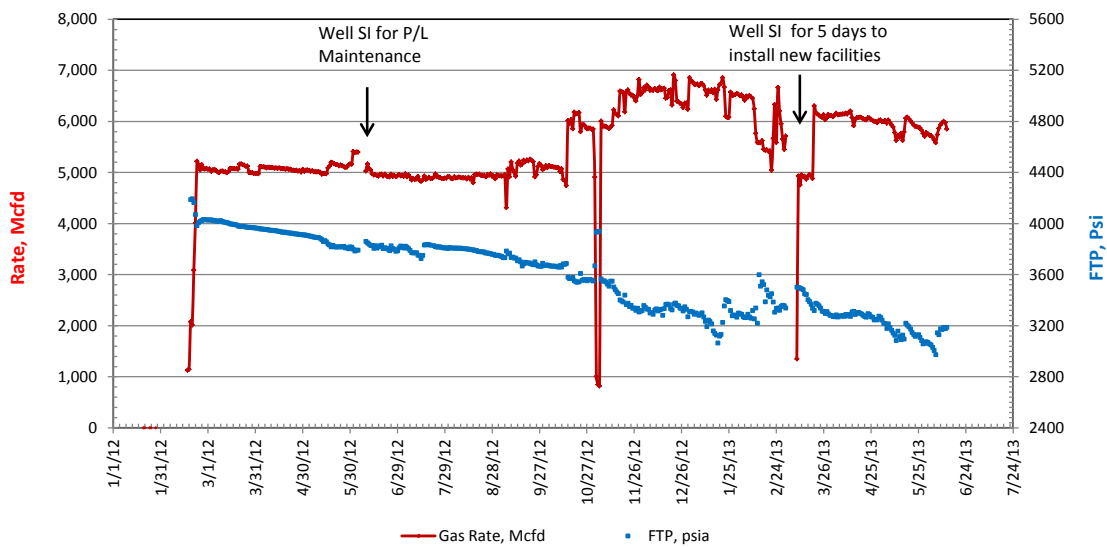


Mr Dean Gallegos
Director

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.buccaneerenergy.com.

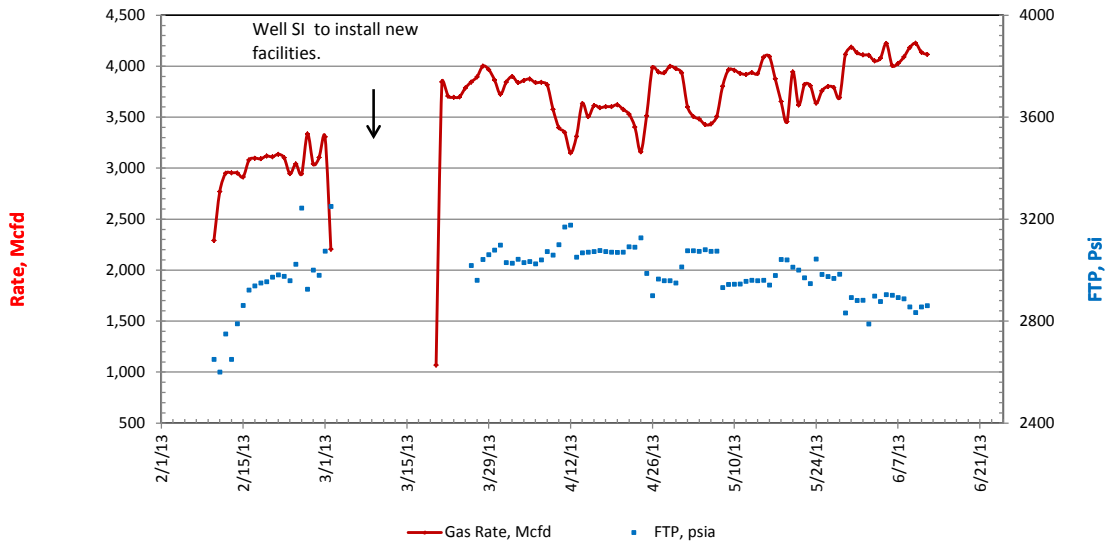
Kenai Loop #1 - Weekly Production Report

<u>Week-ending June 12, 2013</u>	
Avg Production Rate - 5,906 Mcfd	Weekly Production - 41 MMcf
Avg FTP - 3,168 psia	Cum Production to date - 2,618 MMcf



Kenai Loop #4 - Weekly Production Report

<u>Week-ending June 12, 2013</u>	
Avg Production Rate - 4,112 Mcfd	Weekly Production - 29 MMcf
Avg FTP - 2,870 psia	Cum Production to date - 383 MMcf





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) on finalisation of a third gas sales contract with a third party Cook Inlet user.

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.
