

NAVIGATOR

JUNE 2013

QUARTERLY REPORT

BUCCANEER ENERGY LIMITED (“BUCCANEER” OR “THE COMPANY”) IS PLEASED TO PRESENT ITS QUARTERLY REPORT FOR THE 3 MONTHS TO 30 JUNE 2013.

THE LAST 3 MONTHS HAVE AGAIN BEEN AN EXCEPTIONALLY BUSY PERIOD FOR THE COMPANY.

THE HIGHLIGHTS UP UNTIL THE DATE OF THIS REPORT ARE AS FOLLOWS:

- Quarterly Gross Production Revenue of US\$4.9 million
- Achieved production milestone of 3.0 BCF produced from Kenai Loop field
- Average 12 month Operating Netbacks of US\$5.12/ MCF
- Drilling permits for next Kenai Loop well # 1 – 4 approved
- Submitted Kenai Loop sub surface mapping and data to independent reserve engineer Ralph E Davis
- Executed farm-in agreement with ConocoPhillips for North Cook Inlet (“NCI”) Deep Oil Rights
- West Eagle Plan of Operations approved by DNR
- Netherland Sewell certifies Proven & Probable (2P) Reserves OF 38.5 MMBOE Proven & Probable (2P) Reserves for NCI Deep Oil Rights with PV10 of US\$732 million;
- Cosmo # 1 well drilled to Total Depth of 7,599’ and intersects previously unknown oil and gas zones in Tyonek Formation
- Executed a non binding Letter of Intent to farm-out Alaskan offshore portfolio for \$150 - \$200 million in committed expenditure
- Successfully raised \$36.5 Million in Rights Issue
- Attracted new 19.99% cornerstone shareholder
- Held shareholders meeting to consider resolutions pursuant to s249D Notice

MISSION STATEMENT

Buccaneer Energy’s wholly owned subsidiary Buccaneer Resources is based in Houston, Texas and is an upstream oil and gas company. It specialises in the development and expansion of behind-pipe proved and probable reserves and low-risk exploration plays with growth potential. Buccaneer’s growth strategy is focused on the progressive expansion of oil and gas production and reserves by acquiring significant working interests in low-cost, low-risk development properties that possess significant undeveloped upside.

KENAI LOOP PRODUCTION



The 100% owned Kenai Loop field is currently producing 9.5 – 10.0 MMCFD. Quarterly gross production revenue was US\$4.9 million, reflecting gas sales in the period March 2013 – May 2013. The Kenai Loop # 1-3 well commenced production in late March 2013 and so did not fully contribute to quarterly gross production revenue.

Kenai Loop project has now produced in excess 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 supervision and maintenance by the Company’s experienced field operations staff.

The Kenai Loop # 1-1 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 # 1-3 well has been on production for approximately 5 months and again has not experienced production decline during this timeframe.

The reservoirs of the Kenai Loop # 1-1 and # 1-3 wells continue to perform at or above expectation.

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 month on record.

KENAI LOOP RESERVE CERTIFICATION

The Company’s geological and geophysical (G & G) team have completed sub surface mapping at Kenai Loop. This information has now been submitted to Ralph E Davis with a view to certify any Proved Undeveloped (“PUD”), Probable and Possible components of the Kenai Loop Reserves.

Additionally the Company has requested Ralph E Davis to estimate the total Resource potential of the Kenai Loop field which will require further analysis of sub surface mapping and which includes the 3D seismic acquired over the Kenai Loop field in 2012.



KENAI LOOP PERMANENT PRODUCTION FACILITIES

KENAI LOOP WELL # 1 - 4

The Company lodged a drilling permit for the next well in the Kenai Loop Project development with the Alaskan Oil and Gas Conservation Commission ("AOGCC").

The permit was approved in late July 2013 and at the date of this report preparations were being made to spud the Kenai Loop # 1-4 well.

In order to provide clarity in our reports and releases, the Company filed an application with AOGCC to rename the Kenai Loop wells to reflect their pad number and the order in which they were drilled.

- Kenai Loop # 1 (in production) well is renamed Kenai Loop # 1-1. Reflecting it is on Drilling Pad # 1 and the first well drilled;
- Kenai Loop # 3 (future disposal well) well is renamed Kenai Loop # 1-2;
- Kenai Loop # 4 (in production) well is renamed Kenai Loop # 1-3.

The Kenai Loop #1-4 well will be drilled from Drilling Pad #1, where the existing production wells are located, the Glacier rig is currently on site. It will be directionally drilled to a bottom hole location 1,368 feet to the south-east, and is anticipated to have a Total Depth of approximately 10,900'.

The Company is currently preparing drilling permits for two additional Kenai Loop wells that will be submitted after Kenai Loop # 1-4 well has been completed.

The Kenai Loop #1-4 well, and the two subsequent wells, are designed to test targets identified through the substantial amount of sub-surface work completed since the successful Kenai Loop #1-3 (formerly Kenai Loop # 4) well, which was placed onto production in February 2013.



GLACIER RIG 1 ON LOCATION DRILLING KENAI LOOP # 1-3

Operating Netbacks

The term "Operating Netback" is a measure of oil and gas sales net of royalties, production and transportation expenses and, it is a common metric against which to compare companies operating in the energy industry.

The Kenai Loop # 1-1 well has now been in full production since late February 2012, during this time the Company has enjoyed relatively high Operating Netbacks compared to its peers operating in the US energy industry:

Production Month	Operating Netback US\$ / MCF
July 2012	\$4.47
August 2012	\$4.41
September 2012	\$4.43
October 2012	\$4.58
November 2012	\$5.11
December 2012	\$7.51
January 2013	\$6.51
February 2013	\$5.77
March 2013	\$4.98
April 2013	\$4.35
May 2013	\$4.74
June 2013	\$4.62
Average	\$5.12



KENAI LOOP #4 GAS FLARE

NORTH COOK INLET DEEP OIL RIGHTS

NORTH COOK INLET DEEP OIL RIGHTS

The Company executed an agreement whereby Buccaneer has the right to earn a 100% working interest in the deep oil rights in 23,368 acres ("Deep Oil Rights Agreement") held within the North Cook Inlet Unit ("NCIU").

The NCIU has produced almost 1.9 trillion cubic feet of gas from the shallow Sterling and Beluga formations since the 1960's and the NCIU is currently held by gas production that has been predominantly used to supply the Kenai LNG facility.

The NCIU borders the Company's existing North West Cook Inlet Unit and as part of the transaction the Company has entered into a license agreement for an existing 3D seismic. The 3D license covers both the area subject to the Deep Oil Rights Agreement

Proven Oil Formations

Netherland, Sewell & Associates, Inc. ("NSAI") completed the Reserve and Resource estimates with economic cash flows in respect to the deep oil rights within the 23,368 acres of the North Cook Inlet Unit - in which the Company is earning a 100% working interest.

NSAI has estimated the economic cash flows for the Reserves are as follows:

	Reserves		
	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
Oil – MMBO	7.5	30.1	75.5
Gas – BCF	13.8	50.4	122.2
Oil Equivalent - MMBOE	9.8	38.5	95.9
Net Present Value @ 10% Discount in US\$Million	\$137.7	\$732.4	\$1,995.1

The Reserves estimates - 80% of which are oil - are based on 10 historical wells that successfully penetrated the oil formations and a 3D seismic survey. They were successfully flow tested at rates of up to 4,320 barrels of oil equivalent per day ("BOEPD") (North Cook Inlet #B-02 well) or had logging results confirming the presence of productive oil. In addition to the 10 successful wells, an additional three wells were drilled which did not flow; each had oil shows, but were outside the oil fairway. A table outlining the 13 wells and the results of each is provided in Table 1.

Contingent Resources

In addition, NSAI has estimated the economic cash flows for the Contingent Resources:

	Contingent Resources		
	1C	2C	3C
Oil – MMBO	8.4	19.4	42.2
Gas – BCF	11.2	26.8	67.2
Oil Equivalent - MMBOE	10.3	23.9	53.4
Net Present Value @ 10% Discount in US\$Million	\$152.0	\$383.9	\$906.4

and the Company's North West Cook Inlet Unit, including the areas over which the Company is permitted to drill two wells and over which only 2D seismic was available.

The Company's access to the Endeavour jack-up rig was an important aspect in negotiating the Deep Oil Rights Agreement. Buccaneer agreed to the division of the farm-in area into two acreage blocks, Block A and B, with a well commitment in each. A well must be spudded in either Block A or Block B by December 31, 2014 and a second well in the remaining block by December 31, 2015.

There was no upfront cash consideration paid by Buccaneer with the existing operator retaining an Overriding Royalty Interest ("ORRI") from production.

NORTH COOK INLET DEEP OIL RIGHTS

The combined estimated economic cash flows for Reserves and Contingent Resources are as follows:

	Total Reserve & Contingent Resources		
Total (Reserves + Contingent Resource) Oil – MMBO	15.9	49.5	117.7
Total (Reserves + Contingent Resource) Gas – BCF	25.0	77.2	189.4
Total (Reserves + Contingent Resource), MMBOE	20.1	62.4	149.3
Net Present Value @ 10% Discount in US\$Million	\$290.7	\$1,116.3	\$2,901.5

The oil is contained in the Lower Tyonek, Hemlock, Sunfish and West Foreland Formations. Drilling on the prospect began in 1962, and the formations have since been penetrated by the 13 wells outlined above; all of which were drilled within the North Cook Inlet Unit acreage, but were never placed on production. Seven of the wells were drilled in the 1990s; the others were drilled by various majors during the discovery and delineation phase of the Cook Inlet in the 1960s.

The North Cook Inlet Unit adjoins the Company's existing North West Cook Inlet Unit where NSAI has previously provided a P50 resource estimate of 45.9 MMBOE which consists of 16.0 MMBO in oil pay zones that are contiguous to those in the North Cook Inlet Unit, and 185.0 BCF of gas in shallower gas horizons.

North Cook Inlet is one of the three off shore projects included in the non binding Letter of Intent announced by the Company on 5 July 2013. Subject to the execution of binding agreements the Farm-In party has agreed to pay 100% of the costs associated with two wells in each of the projects for which it will earn a 49% working interest.



NORTH COOK INLET UNIT EXISTING TYONEK PLATFORM

NORTH COOK INLET DEEP OIL RIGHTS

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 43o 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.

TABLE 1 - HISTORICAL OIL WELLS - NORTH COOK INLET UNIT

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	1	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 Unit	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 Unit	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 Inklet ice.
North Cook Inlet Unit	A-12	Phillips	Southern	1970	\$3.39	\$20.08	Strong oil and gas mud log shows recorded through most of Sunfish Sand, Channel Sand, Hemlock and West Foreland formations. Not tested as Tyonek Platform had no oil handling equipment.
North Cook Inlet Unit	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 Unit	B-01	Phillips	Southern	1997	\$18.64	\$26.69	Not tested as Sunfish Sand absent on the very top of the structure.

COSMOPOLITAN # 1 WELL

Total Depth (“TD”) for the Cosmo # 1 well was completed at 7,599’ with the Cosmo # 1 well encountering oil bearing sands ~400’ stratigraphically higher than any other wells drilled on the structure to date.

Wire-line logs were successfully run over the entire depth of the well, in addition the following data was collected:

Side Wall Core’s	90
Gas Samples	2
Oil Samples	5
Formation Pressure readings	43

The gas, oil and pressure readings were obtained using Modular Formation Dynamics Tester (“MDT”). A Vertical Seismic Profile was also successfully obtained.

Two oil zones within the Tyonek formation totalling 86’ were perforated between 5,824’ to 6,092’ MD and a drill stem test was completed. After a moderate “blow”, swabbing resulted in good oil recovery. The Endeavour rig has very limited oil storage capability and more extensive flow testing of the oil zones cannot be conducted at this time. This recovered oil is being analysed in detail and will be fully reported when testing is completed.

The testing of the oil has achieved the anticipated results and it is expected an upgrade in the oil reserves of the project will be achieved. The next test will target the lowermost gas zone in the Tyonek.

Summary of Results

As indicated from logging, MDT and sidewall cores, the Cosmo # 1 well has confirmed the presence of an extensive hydrocarbon column covering numerous formations above the previously known oil reservoirs. The Cosmo # 1 well was drilled on the crest of the structure and encountered geologic formations 200 - 300’ higher than those encountered by the Starichkof State # 1 well.

The Tyonek formation, which contained all exploratory targets, was found to have 488’ of indicated oil and gas pay, including 18 gas zones and 8 oil zones.

The previously-discovered Starichkof and Hemlock formations were confirmed to contain oil in this well. The Starichkof formation was found to have 43’ of indicated oil pay, and the Hemlock formation was found to have 149’ of indicated oil pay.

Not all of the zones intersected will be flow tested; however, the newly-discovered zones will be high graded and a testing program implemented in conjunction with BlueCrest Energy Inc. who hold the remaining 75.0% working interest.



ENDEAVOUR ON LOCATION AT COSMOPOLITAN PROJECT

WEST EAGLE UNIT – PLAN OF OPERATIONS APPROVED

The Plan of Operations for the 100% owned West Eagle Unit # 1 well was approved by the Alaskan Department of Natural Resources (“DNR”) in mid July 2013.

The West Eagle Unit consists of 8,843 acres with the expiry dates of an additional ~7,000 acres surrounding the new Unit being extended to 30 September 2014.

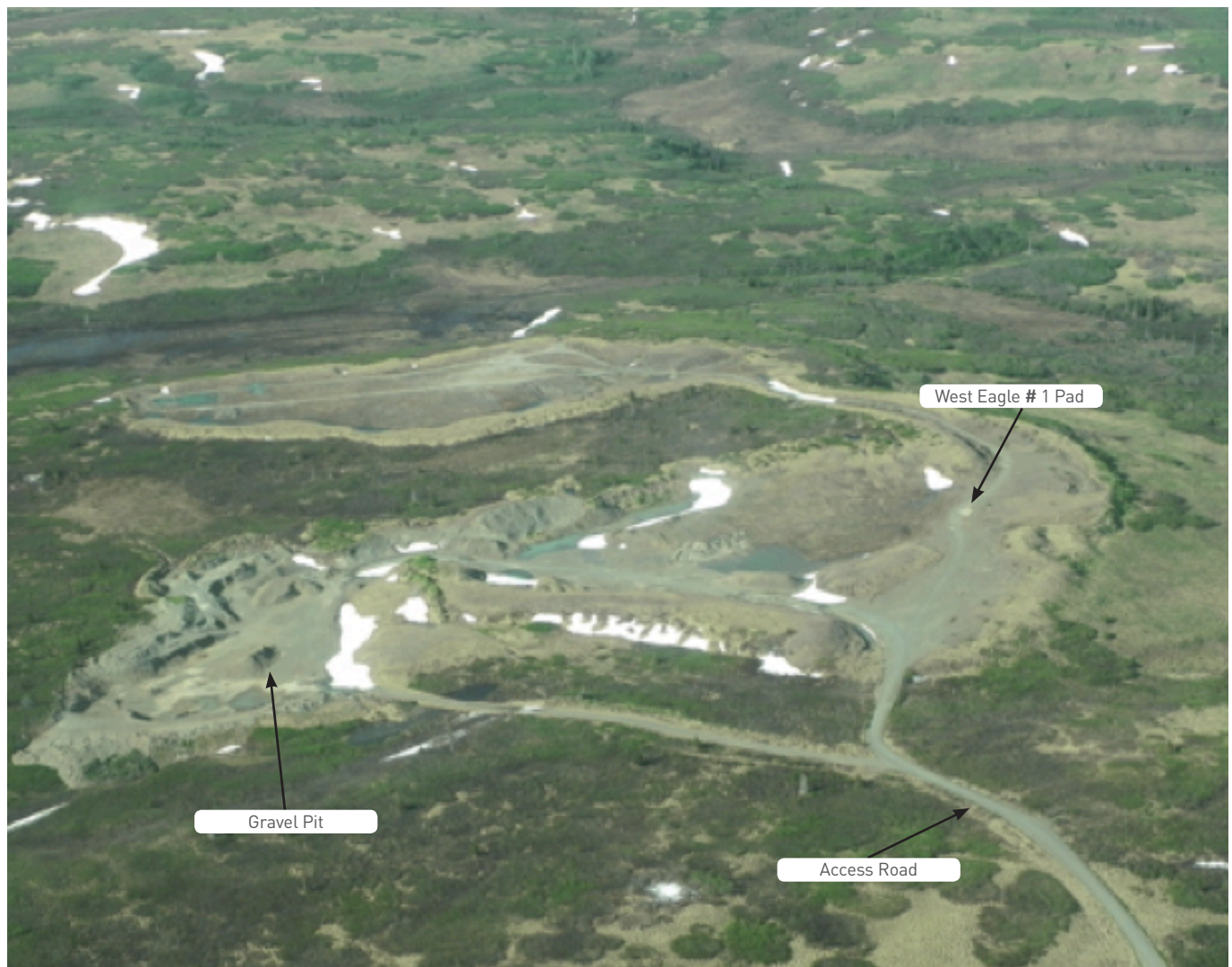
Under the Unit agreement with the DNR the Company committed to commence operations on the West Eagle # 1 well by 1 September 2013 and drill to 6,000’ total vertical depth (“TVD”) to test the shallow gas formations.

The Company is required to lodge US\$1.2 million in performance bonds with the DNR in early August 2013. The DNR will release US\$600,000 of the performance bond when the West Eagle # 1 well is commenced and the remaining US\$600,000 when the well reaches 6,000’ TVD.

The Company requires the following additional approvals before drilling operations commence:

- A drilling permit must be approved by the Alaskan Oil and Gas Conservation Commission (“AOGCC”). This takes approximately 30 days and the Company anticipates lodging the application shortly; and
- The oil spill plan (“C-Plan”) amendment needs approval by the Alaska Department of Environmental Conservation (“ADEC”). The Company applied for this amendment in March 2013 and it is currently under final review by ADEC.

The Company plans to spud the West Eagle # 1 well on completion of the Kenai Loop # 1-4 well using the Glacier drilling rig currently on location at Kenai Loop. On completion of the West Eagle # 1 well, the Glacier drilling rig will move back to Kenai Loop to continue the Kenai Loop development program.



WEST EAGLE UNIT

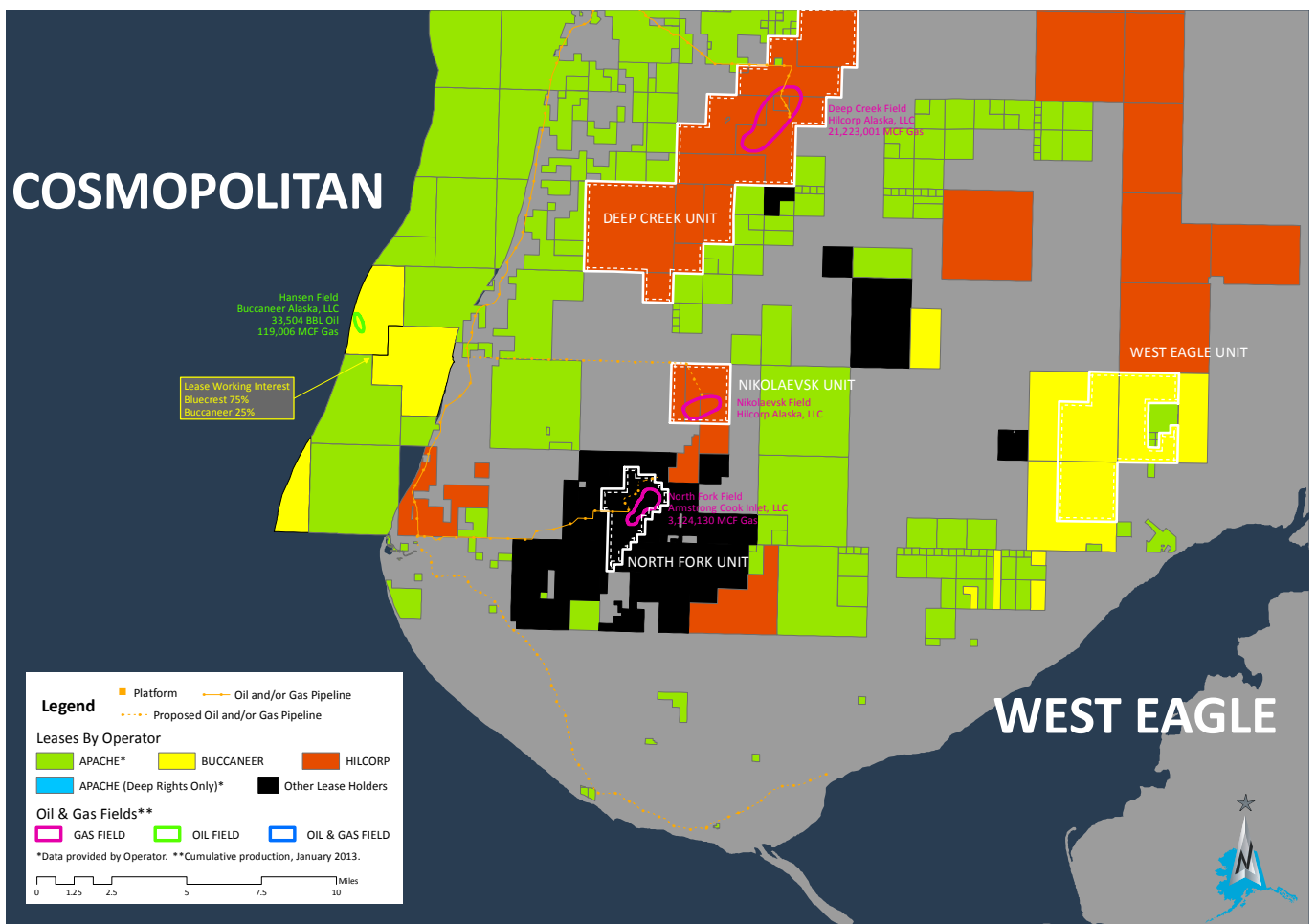
West Eagle # 1 well location

The Glacier drilling rig was secured by Buccaneer Energy in 2012 for use on its land drilling projects and will be utilised for the West Eagle prospect due to its lower risk profile and improved economics when compared with alternative drilling options.

The primary objective of the West Eagle # 1 well targets a 150' Upper Tyonek interval of sandstones that had gas shows in a down-dip offset well, the Standard Oil of California, Anchor River # 1. Up-structure on a northeast to southwest trending ridge, the West Eagle well will test a large amplitude anomaly mapped on 233 miles of 2D seismic data. The anomaly size is estimated at more than 4,000 acres.

The West Eagle # 1 well will also test a deeper, large stratigraphic pinch-out which is part of what is often called the East Side Oil Play, made up of basal Tertiary or older potential reservoirs up-dip from a postulated middle Jurassic oil source conduit system. This deeper objective is also amplitude supported.

The West Eagle # 1 well is also included in the non binding Letter of Intent announced by the Company on 5 July 2013. Subject to the execution of binding agreements, the Farm-In party has an option to pay 100% of the costs associated with two wells at West Eagle for which it will earn a 49% working interest.



OFFSHORE PROGRAM SCHEDULE

On completion of drilling the Cosmo # 1 well the Endeavour will be mobilized to the 100% owned Southern Cross Unit, this is anticipated to be in mid August 2013. It is not anticipated that a well at North West Cook Inlet Unit can be commenced prior to the end of the summer drilling season on 30 October 2013.

The Company is in discussions with the Alaskan Department of Natural Resources to extend the date of commencing a well at the North West Cook Inlet Unit so that it can be drilled in the 2014 summer drilling season that commences on 15 April 2014.

On completion of drilling operations at Southern Cross the Endeavour will be mobilized back to the Cosmopolitan project to drill the Cosmo # 2 well.



ENDEAVOUR ON LOCATION AT COSMOPOLITAN PROJECT

LETTER OF INTENT – OFFSHORE FARM IN

The Company has executed a non-binding Letter of Intent (“LOI”) with a US based public company (“Farm-In Party”) to farm-in to the following projects that are currently 100% owned by the Company:

- Southern Cross Unit;
- North West Cook Inlet Unit; and
- North Cook Inlet Unit – Deep Oil Rights.

The Farm-In party has agreed to pay 100% of the costs associated with two wells in each of the above projects for which it will earn a 49% working interest.

In addition the Farm-In Party will be granted an option to earn a 49.0% working interest in the Company’s 100% owned onshore West Eagle project by paying 100.0% of the costs of the first two wells.

Buccaneer will retain a 51.0% working interest and the role of Operator in all of the above projects. Additionally, the Company will retain its existing working interest in both the Kenai Loop Project (100%) and Cosmopolitan Project (25%).

The LOI contemplates that on completion of the above wells and the assignment of a 49.0% working interest to the Farm-In Party that all future expenditure on the above projects will be based on individual working interest ownership.

The LOI stipulates that the Endeavour jack-up rig must be used on all off shore drilling that is subject to this LOI.

A binding Participation Agreement is currently being negotiated and on execution and satisfaction of any remaining conditions further details will be released. The LOI will automatically terminate on 15 September 2013 if a Participation Agreement has not been executed.

If the Farm-In party proceeds to drill all 8 wells subject to this LOI, total expenditure by the Farm-In Party is expected to be between US\$150.0 - US\$200.0 million.

VICTORY PARK US\$100 MILLION FACILITY

The Company has an agreement with Chicago-based Victory Park Capital (“Victory Park”) for the provision of credit facilities totalling US\$100 million.

Victory Park recently completed a borrowing base review and assessed the new Borrowing Base as US\$44.1 million. The Company had 13.5 BCF of its 19.9 BCF of Proved Developed Producing (“PDP”) Reserves under long term gas contracts and Victory Park discounted these non contracted PDP Reserves resulting in a borrowing base of 12% less than anticipated.

This is less than the expected US\$50.0 million as Victory Park did not give full weighting and the Company expects its Borrowing Base availability under the Term Note to increase to approximately US\$50 million, this is in the process of being confirmed by Victory Park.

Facility Structure

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 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 project and, in combination with the Revolver, is expected to be sufficient for an additional 2 wells at Kenai Loop during 2013. Additional drilling success at Kenai Loop would further increase the available Borrowing Base under the Facility.

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.

ENTITLEMENT ISSUE FULLY SUBSCRIBED – SECURES CORNERSTONE INVESTOR

The Entitlement Issue was closed and the shortfall resulting from this issue was placed to a mixture of international and domestic institutions.

As part of placing the Entitlement Issue shortfall Meridian Capital International Fund (“Meridian”) a UK based institutional investor agreed to invest a total of \$19.4 million to acquire up to a 19.99% interest in the Company. The Company is in discussions with Meridian in respect to the appointment of a Meridian representative to the board.

Meridian is a specialist investor in natural resources with a particular focus on oil and gas investments globally.

As at the date of this report a total of \$35.1 million (before costs) had been raised, an additional \$1.3 million will be subscribed by Meridian and Directors on receipt of shareholder approval which is expected to occur at a shareholders meeting to be held in mid September 2013.

AVAILABLE CASH FACILITIES

The Company has repaid Ezion Holdings Limited a US\$3.6 million (AUD\$4.1 million) shareholder loan which included accrued interest. As at the date of this report the Company has the following cash resources in US\$ millions available for development of its Alaskan assets:

	Maximum Draw	Borrowing Base	Drawn	Available
Cash	\$28.2	\$28.2	-	\$28.2
Secured Term Note ¹	\$75.0	\$44.1	\$44.1	-
Senior Secured Revolver ²	\$25.0	\$25.0	\$18.0 ³	\$7.0
Total	\$128.2	\$97.3	\$62.1	\$35.2

¹ Provided by Victory Park Capital. Can only be used for expenditure on the onshore Kenai Loop project

² Provided by Victory Park Capital. Available to be drawn to pre fund drilling on all onshore and offshore development expenses eligible to receive rebates from the State of Alaska under the ACES exploration and development incentive program

³ Secured by ~US\$21.0 million in rebates from the State of Alaska, ~US\$14.0 m expected to be rebated by mid August 2013

The Company has not utilised the Revolver for any expenditure in respect to the Cosmo # 1 well. Expenses in relation to the upcoming Southern Cross # 1 well, West Eagle # 1 well and Kenai Loop # 1-4 well have also been pre paid.

The Company expects that on average the Kenai Loop # 1-1 and Kenai Loop # 1-3 wells to produce approximately an average of US\$1,500,000 per month in free cash flow net of royalties and cost of production at the well head based on total production of 10.0 MMCFD.

ENDEAVOUR JACK-UP RIG OPERATION

The Company through its wholly owned subsidiary Kenai Drilling, LLC manages the Endeavour jack-up rig and has executed a 5 year bare boat charter ("BBC") with Kenai Offshore Ventures, LLC that ends on 31 October 2017, the Company has a 50% interest in ("KOV"). Illustrated on page 40 of this report is how the corporate structure is set-up in respect to the operation of the Endeavour.

The 3 months to 30 June 2013 represented the first full quarter the Endeavour jack-up rig has operated within the Cook Inlet, during this time no significant drilling time was lost due to equipment malfunctions onboard the Endeavour.

The costs of operating the Endeavour are within projected pre mobilisation expectations. The attached Appendix 5B Cash Flow Report details these revenue and costs, with the following notes:

Endeavour Day Rate Revenue of \$8,760,000, this includes a 25% contribution for the Company's 25% working interest in the Cosmo # 1 well. This represents 50 days leasing revenue in the quarter with 41 days, or \$7,175,000, being invoiced but was unpaid as at the 30 June 2013. In a normal quarter where the Endeavour rig is fully utilised a total of \$15,925,000 in day rate revenue would be received.

KOV Charter Payments of \$3,709,000 represents 53 charter days, the remaining 38 days or \$2,660,000 remained unpaid as at the 30 June 2013.

Spartan Drilling Crewing Costs of \$3,943,000 for the quarter represents almost the entire crewing costs for the quarter of AUD\$4,300,000. An additional ~\$100,000 was expended on equipment rentals and minor rig repairs.

In addition to the cash flow benefit that is detailed above the Company receives a further benefit through the payment of the KOV Charter Payments. These payments are being used by KOV to repay the debt facilities used to acquire and modify the Endeavour, the Company is therefore building equity in KOV by making the KOV Charter Payments. It is contemplated that KOV will be debt free at the completion of the BBC in October 2017.

SHAREHOLDERS MEETING & BOARD COMPOSITION

A shareholders meeting was held on the 2 July 2013 as a result of a notice issued to the Company pursuant to section 249D of the Corporations Act by Pacific Hill International Limited and Harbour Sun Limited who at that time controlled a combined 8.6% of the issued shares of the Company.

On completion of that meeting the board composition of the Company is as follows:

Dean Gallegos	Executive Chairman
Curtis Burton	Managing Director
Brian Moller	Non-Executive Director
Nicholas Davies	Non-Executive Director
Shaun Scott	Non-Executive Director
Clinton Adams	Non-Executive Director

Pacific Hill International Limited and Harbour Sun Limited did not take up their respective entitlements in the recent Entitlement Issue, as such their combined interest in the Company has been reduced to ~5.5% of the Company's issued shares.

RESERVES & RESOURCES

SUMMARY OF RESERVES & RESOURCES

As at 30 June 2013, Buccaneer had independently assessed Proven and Probable Reserves (2P) of 67.0 MMBOE, Contingent Resources (2C) of 23.9 MMBOE and Prospective Resources (P50) of 64.4 MMBOE.

Project Area	Acres ³	Working interest	Net Royalty Interest	1P Reserves MMBOE ^{1,2}	2P Reserves MMBOE ^{1,2}	3P Reserves MMBOE ^{1,2}	2C Contingent Resources MMBOE ^{1,2}	P50 Resources MMBOE ^{1,2}	Certifying Engineer
Onshore Alaska									
Kenai Loop	9,308	100.00%	78 - 80%	3.7	4.8	7.5	-	TBC	Ralph E Davis
West Eagle	15,843	100.00%	79.25%	-	-	-	-	-	
West Nicolai	5,653	100.00%	83.75%	-	-	-	-	-	
Offshore Alaska									
Southern Cross Unit	6,932	100.00%	79.25%	6.3	12.7	24.1	-	14.7	Netherland, Sewell & Assoc.
North West Cook Inlet	8,568	98.20%	77.66%					45.9	Netherland, Sewell & Assoc.
Cosmopolitan	3,144	25.00%	17.81%	7.8	11.0	17.5	-	3.8	Ralph E Davis
NCIU Deep Oil Rights	23,368	100.00%	Confidential ⁴	9.8	38.5	95.9	23.9	-	Netherland, Sewell & Assoc.
Total	72,816			27.6	67.0	145.0	23.9	64.4	

¹ Gas to oil conversion using a gas to oil ratio of 6:1

² Reserves and Resources net to Buccaneer's working interest

³ Acreage is net to Buccaneer's working interest

⁴ Within normal industry practice

The estimated Proven Reserves Present value at a 10% discount (PV10) in US\$ is as follows:

Project	Proven Reserves ¹	Proved Reserves Present Value (PV10) US\$ Million	Certifying Engineer
Kenai Loop Project	3.7	\$70.0	Ralph E Davis
Southern Cross Unit	6.3	\$129.0	Netherland, Sewell & Assoc.
Cosmopolitan	7.8	\$143.0	Ralph E Davis
NCIU Deep Oil Rights	9.8	\$137.7	Netherland, Sewell & Assoc.
TOTAL	27.6	\$479.7	

¹ All reserves validated by third party engineers

Yours faithfully

BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
Chairman

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Buccaneer Energy that its expectations, estimates and forecast outcomes will be achieved.

Information pertaining to Lee County project contained in this report were compiled by Gary Rinehart, BS in Geology from University of Oklahoma and who has had more than 35 years experience in petroleum geology. Mr Rinehart has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

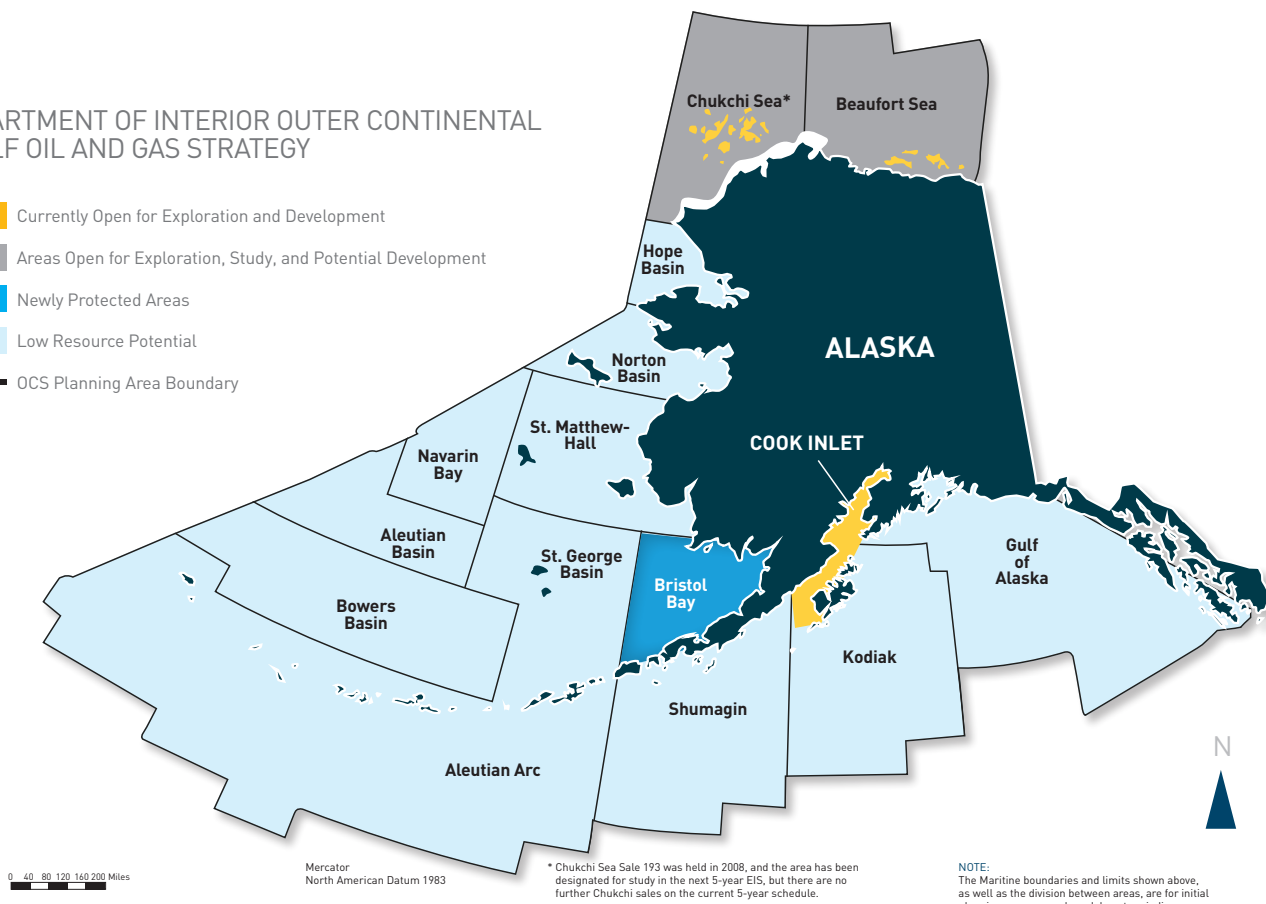
Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 31 years experience including employment by Shell Oil Company, Union Texas Petroleum, Burlington Resources and Renaissance 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.

COOK INLET, ALASKA

The following are detailed overviews of each of the Company's onshore and offshore Cook Inlet assets.

DEPARTMENT OF INTERIOR OUTER CONTINENTAL SHELF OIL AND GAS STRATEGY

- Currently Open for Exploration and Development
- Areas Open for Exploration, Study, and Potential Development
- Newly Protected Areas
- Low Resource Potential
- OCS Planning Area Boundary



MAP OF ALASKA

OFFSHORE DEVELOPMENT PROJECTS

RESERVE & RESOURCES

Netherland, Sewell & Associates (NSA), one of the leading US based engineering firms, completed a third party engineering report on the reserves for both North West Cook Inlet and the Southern Cross Unit. NSA was chosen to complete this report as they are experienced in the Cook Inlet, having completed reserves estimations for a number of multi-national energy companies that have oil and gas operations offshore in the Cook Inlet of Alaska.

The combined Proven & Probable (2P) Reserve, 2C Contingent Resource and P50 Prospective Resource for the Company's four offshore projects totals 155.3 Million barrels of oil equivalent (MMBOE).

SOUTHERN CROSS UNIT

Buccaneer holds a 100.0% Working Interest in the Southern Cross Unit, the Net Revenue Interest is 79.25%. The NSA report attributed a Proved + Probable (2P) Reserves of 12.7 MMBOE and P50 Resources of 14.7 MMBOE.

HIGHLIGHTS

The Southern Cross Unit is in approximately 50' of water with no unusual technical hurdles to drill and develop reserves.

Buccaneer's initial test well will offset several wells on its leasehold that tested oil and gas but that were never produced. Buccaneer's first well is approximately 300 feet from the Pan Am 17595 # 3 (circa 1960's) which tested 230 feet oil and 1080 feet of mud cut oil from the Lower Tyonek and 165 feet of oil from the Hemlock.

It will also be structurally high to the Pan Am 17595 # 2 (circa 1960's) which tested the Lower Hemlock and recovered gas to the surface followed by fluid from which 990 feet of clean oil was recovered. Other wells on the lease tested gas from the Upper Tyonek. Buccaneer's well will be within the demonstrated hydrocarbon column for this area.

The Company has a 3D seismic survey license over the Southern Cross Unit.

OFFSHORE DEVELOPMENT PROJECTS

Southern Cross is within 5 miles of four significant oil and gas fields with combined production of 1.08 Billion BO and over 550 BCF of gas:

- Trading Bay Field with production to date of 103 million BO, 73 BCF of gas and 360 thousand barrels of Natural Gas Liquids (NGL);
- McArthur River Field with production to date of 630 million BO, 261 BCF of gas and 9 million barrels of NGL;
- Middle Ground Shoal Field with production to date of 198 million BO and 93 BCF of gas; and
- Granite Point Field with production to date of 147 million BO and 131 BCF of gas.

RESERVES

Prospect	Proven (1P)		Proven + Probable (2P)		Proven + Probable + Possible (3P)	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Tyonek	3.4	0.5	7.2	6.7	13.5	16.4
Hemlock	1.2	9.2	2.8	9.8	6.0	11.1
Total	4.6	9.7	10.0	16.5	19.5	27.4
MMBOE* ¹ Gross to 100% Working Interest	6.3		12.7		24.1	

*Million barrels of oil equivalent

¹ Natural Gas has been converted to oil using a Gas to Oil ratio of 6:1

Oil makes up approximately 78% of the 2P Reserves.

RESOURCES

The following Prospective Resources reflect the Company's Working Interest in Southern Cross Unit. Buccaneer holds a 100.0% Working Interest in the project, the Net Revenue Interest is 79.25%:

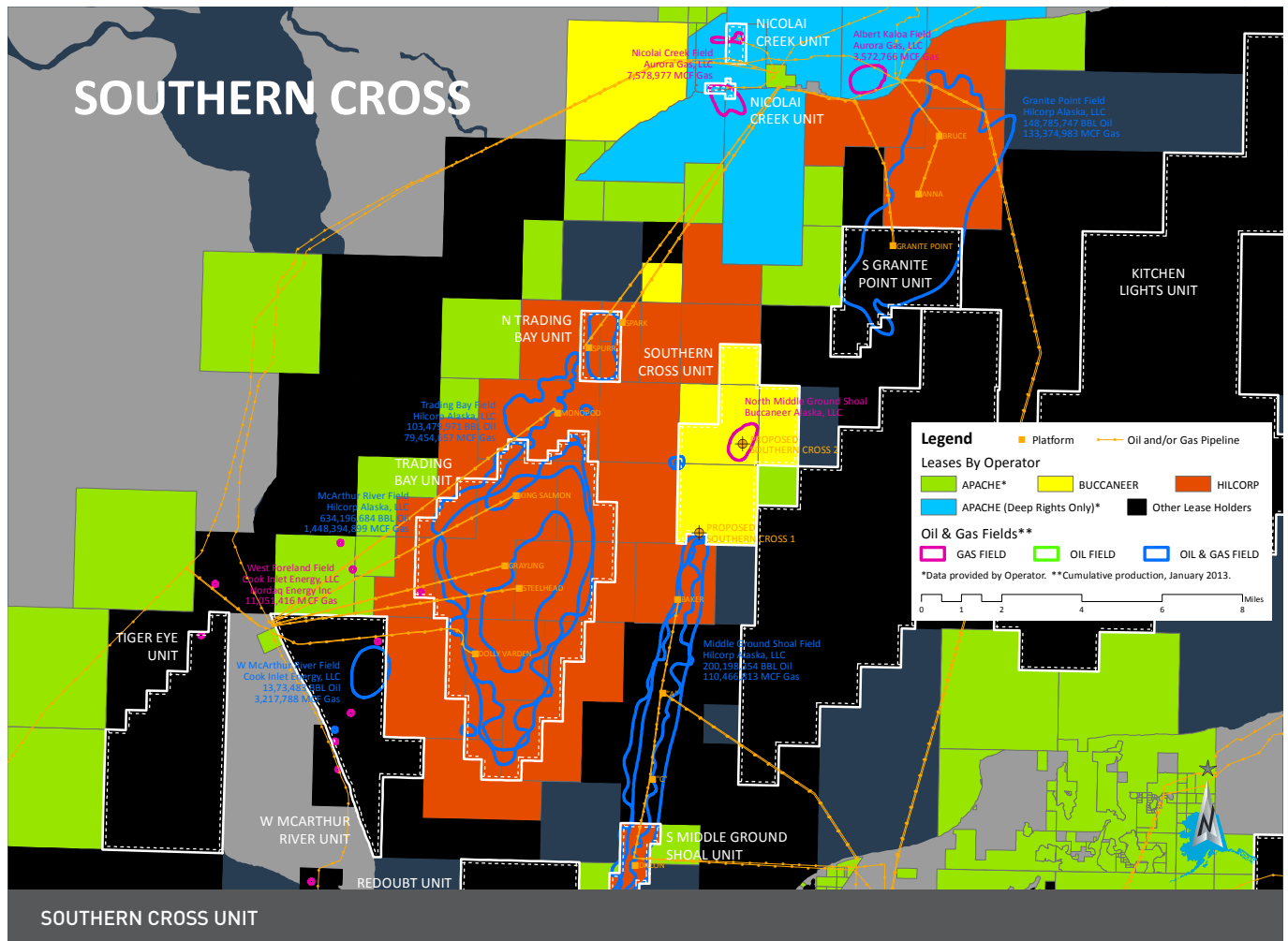
Prospective Resource	Low Estimate (P90)		Best Estimate (P50)		High Estimate (P10)		Mean	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Tyonek	3.2	1.2	8.9	3.3	23.7	9.0	11.6	4.4
Hemlock	1.2	0.5	4.9	1.9	18.0	6.9	7.6	2.9
Total	4.4	1.7	13.8	5.2	41.7	15.9	19.2	7.3
MMBOE* ¹ Gross to 100% Working Interest	4.7		14.7		44.3		20.4	

*Million barrels of oil equivalent

¹ Natural Gas has been converted to oil using a Gas to Oil ratio of 6:1

Oil makes up approximately 94% of the P50 Resource. These resources will be produced through the same facilities constructed for the 3P reserve base detailed above, thus will have a lower incremental development cost.

OFFSHORE DEVELOPMENT PROJECTS



NORTH WEST COOK INLET UNIT

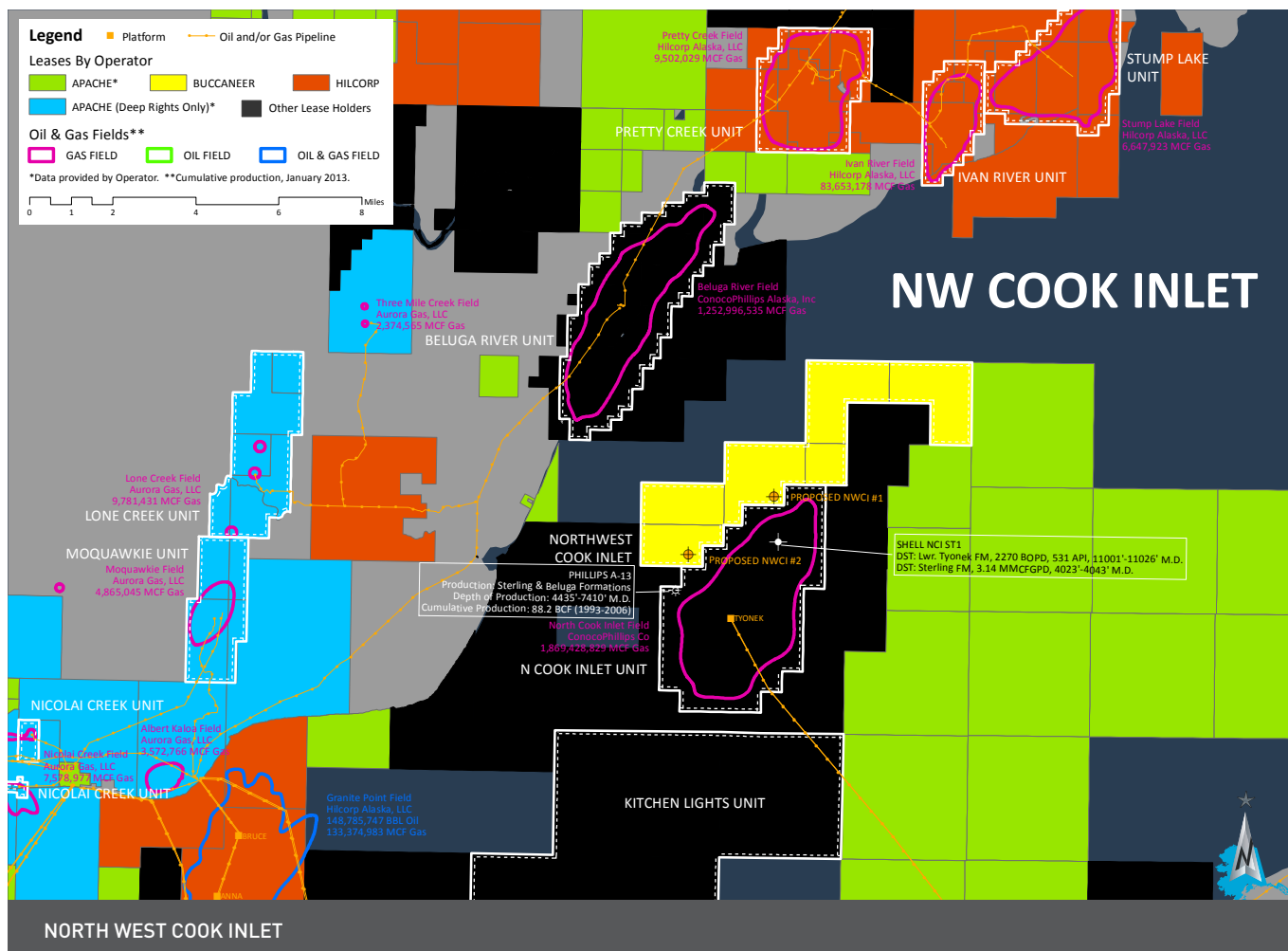
The following Prospective Resources reflect the Company's Working Interest in North West Cook Inlet. Buccaneer holds an 87.5% - 100.0% Working Interest in the project, with an average 98.2% Working Interest and average Net Revenue Interest of 77.66%.

NORTH WEST COOK INLET - NETHERLAND SEWELL RESOURCES

Prospective Resource	Low Estimate (P90)		Best Estimate (P50)		High Estimate (P10)		Mean	
	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)	Oil (MMBL)	Gas (BCF)
Beluga	0.0	48.9	0.0	172.5	0.0	339.0	0.0	186.3
Sunfish	3.1	3.0	7.8	7.4	14.6	13.8	8.4	8.0
Tyonek Channel	4.0	3.8	7.7	7.3	13.0	12.3	8.2	7.8
MMBOE* Gross to 100% Working Interest	16.4		46.7		88.5		50.3	
MMBOE* Net to Buccaneer Working Interest	16.1		45.9		86.9		49.4	

*Million barrels of oil equivalent

OFFSHORE DEVELOPMENT PROJECTS



NORTH WEST COOK INLET – HIGHLIGHTS

The North West Cook Inlet project is in approximately 100' water depth with no unusual technical hurdles to drill and develop.

- The lease adjoins ConocoPhillips North Cook Inlet field that is in production and has produced 1.8 trillion cubic feet (TCF) of gas.
- The Company's lease offsets an earlier well drilled in the western portion of the North Cook Inlet Field (ConocoPhillips) that produced 85 BCF of gas (Phillips # A-13), this well is less than 1 mile from the lease boundary.
- The majority of the production from the North Cook Inlet field has come from the Sterling sands which are above 6,000' in depth. The slightly deeper Beluga Formation will also be gas bearing and should be mostly or totally un-drained in the north-western portion of the structure which makes up the Northwest Cook Inlet Prospect.
- The Prospect also presents a deeper oil opportunity. Field discovery wells tested oil in the Lower Tyonek and Hemlock Formations that have never been produced in the field and that would require a deeper, 14,000 foot exploratory test.

- Five wells drilled by Phillips, Shell, and Arco found the deeper oil sands. The Shell well is the most northerly of these tests, and it found and tested oil at the rate of 2,270 barrels of oil per day from these sands, and is approximately 1 mile from the Prospect. This deeper oil potential was never produced.

COSMOPOLITAN PROJECT

The Company has a 25.0% working interest in the Cosmopolitan Project ("Cosmo") and is Operator. Cosmo is an undeveloped oil and gas field located in 80 feet of water in the Cook Inlet of Alaska and is in close proximity to the shoreline at Anchor Point on the Kenai Peninsula. Cosmo has regional proximity to Buccaneer's other Alaskan assets and will utilise the capabilities of the Endeavour rig during the northern hemisphere winter.

The strong interest in the region, which contains the Cosmo project, is demonstrated by Apache Corporation acquiring leases surrounding and adjoining the leases near Cosmo during the last State lease sale conducted in June 2011.

OFFSHORE DEVELOPMENT PROJECTS

Reserves

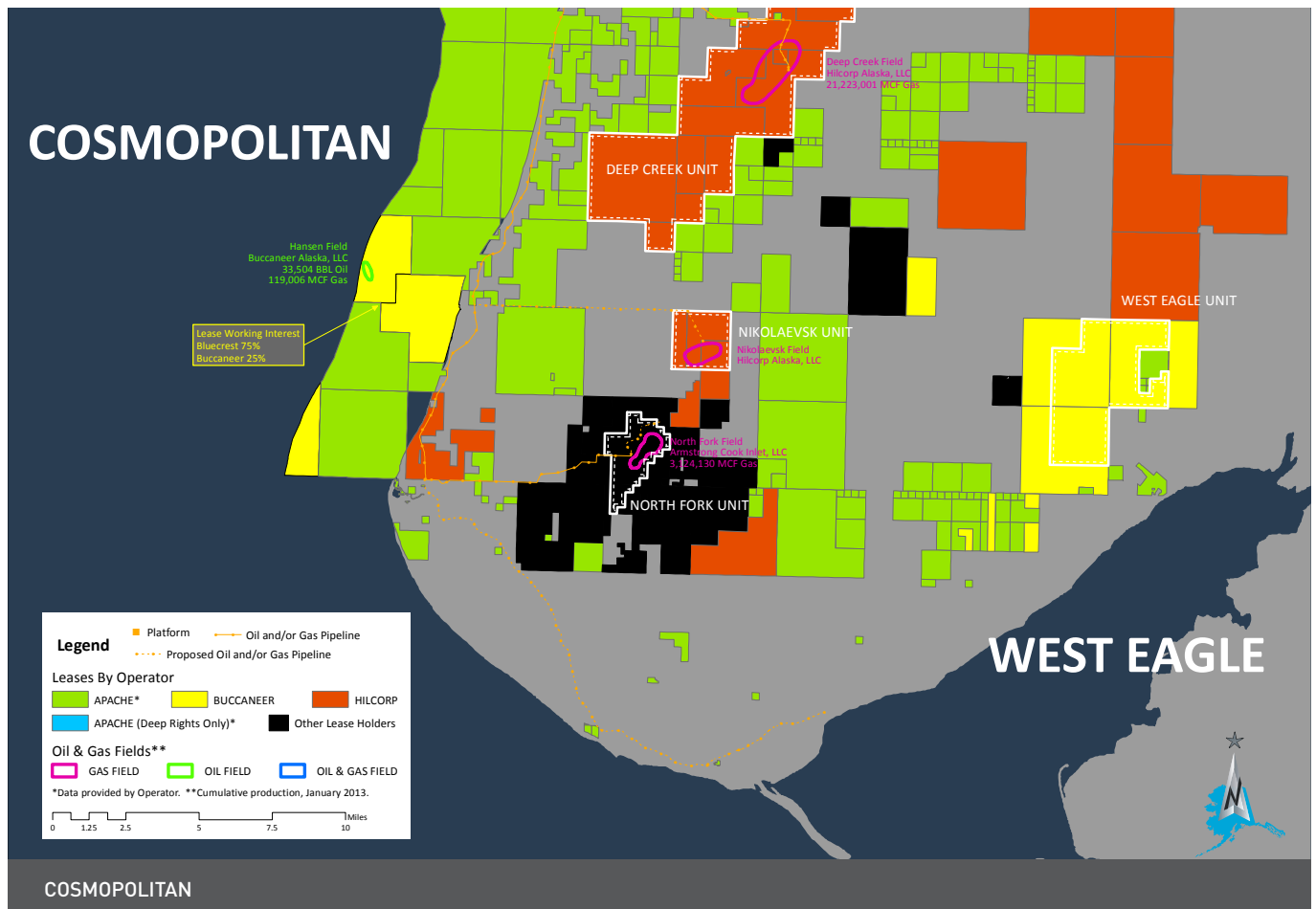
As part of its due diligence on Cosmo, Buccaneer and BlueCrest engaged respected consulting firm Ralph E Davis to conduct an independent reserve estimate on the project. The 2P Reserves of Cosmo net to Buccaneer's 25.0% working interest is 13.8 MMBOE.

COSMO RESERVES ESTIMATES

	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
Gas – BCF	–	90.0	179.0
Oil – MMBO	31.0	44.0	70.0
Oil Equivalent MMBOE ¹	31.0	55.2	92.4
Net to Buccaneer 25.0% Working Interest	7.8	13.8	23.1

¹ Gas to Oil conversion using a Gas to Oil ratio of 8:1

These Reserves estimates for the Cosmo project are supported by drilling, production testing and 3D seismic.





ONSHORE DEVELOPMENT PROJECTS

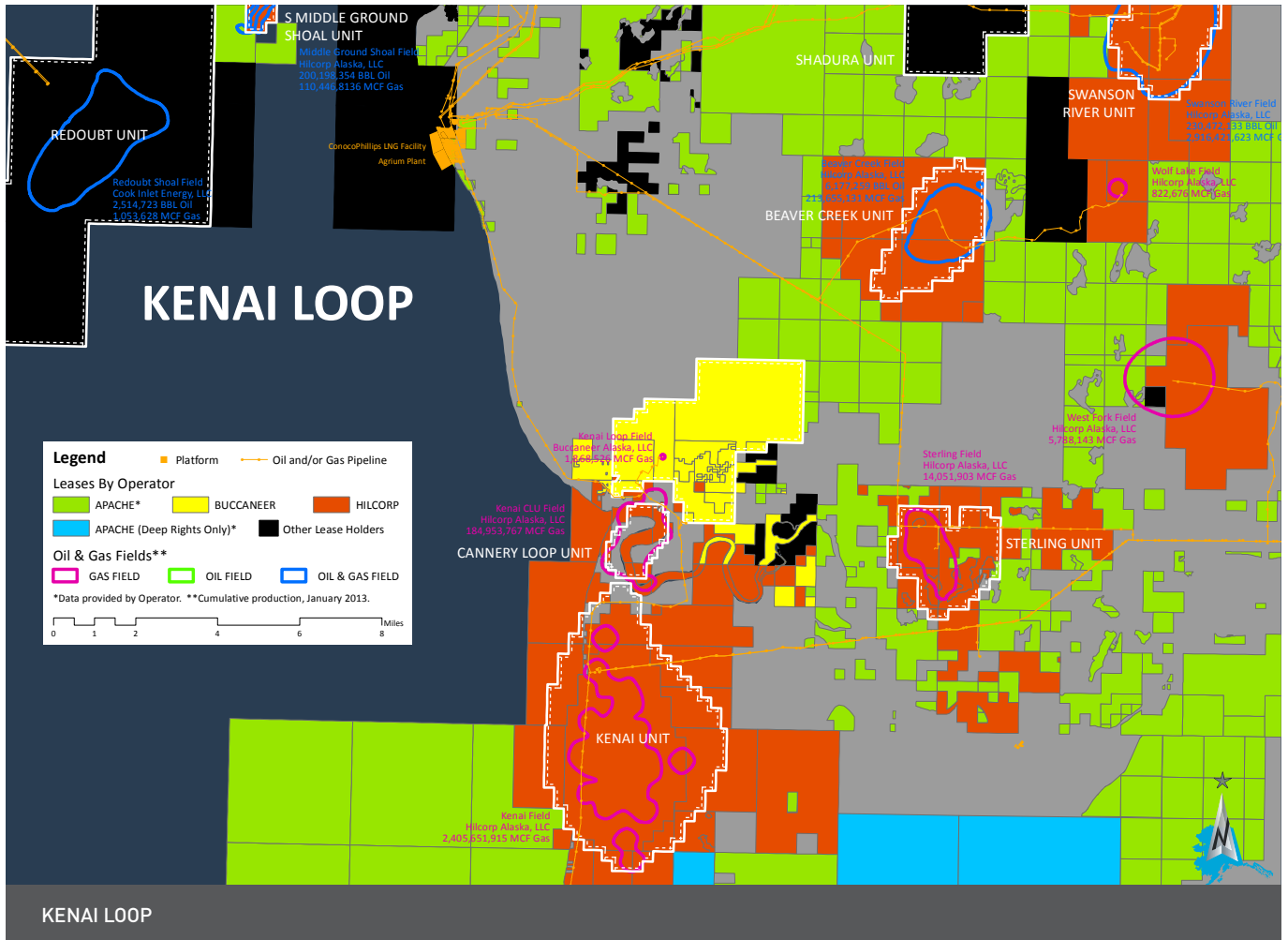
KENAI LOOP PROJECT

The Kenai Loop Project consists of 9,308 acres and is 100% owned by the Company and has a 77.5% - 82.5% Net Revenue Interest.

KENAI LOOP RESERVES

Ralph E Davis completed an independent reserve assessment of the Kenai Loop project. Ralph E Davis is a respected consulting firm providing independent reservoir engineering, geological, technical and financial services to the domestic and international energy industry since 1924.

ONSHORE DEVELOPMENT PROJECTS



	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
	22.2	28.8	45.0
Oil Equivalent MMBOE ¹	3.7	4.8	7.5

¹ Gas to Oil conversion using a Gas to Oil ratio of 6:1

The Reserves were calculated using subsurface mapping, pressure and flow rates data attained from Kenai Loop # 1-1 (Kenai Loop # 1) and Kenai Loop # 1-3 (Kenai Loop # 4) well. The current Reserves include only two sand packages at 9,700 feet and 10,000 feet. An average drainage area of 340 acres was used to calculate the Reserves.

KENAI LOOP 3D SEISMIC ACQUISITION

The Kenai Loop project consists of 9,308 acres and is immediately north and adjoins the lease boundary of the Cannery Loop field that has produced 180 BCF (30 MMBOE) and approximately 3 miles north of the Kenai Unit that has produced 2.4 TCF (400 MMBOE). The Cannery Loop and Kenai Unit were owned and operated by Marathon Oil Company and both share many of the same sand packages which have been encountered and are being produced in the Company's 100% owned Kenai Loop project.

The Company completed a preliminary evaluation of the 23.4 square mile 3D seismic over the entire Kenai Loop project area. The initial evaluation effort has focused on the producing 9,700' and 10,000' sands (Tyonek formation) around the existing Kenai Loop # 1 well.

Additionally, the Company has identified 11 new seismic hydrocarbon anomalies from stacked pays in the shallow Sterling and deeper Tyonek formations. The Company will risk assess each of these anomalies including a third party peer review prior to finalising a future drilling program.

The fault previously thought to have separated the Kenai Loop # 1-1 (Kenai Loop # 1) and Kenai Loop # 1-2 (Kenai Loop # 3) well but which could not be identified on the 1970's 2D seismic used to locate that well, is now clearly visible on the new 3D seismic and has been confirmed as the reason the Kenai Loop # 3 well drilled in late 2011 was unsuccessful.

The 3D seismic survey covered a total of 23.4 square miles and included the full 9,308 acre (14.5 square miles) lease position on the Company's 100% owned Kenai Loop project located onshore Cook Inlet, Alaska. The final coverage was slightly smaller than the planned 25 square mile program due to some wetland restricted areas but well within our design to properly image the targeted productive horizons. The Company has submitted a Unit application to the State of Alaska Department of Natural Resources to retain the majority of the leasehold.

KENAI LOOP SUB SURFACE WORK

While the results from the Kenai Loop # 1-3 (Kenai Loop # 4 well) were positive they also demonstrated that additional sub surface work had to be completed to increase the level of confidence and reduce the risk in choosing future bottom-hole locations for development drilling at Kenai Loop.

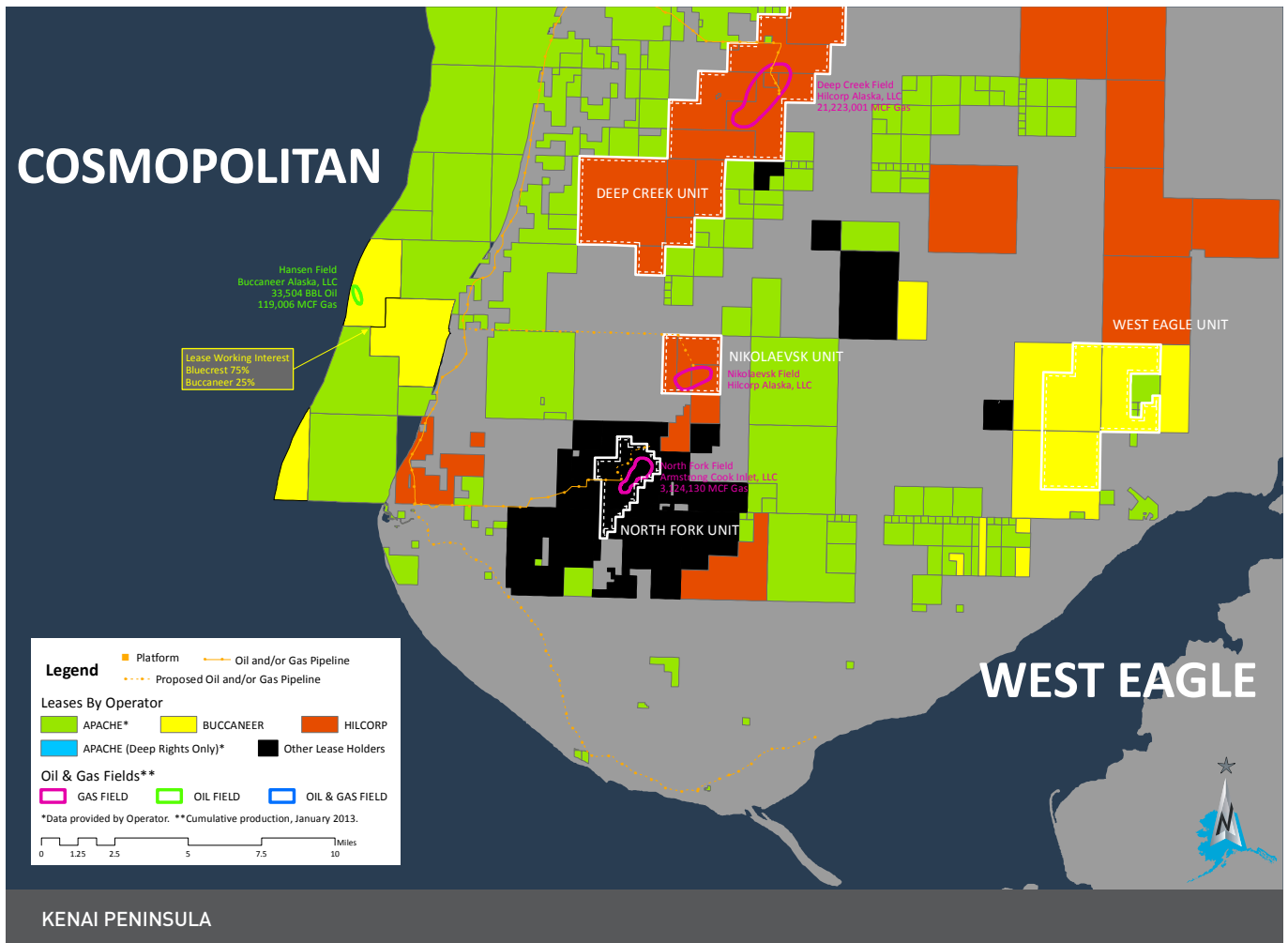
The following is a precis of the work that has been completed since late February 2013:

1. A vertical seismic profile ("VSP") was acquired at Kenai Loop # 1-3 well to get an exact tie to the Kenai Loop 3D seismic;
2. A high resolution Kenai Loop 3D seismic volume was generated (Lumina) to image Kenai Loop pay zones more effectively. This work will also aid the construction of more accurate structure and net pay isopach maps.
3. A catalogue was created from geophysical well logs and mud logs for perforated productive and non-productive zones in Kenai Loop and Cannery Loop to understand all pertinent parameters of commercial gas pay zones.
4. To aid in regional seismic mapping, synthetic seismograms were generated and correlated between Kenai Loop and Cannery Loop wells. Comparison of synthetics from productive Cannery Loop Unit wells and Kenai Loop wells were completed.
5. Core data from Tyonek zones in several wells were analyzed. Key porosity cut-offs for best permeability were found. These cut-offs are a key item for future pay identification.
6. Data from the first three wells at Kenai Loop found that it is very difficult to predict Rw (formation water resistivity) from well log data alone. Water chemistry studies were conducted to improve the modeling of the rock type in the productive gas zone.
7. Water samples from the Kenai Loop # 1-3 well tested, non-productive zones were analyzed to understand how geophysical well log readings were being affected by water chemistry. These were compared with tested water samples from Cannery Loop Unit and Kenai Unit gas fields.
8. The Kenai Loop # 1-3 well synthetic seismogram was tied to the VSP to know where the pay zone is within the seismic section.
9. Detailed Kenai Loop log correlations were expanded to include log correlations from Tyonek well penetrations in Cannery Loop Field to the south to understand the relationship between Kenai Loop pay zones and Cannery Loop pay zones.
10. A detailed analysis was conducted to understand the general thickness of the sand and coal packages within the potential pay section.
11. Determined that the neutron log values from the tested zones and productive sand in the Kenai Loop # 1-3 well are roughly equivalent. The Company is investigating logging techniques and tools for better neutron data acquisition in future Kenai Loop wells.
12. Seismic impedance volumes were investigated as a discriminator for productive gas.

13. Schlumberger petro-physical experts were retained to use specialized software processing (ELAN) to formulate additional techniques to separate pay from non-pay using the Kenai Loop well logs.
14. Geologic cross sections were prepared with all of the Cannery Loop Unit and Kenai Loop wells demonstrating correlations between wells and the productive zones within each well.
15. The Cannery Loop Unit wells were loaded into the Hampson-Russell software for seismic modeling to compare and contrast those gas pays with gas pay in our Kenai Loop # 1-1 and Kenai Loop # 1-3.
16. Production data from each producing interval in the Cannery Loop Unit field were analyzed for integration into the seismic interpretation.
17. Kenai Loop # 4 well cuttings samples from the pay zone were analyzed to understand how geophysical well log readings were being affected by mineralogy.
18. Sent an additional 7 samples from the Kenai Loop # 1-1 well that are representative of the same interval previously examined in the Kenai Loop # 1-3 for comparison.
19. Resistivity values of the water samples from the tested zones in the Kenai Loop # 1-3 were corrected for estimated bottom hole temperatures to predict the apparent R_w values for those samples. Data is used to attempt a zonation of the Tyonek based on predicted R_w values.
20. An offset stack volume of the high frequency volume was generated to compare with 'gas in place' model.
21. Seismic gathers from the high frequency volume were studied.
22. A meeting with other Operators in the Cook Inlet was held. Issues dealing with pay identification, formation waters, and logging techniques were discussed with a desire to expand our knowledge of the Cook Inlet.
23. Impedance versus V_p/V_s Kenai Loop 3D seismic volumes were cross-plotted using specialized Hampson-Russell software to generate a third 3D volume to distinguish commercial gas filled sandstones from wet sandstones, siltstones, and coal. V_p is the compressional portion of the sonic/seismic response while the V_s is the shear component. The ratio is important in gas pay identification.



KENAI LOOP WELL HUT



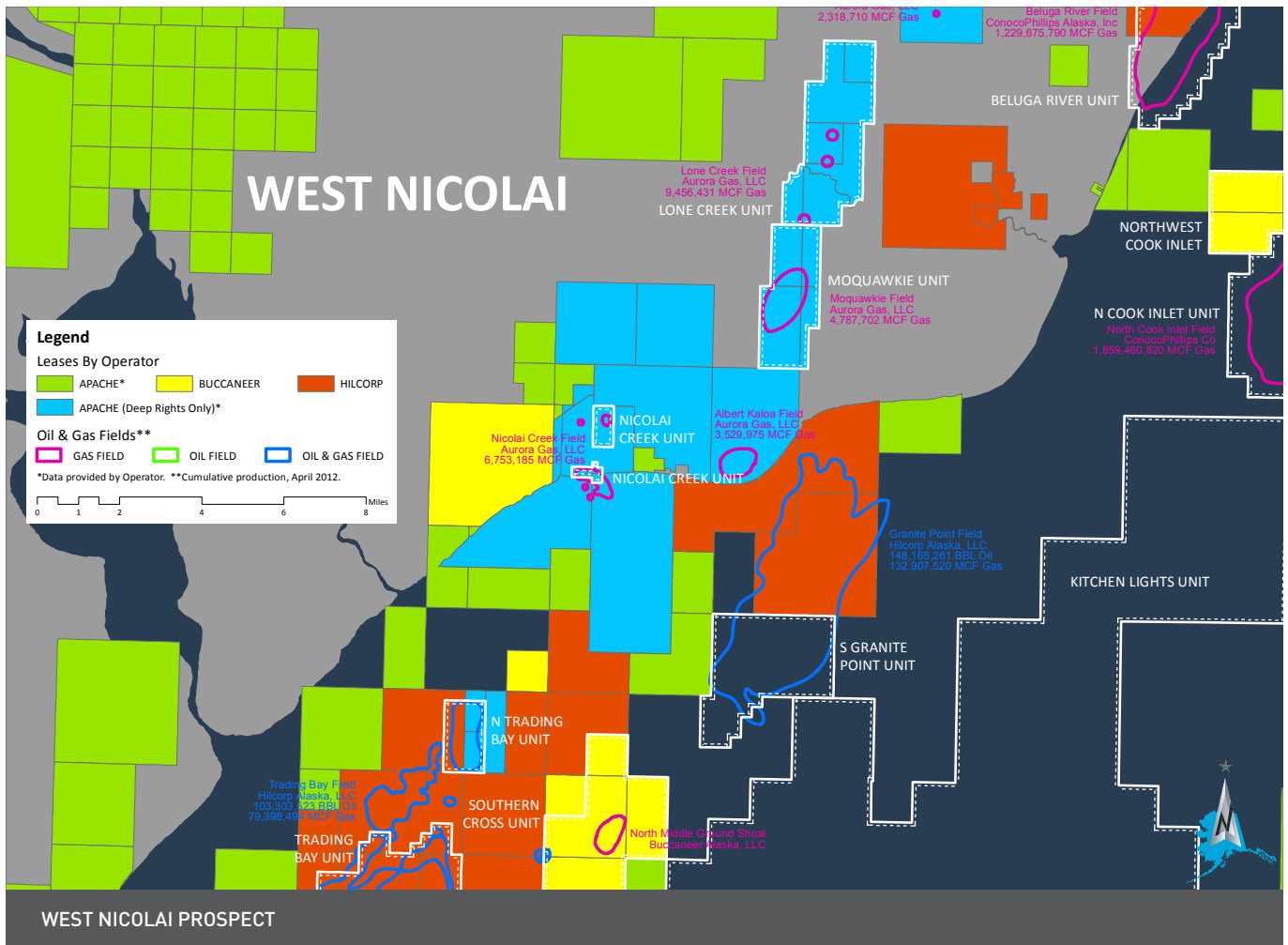
WEST EAGLE PROSPECT

The original lease terms required the Company to spud a well by 30 September 2012. The Company lodged a Unit application in July 2012 and on lodgement of the Unit application to the DNR, this drilling deadline was automatically suspended and will be re-established as part of the Unit approval process. The DNR approved the Unit on 14 February 2013, the Unit consists of 8,843 acres with the expiry dates of an additional ~7,000 acres surrounding the new Unit being extended to 30 September 2014.

The Unit is designed to test potential oil on trend or slightly down-dip to, possible, logged oil pay in wells drilled in the 1960's. In such a position, the sands should be thicker and better developed and on the migration pathway of any oil moving into the structure. The Company has a 100% working interest and 79.25% net revenue interest in these leases.

Gas is also expected in the shallower section. A 10,000' test will be required to test the Tyonek (5,000'; gas potential) through the Hemlock (9,800'; oil potential).

- The exploration potential is significant.
- Approximately 8 miles east of Union Oil's (Chevron) Nikolaevsk/North Fork Gas Unit and 10 miles southeast of the Deep Creek Gas Unit.
- The exploratory P10 gas reserves are approximately 330 BCF within the Tyonek Formation. The P50 reserves are 100 BCF. The exploratory P10 oil reserves are approximately 47 MMBO within the Hemlock Formation. The P50 reserves are 10 MMBO.



WEST NICOLAI PROSPECT

West Nicolai is an onshore lease on the west side of Cook Inlet. Buccaneer has a Working Interest of 100% and 83.75% net revenue interest. The assessed P10 reserves are 25 BCF of gas. The P50 reserves are 14 BCF.

The Prospect includes one State Lease with 5,653 acres and is on the western edge of the Cook Inlet Basin. The 2D seismic data was used to map the lead which has the same productive intervals at depths of 1000 to 3000 feet as the Nicolai Creek Field about two miles to the east.

- Low-cost, high impact onshore gas project
- Analogous to the →10 BCF Nicolai Creek Gas field with multiple stacked pays
- Low development cost – nearly US\$5.0 million per well for drilling and completion. Gas pipeline connection and processing facilities less than 2 miles at Nicolai Creek Gas Field
- Roads and infrastructure close-by
- Other leads on trend to the north
- Oil lead to the southeast.

The Cook Inlet is a remote location and access to drilling rigs is severely restricted. The lack of drilling rigs, especially offshore jack-up rigs, has been a significant impediment to the development of the basins hydrocarbons over the last 25 years.

The management of the Company identified this as a significant risk to developing the Company's portfolio and has over the last three years positioned the Company so that it controls both onshore and offshore drilling rigs and has exclusive rights to use these assets to develop its own portfolio.

Over time the requirement to control these assets through ownership of the drilling rigs may diminish at which time the level of ownership will be reconsidered.

ENDEAVOUR JACK-UP RIG

The delivery and certification for operational service of the Endeavour jack-up rig completes the first phase of a business plan that commenced almost 3 years ago. The negotiation for and acquisition of the Endeavour was completed by the Company's internal management team. The project management of the modification and repairs in Keppel FEL shipyard and on arrival in Alaska was managed using contract project management services which were supplied by Archer Drilling, LLC until December 2012 and then Spartan Drilling, LLC.

The Endeavour project was funded through a joint venture company Kenai Offshore Ventures, LLC ("Kenai Offshore"). The participants in the joint venture are Singapore listed Ezion Holdings Limited, that specialises in the management of vessels energy sector globally, and the Alaska Industrial Development Export Authority ("AIDEA") who have invested a total of US\$23.65 million into Kenai Offshore on completion of the mobilisation phase.

AIDEA is a public corporation of the State of Alaska, created in 1967 by the Alaska Legislature in the interests of promoting the health, security, and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment and expansion of manufacturing, industrial, energy, export, small business, and business enterprises.

The Endeavour is a Marathon Le Tourneau 116-C jack-up rig. First constructed in 1982, it was upgraded in 2004 and has been cold stacked in Malaysia since 2009.

As previously advised Kenai Offshore Ventures, LLC ("KOV") executed a Repair Contract with Keppel FELS Shipyard in Singapore for the repair and modification of the jack-up rig, Endeavour. Substantially more work than was originally scheduled for the Singapore shipyard period has now been completed including the following:

- In early 2012 there was a change in US Federal government regulations that required an increase in lifeboat capability for jack-ups operating in US waters. This required engineering and steel works to be completed that was not originally anticipated;

- During 2012 several opportunities to use the rig as a standby rig for "major" operators who have projects in the Chukchi Sea and Beaufort Sea presented a unique opportunity to achieve improved utilization of the rig. In order to realize this improved utilization, however, additional improvements to the rig were needed to insure suitability;
- The acquisition of the Cosmopolitan project in the southern Cook Inlet that is ice free in winter meant a winter drilling location for the Endeavour thereby increasing its utilisation. This required the work that was going to be completed in the first winter period to be brought forward to Singapore; and
- The desire to certify the Endeavour with the American Bureau of Shipping (ABS) for the maximum 5 years so no interruptions to operations will be necessary meant that all key systems needed to be taken to workshops, stripped, repaired where necessary and then reinstalled.

Background

In mid-December 2011 KOV executed a Repair Contract with Keppel FELS Shipyard in Singapore for the repair and modification of the jack-up rig, Endeavour. That work included:

- Bringing the Rig back into operation after being cold-stacked;
- Improvements to the crew quarters; and
- Modifications to "winterise" the Rig for Alaskan conditions.

The Endeavour jack-up rig was selected following a rigorous global search process. Its existing capabilities make it suitable for most water depths that exist in the Cook Inlet and northern Alaskan waters.

These capabilities include:

- The ability to operate in water depths up to 300 feet;
- Constructed of -10° Celsius rated steel allowing it to work safely in the wide environmental envelope that exists in the Arctic, including the Chukchi and Beaufort Sea which are located offshore the North Slope;
- Two blow out preventers ("BOPs"), both 10,000 and 15,000 PSI, giving it the capacity to drill high pressure horizons that exist in the Cook Inlet;
- Cantilever beam extensions that enhance its ability to work over existing platforms in the Cook Inlet to undertake drilling and repair operations; and
- High variable deck load rating of 8,300 KLBS which enable it to operate with extra equipment and materials on-board, should support services be limited.

ENABLING ASSETS – ENDEAVOUR JACK-UP RIG



CREW QUARTERS ON THE ENDEAVOUR



LOOKING DOWN ON THE MAIN DECK



MAIN MUD PUMPS ON THE LOWER DECK



DRILLING PLATFORM CANTILEVERED OVER COSMO 1 PROSPECT



EARLY MORNING ON THE LONGEST DAY OF THE YEAR

The Company has also executed the following:

- An Exclusive Use Agreement where the Company is allowed to use the Rig exclusively; and
- A minimum four well guarantee where the Company is required to drill four wells with the Rig by the end of 2014.

Increased Jack-Up Rig Utilisation Improves Economics

The acquisition of Cosmo allows the use of the Endeavour jack-up rig to provide a more efficient development plan than was previously available to Pioneer. Without access to a jack-up rig, all wells, including water injection wells needed to be drilled as long reach directional wells from onshore. Further, the shallower gas reserves could only be reached by an offshore drilling program that will utilise the Endeavour. Utilisation of the Endeavour jack-up rig materially improves the economic parameters of the overall project.

The Cosmo project is located in the southern part of the Cook Inlet which is free of ice flows during winter. Cosmo will provide a winter operational location for the Endeavour jack-up rig to utilise the rig when ice flows in the northern part of the Cook Inlet preclude drilling during the November – March period.

This provides several years of winter drilling business and is expected to materially improve the profitability of the Company's offshore drilling division which was previously based on a 240 day drilling season.

Bare Boat Charter Arrangements

The Company's wholly owned subsidiary Kenai Drilling, LLC executed a 5 year bare boat charter agreement ("BBC") with KOV. The rig was considered "on-hire" on the 29 October 2012, the first payment of the charter fee is in April 2013 and will be funded by the drilling due to commence at the Cosmo project. Payment of the charter fees for the period 29 October 2012 to 31 March 2013 has been deferred until the 1 July 2014.

The bare boat charter rate to be paid by Kenai Drilling to Kenai Offshore Ventures is a gross US\$70,000 per day and will be paid from the drilling budgets of each offshore well. The Company is entitled to a 65.0% rebate on this charter fee as a drilling and development expense eligible to receive rebates from the State of Alaska under the ACES exploration and development incentive program.

Kenai Drilling will pay the gross charter fee on a monthly basis from leasing day rate revenues it receives from leasing the rig to Buccaneer and third parties i.e. BlueCrest (Cosmo), Apache, Hilcorp, ConocoPhillips, Cook Inlet Energy etc.

The leasing day rate to be charged by Kenai Drilling is commercial in confidence but comparable leasing day rates for similar regions and for the same class of rig as the Endeavour is detailed below.

Drilling Lease Rate Comparisons

The Cook Inlet is considered a remote and harsh location and the most direct comparable location is the North Sea.

Current daily leasing rates¹ for the same Le Tourneau 166C jack-up rig class in the North Sea and are as follows (US\$):

	North Sea	
2013	Low	High
June	150,000	160,000
May	150,000	160,000
April	150,000	160,000
March	150,000	160,000
February	155,000	160,000
January	155,000	160,000
2012	Low	High
December	153,000	162,000
November	153,000	162,000
October	139,000	145,000
September	139,000	145,000

¹ Source: HIS Petrodata North Sea Rig Report dated July 2013

Utilisation rates in the North Sea are currently 100% and the expectation is that lease day rates will continue to firm.

ENABLING ASSETS – ENDEAVOUR JACK-UP RIG

Spartan Drilling, LLC

Spartan Drilling, LLC (“Spartan”) was selected in the role of drilling contractor to operate the Endeavour in the Cook Inlet.

The Company’s wholly owned subsidiary Kenai Drilling, LLC has executed a Management Agreement (“MA”) with Spartan. The MA subcontracts the day to day management of the Endeavour jack-up rig to Spartan, including crewing and maintenance requirements.

The commercial terms of the contract are confidential but industry standard for a contract of this type.

The crews that operate the rig are employed by Spartan and the MA will provide for payments to Spartan for this crewing cost and also to provide operational logistical support. Kenai Drilling will pay these costs on a monthly basis from leasing day rate revenues it receives from leasing the rig to the Company and other potential third parties i.e. BlueCrest (Cosmo), Apache, Hilcorp, ConocoPhillips, Cook Inlet Energy etc.

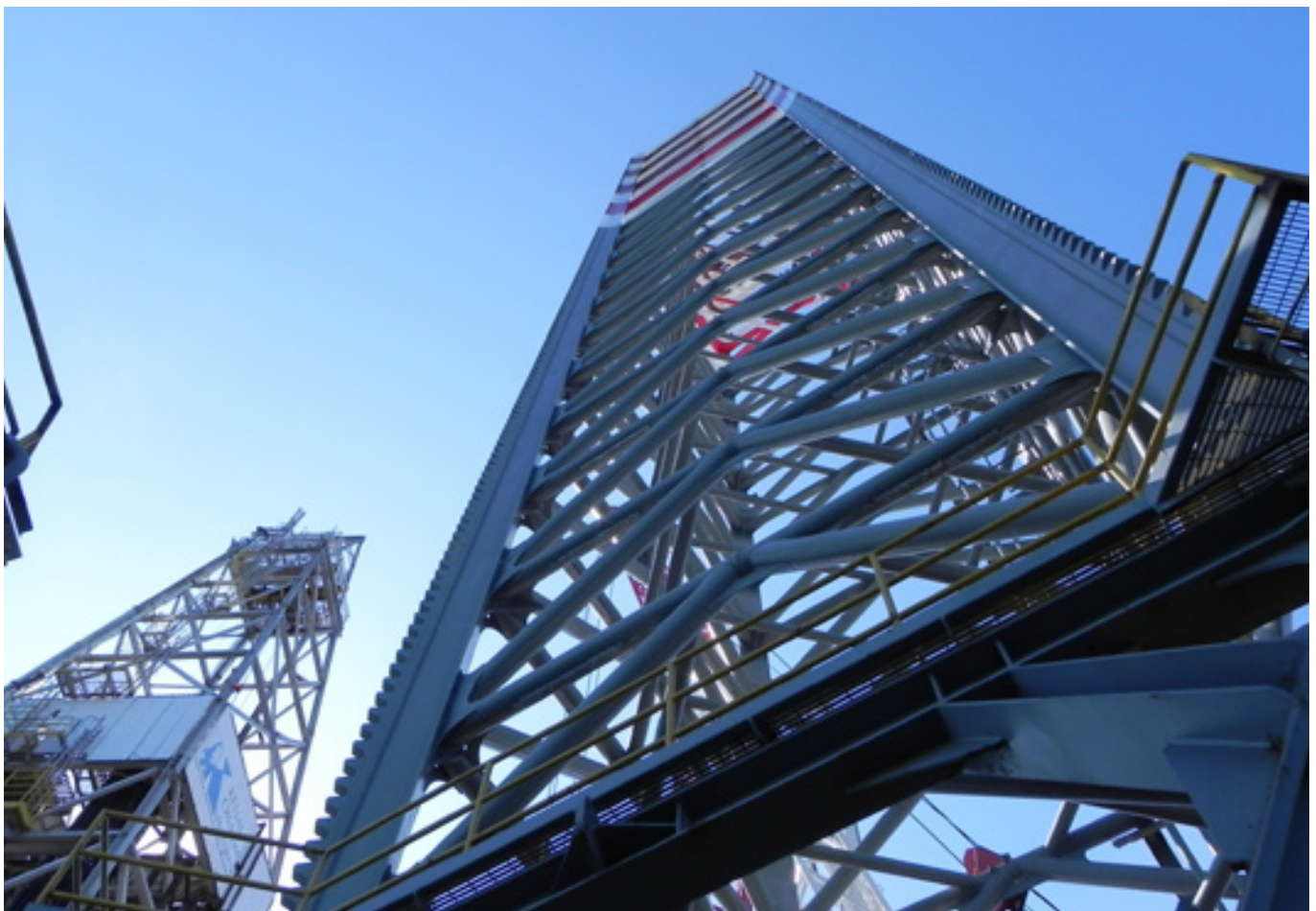
Spartan has been operating the Spartan 151 jack-up rig in the Cook Inlet for last 18 months and therefore has direct Cook Inlet operational experience. Additionally it has established proven operating procedures within the Cook Inlet and established supply lines with local industry partners.

The Company believes the Endeavour’s operations will be enhanced by having this established base from which to operate, and expects some operating and financial synergies will result from two operating rigs.

To fully man the Endeavour requires a crew of approximately 38 personnel, as rig crews work on a rotation basis a second crew will also be employed and Spartan is well advanced in this process. The Endeavour is fully crewed with Spartan Drilling now employing 76 personnel of whom 21 are local Alaskans.

Potential Drilling & Work Pipeline

Kenai Drilling completed a substantial amount of analysis on drilling work within the Cook Inlet as part of its business plan to attract investment from both AIDEA and Ezion. Through this process a minimum of 5 years drilling work (10-15 wells) was identified. Additionally no plug and abandonment work has been completed by any company within the Cook Inlet since 1990 and this is an additional stream of revenue for Kenai Drilling over the 5 year period.



ENDEAVOUR JACK-UP RIG

ACQUISITION OF THE GLACIER #1 RIG

In the March 2012 quarter the Company announced that it had executed a purchase agreement with Glacier Drilling Company, a wholly owned subsidiary of the Marathon Oil Company (“Marathon”), to acquire the Glacier Drilling Rig # 1 (“Glacier Rig”) for US\$7,338,000.

The Company assigned the purchase of the Glacier Rig to a third party that specialises in the energy sector.

The new owner and Kenai Land Ventures, LLC (“Kenai Land”), a wholly owned subsidiary of the Company, entered into a 3 year Bare Rig agreement that ends in May 2015.

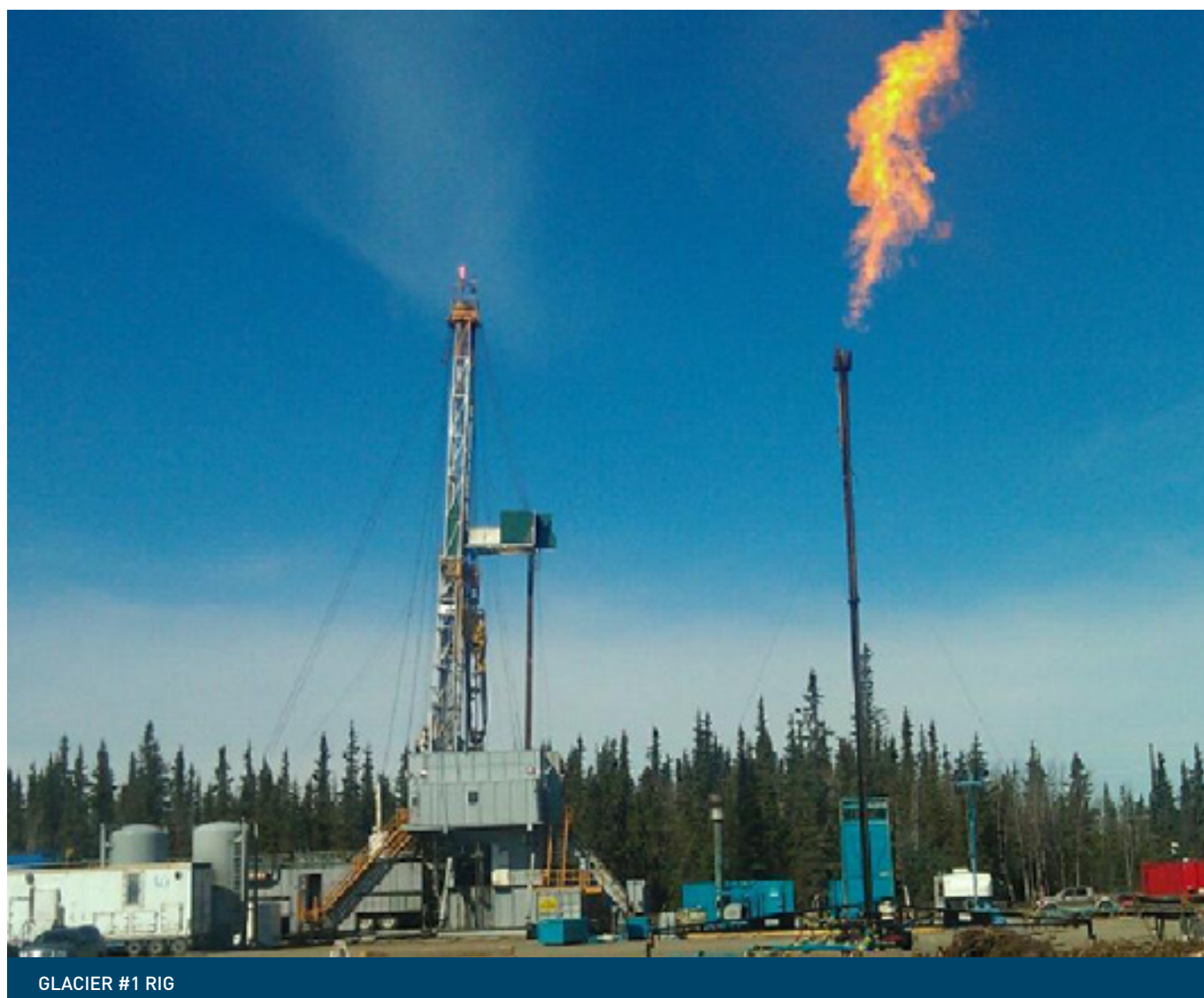
The Bare Rig lease rate to be paid by Kenai Land is at a discount to the rates charged by Glacier Drilling to the Company for drilling the Kenai Loop wells in 2011 and therefore was seen as a financially advantageous transaction for the Company. Kenai Land has exclusive access to the Glacier Rig during this period or alternatively it can lease the rig to third parties and charge a premium to the lease rate charged by the owner to Kenai Land.

Option to Purchase

Kenai Land has an option to purchase the Glacier Rig at any time for US\$7,338,000. Upon exercise of the option to purchase, a portion of the lease payments paid by Kenai Land will be credited against the purchase price, as at the 31 July 2013 the acquisition cost had been reduced to US\$6,851,000.

The Glacier Rig is a Mesa 1000 carrier mounted land drilling rig. It was built in 2000 and can drill to depths of approximately 15,000'. The rig is unique in that it was designed and built with the input of the drillers that would operate the rig on the Kenai Peninsula, Alaska. The Glacier Rig was designed to operate close to neighborhoods on Alaska’s Kenai Peninsula. The small size is ideal for pad drilling, minimizing the drilling footprint and impact to its surroundings.

The Glacier Rig was used for the Kenai Loop # 1-1 and 1-3 well and will be used to drill all future Kenai Loop wells. The Company considers its acquisition as an enabling asset and ensures its ability to develop onshore projects.



GLACIER #1 RIG

ALASKAN CLEAR & EQUITABLE SHARE (ACES)

In 2007 the Alaskan Government introduced the ACES program to incentivise new entrants to explore within Alaska. This program takes the form of a rebate of between 45 - 65% of direct exploration costs and up to 55% of development costs. This is a significant incentive and substantially reduces the commercial discovery threshold.

On 19th April 2010 the Alaskan Legislature approved a significant amendment to Alaska's ACES program. The Governor signed this legislation into law on May 10, 2010.

Most significantly, the statutory amendments enacted with this legislation will establish a tax credit of up to US\$25 million for new wells drilled into the pre-Tertiary strata of the Cook Inlet with a jack-up drilling rig.

The new incentive provides for the following:

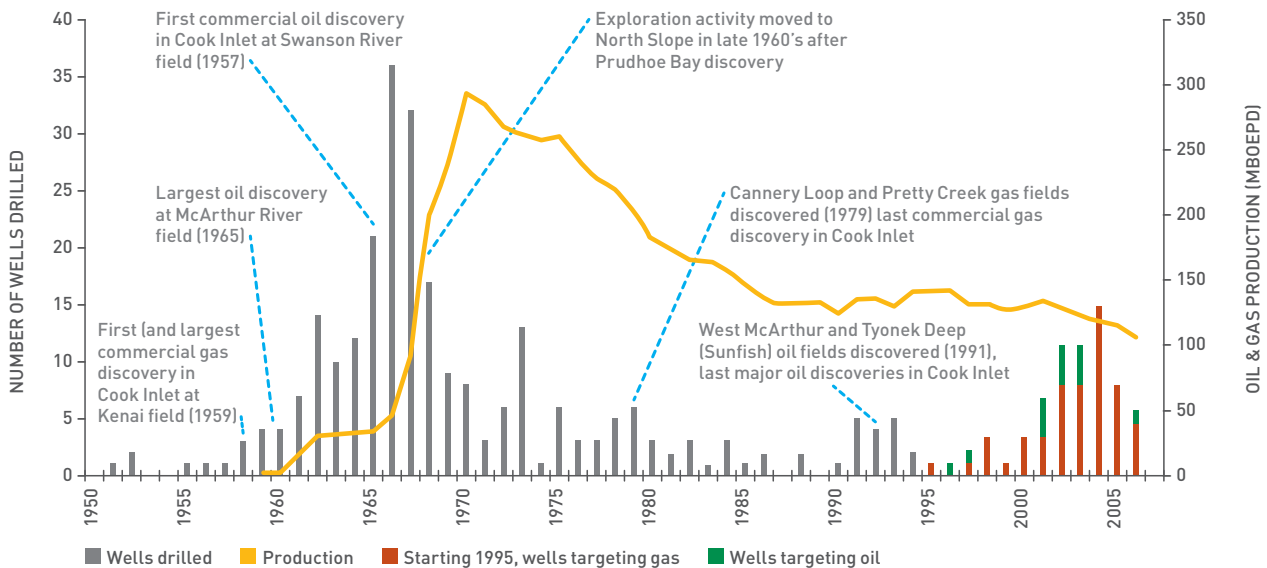
- If Buccaneer drills the first well in the Cook Inlet using a jack-up rig, it will be eligible to claim up to US\$25 million of all drilling costs (including rig mobilisation costs). If it drills the second well, the claim will be US\$22.5 million, and if it drills the third well, it is entitled to claim US\$20 million. A company is eligible for only one of these incentives and is required to repay one-half (50%) the incentive equally over 10 years but only if hydrocarbons are successfully produced.
- On any subsequent well in the Cook Inlet, Buccaneer will still be eligible for a rebate of 65% of all drilling costs and 45% of all other development costs.

The above incentives apply irrespective of the success of any well or development program.



GLACIER DRILLING AT KENAI LOOP – DECEMBER 2012

HISTORY OF COOK INLET DRILLING



Source: Alaskan Department of Natural Resources

LOWER 48 OPERATIONS TEXAS OFFSHORE

LOWER 48 OPERATIONS TEXAS ONSHORE

POMPANO & SWORDFISH PROJECT

Swordfish in summary	
Acreage	1,440
Working interest	86.67%
Net royalty interest	61.53%

Located in the Gulf of Mexico, the Pompano field lies seven miles offshore and also includes the Swordfish prospect as it adjoins the Pompano leases and has similar target formations. The project has existing production facilities in place. All wells in this field are currently shut in and under evaluation for intervention or sidetracking operations to access the additional remaining gas Reserves in the field.

The Brazos Block 446 leases were being held beyond their initial Primary Term which expired in 2008 by two wells that were drilled prior to the lease expiry that year and produced through April 2012, though only marginally since August of 2011. The leases automatically expired 60 days after cessation of production (June, 2012). However the Company still retains a 65% interest in the two wells and the "A" Production Platform which can be utilised as a production platform for the adjoining Swordfish prospect by the execution of a surface use agreement with the State of Texas.

Expenses have been actively reduced to a minimum until the best operational plan is determined and natural gas prices in the region warrant further capital expenditure. There are a number of drill ready prospects at Swordfish.

Yours faithfully

BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
Chairman

LEE COUNTY PROJECT

Lee County in summary	
Acreage	1,712
Working interest	52.5%
Net royalty interest	38.6%

Located in central Texas, approximately 120 miles northwest of Houston, the Lee County project holds excellent potential for obtaining significant recoverable amounts of oil and gas.

The main target reservoirs are the Austin Chalk, Eagle Ford Shale, Buda, Edwards and Sligo formations.

Buccaneer has drilled three wells at Lee County with all three penetrating the entire Austin Chalk section, and two penetrating the entire Eagle Ford Shale formation. Development options are being assessed through either farm-out or a sale of the Company's working interest. Given the size and scope of the Company's Alaskan operations the development of Lee County has become less of a priority but the Company still sees good development upside in the project.

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Buccaneer Energy that its expectations, estimates and forecast outcomes will be achieved.

Information pertaining to Lee County project contained in this report were compiled by Gary Rinehart, BS in Geology from University of Oklahoma and who has had more than 35 years experience in petroleum geology. Mr Rinehart has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

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.

ALASKA A COMPELLING & UNIQUE GAS MARKET

COOK INLET IS AN UNDEREXPLORED BASIN

“ 2.8 BILLION BOE HAVE BEEN PRODUCED SINCE 1960 BUT THE US GEOLOGICAL SERVICE ESTIMATES 3.2 BILLION BOE REMAIN. ”

Buccaneer’s Alaskan focus is on the underexplored Cook Inlet located in the south of the State.

The US Geological Survey reported in 2011 that the Cook Inlet region still had an estimated 600 million barrels of oil and approximately 19 trillion cubic feet of gas yet to be discovered.

Without any significant oil discoveries since 1991 and no major gas discoveries since 1979, Buccaneer’s assets with existing proven Reserves and Resources are well-positioned to capitalise on this highly prospective Basin.

GAS MARKET DEMAND

Alaska has a gas market that is separate and unconnected from ‘the Lower 48’ gas market in the US.

While the Lower 48 gas market has significantly weakened with gas oversupply, the Alaskan market has a severe shortage of gas.

This is exemplified in ConocoPhillips’ LNG facility in Alaska. It is currently only processing approximately 50 million cubic feet a day of gas, despite a capacity to deal with over four times that amount. As demand for gas outstrips supply, Alaskan utilities have warned of ‘brownouts’ where energy supply is deliberately restricted due to severe undersupply.

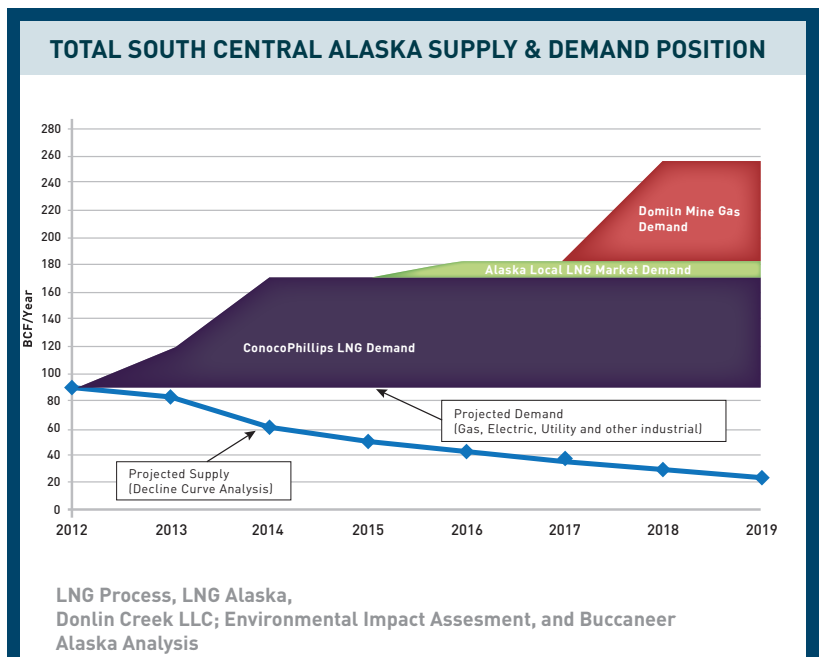
“ SOUTH CENTRAL ALASKA IS A PREMIUM GAS MARKET, SEPARATE AND DISTINCT FROM THE LOWER 48 STATES ”

These gas supply shortages coupled with increasing demand have turned Alaska in a premium gas market – gas prices in Alaska are up to 300 per cent greater than in the Lower 48. In addition, gas supply contracts are negotiated directly between gas producers and end users, giving energy producers greater bargaining power in gas supply agreements.

FAVOURABLE FISCAL INCENTIVES

Given the severe gas shortages expected, the Alaskan Government has responded by establishing a strong incentive environment for oil and gas explorers and producers. An advantageous taxation regime reduces severance tax for oil to less than one per cent and there are no production taxes in the Cook Inlet until 2022.

To further incentivise exploration by new entrants within Alaska, the State Government introduced the Alaskan Clear and Equitable Shares (ACES) Program in 2007. The ACES program provides cash rebates to companies undertaking exploration and development, significantly reducing the commercial discovery threshold for Buccaneer.



- ConocoPhillips LNG facility ~50 MMCFD versus 225 MMCFD capacity
- Significant gas discoveries needed to feed LNG facility
- Gas market to remain tight in foreseeable future

ALASKA A COMPELLING & UNIQUE GAS MARKET

“ WITH SEVERE LOCAL GAS SHORTAGES, THE ALASKAN GOVERNMENT OFFERS CASH REBATES FOR EXPLORATION, IRRESPECTIVE OF SUCCESS.”

”

The ACES program returns up to 65 per cent of seismic and exploration drilling costs and up to 45 per cent of facilities-related capital expenditure, such as on platforms, flow-lines and pipelines. These cash rebates are not repayable and are not contingent on success. In the last 12 months Buccaneer has received US\$12.5 million back under ACES.

In addition and with specific correlation to Buccaneer's operational activity, amendments to the ACES program have established a tax credit for exploration in the Cook Inlet with a jack-up rig.

With the acquisition of the Endeavour jack-up rig and exploration activity planned in FY 2013, Buccaneer is perfectly placed to take advantage of this legislation. These special cash rebates, directly related to the use of the jack-up rig, provides a tax credit of up to US\$25 million for new wells drilled into the pre-tertiary strata of the Cook Inlet. These cash rebates are 50 per cent repayable over 10 years from the commencement of production.

CLEAR PATH TO COMMERCIALISATION

The Cook Inlet has a history oil and gas exploration since 1960 and as a result has a strong existing network of infrastructure, facilities and pipelines. Buccaneer's portfolio of assets are located in close proximity to that network.

Energy utilities and oil and gas majors have established existing facilities such as ConocoPhillips' LNG Facility which is operating at 25 per cent capacity, the only one of its type in North America, exports LNG to Japan. Following the retreat from nuclear power generation in Japan, the country is becoming an increasingly attractive market for gas. This situation offers gas producers in Alaska the opportunity to sell into the local Alaskan market as well as the growing Japanese LNG market.



ENDEAVOUR RIG – DECEMBER 2012

ALASKA

– OIL & GAS OVERVIEW

Alaska's offshore waters and onshore prospects hold the potential to fuel the state's economy for decades and to play a key role in ensuring America has the energy it needs until alternative sources become available on a large scale

FACTS & ECONOMIC IMPACT

- Alaska's oil and gas industry has produced more than 16 billion barrels of oil and 6 trillion cubic feet of natural gas, accounting for an average of 20 percent of the entire nation's domestic production (1980 – 2000). Currently, Alaska accounts for approximately 13.4% of U.S. production.
- The oil industry continues to be the largest source of unrestricted revenue to the state, accounting for 93 percent, or \$11.2 billion, of all unrestricted state revenue in fiscal year 2008. Unrestricted general fund revenues from the oil and gas industry in fiscal year 2009 is expected to reach \$5.5 billion, 87 percent of the anticipated unrestricted revenue.
- The oil and gas industry accounts for more than 41,744 jobs, which is 9.4 percent of all employment in the state and 11.2 percent of all wages at \$2.4 billion.
- A new analysis by the University of Alaska Anchorage showed the oil industry supports as many as 110,000 jobs in Alaska (one-third of the state's workforce), including funding for three-quarters of state government jobs.
- The Alaska Permanent Fund, worth \$30 billion in spring 2009, was created in 1976 to set aside a portion of oil revenues for future generations. The fund has paid out more than \$13 billion in dividends to Alaskans.
- The oil and gas industry has invested over \$50 billion in North Slope and Cook Inlet infrastructure since the 1950s.

PRODUCTION & PROCESSING

- Alaska ranks second behind Texas in daily oil production.
- There are seven producing oil and gas fields on the Kenai Peninsula and offshore Cook Inlet. This area has produced a cumulative total of over 1.3 billion barrels of oil and 7.3 trillion cubic feet of natural gas.
- Alaska has four refineries that produce gasoline, diesel and jet fuel for Alaska markets. Refineries are located in Nikiski, Valdez and near Fairbanks.
- A gas liquefaction plant at Nikiski, the only one of its type in North America, supplies liquefied natural gas (LNG) to Japan each month.
- LNG exports to Japan accounted for about a third of total Cook Inlet gas production. Total industrial use of Cook Inlet gas, including LNG exports, fertilizer manufacture and oil field operations, has remained constant at about 75 percent of total consumption since 1990. In recent years, Cook Inlet natural gas production has been steadily declining with current production at approximately 190 BCF per year.

FINANCIAL REPORT

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733
 Quarter ended ("current quarter") 30 June 2013

	Current Quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from Product Sales and related debtors	\$4,903	\$15,072
1.2 Payments for		
(a) Exploration and Evaluation	-\$187	-\$2,871
(b) Development	-\$4,917	-\$26,490
(c) Production	-\$1,485	-\$3,081
(d) Administration	-\$2,525	-\$11,517
1.3 Endeavour Jack-Up Rig		
(a) Endeavour Day Rate Revenue	\$8,760	\$8,760
(b) KOV Charter payments	-\$3,709	-\$3,709
(c) Spartan Drilling Crewing Costs	-\$3,943	-\$3,943
1.4 Interest and other items of similar nature received	\$2	\$46
1.5 Interest and other costs of finance paid	-\$2,068	-\$6,401
1.6 Property Taxes paid (Alaska)	\$0	\$0
1.7 Other		
(a) GST Refunds	\$62	\$247
Net operating cash flows	-\$17,006	-\$33,887
Cash Flows relating to investing activities		
1.8 Payments for purchases of:		
(a) Prospects	\$0	-\$2,238
(b) equity investments (Jack-Up Rig)	-\$2,114	-\$20,348
(c) Other fixed assets	-\$53	-\$205
1.9 Proceeds from sale of:		
(a) Prospects	\$0	\$0
(b) Equity investments	\$0	\$0
(c) Other fixed assets	\$0	\$0
1.10 Loans to other entities	\$0	\$0
1.11 Loans repaid by other entities	\$0	\$0
1.12 Security Deposit Refund	\$0	-\$2,038
Net investing cash flows	-\$2,167	-\$24,829
1.13 Total operating and investing cashflows (carried forward)	-\$7,274	-\$58,716

+ See Chapter 19 for defined terms

FINANCIAL REPORT

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733
 Quarter ended ("current quarter") 30 June 2013

Consolidated statement of cash flows continued

	Current Quarter \$A'000	Year to date (12 months) \$A'000
1.13 Total operating and investing cashflows (carried forward)	-\$7,274	-\$58,716
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	\$16,508	\$39,314
1.15 Proceeds from Unsecured Loan	\$0	\$10,322
1.16 Proceeds from Project Finance Facility / ACES Revolver	\$15,640	\$82,661
1.17 Repayment of borrowings	\$0	-\$41,305
1.18 Dividends paid	\$0	\$0
1.19 Other – Share issue costs and Financing Fees	-\$1,207	-\$6,699
Net financing cash flows	\$30,941	\$84,293
Net increase (decrease) in cash held	\$23,668	\$25,578
1.20 Cash at beginning of quarter / year to date	\$5,270	\$3,547
1.21 Exchange rate adjustments to item 1.20	\$589	\$402
1.22 Cash at end of quarter	\$29,527	\$29,527

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related parties

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	\$218
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for understanding the transactions

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- 2.2 Details of outlays made by other entities to establish or increase their share in which the reporting entity has an interest

+ See Chapter 19 for defined terms

FINANCIAL REPORT

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733
 Quarter ended ("current quarter") 30 June 2013

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities – Victory Park Capital		
– Secured Term Note	\$44,100	\$44,100
– ACES Revolver	\$25,000	\$18,000
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

4.1 Exploration and evaluation	-\$6,000
4.2 Development	-\$12,000
4.3 Production	\$4,750
4.4 Administration	-\$2,700
4.5 Operational Expenses	-\$2,000
4.6 Endeavour Jack-Up Rig	\$2,000
4.7 Royalties and Well Opex	-\$1,400
4.8 Project Finance Funding	-
4.9 ACES Receivables Financing	\$5,000
4.10 Repayment of Ezion Holdings Shareholder Loan	-\$4,100
4.11 Equity Funds (Net of Fees)	\$17,550
Total (Net Inflow)	\$1,100

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	\$29,527	\$5,270
5.2 Deposits at call	\$0	\$0
5.3 Bank overdraft	\$0	\$0
Total: Cash at end of quarter (item 1.22)	\$29,527	\$5,270

* The Company has an additional US\$5,157,304 on deposit at various financial institutions to support security deposits and letters of credit associated with its operations.

Changes in interests of mining tenements

	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-
6.2 Interests in mining tenements acquired or increased	-	-

+ See Chapter 19 for defined terms

FINANCIAL REPORT

APPENDIX 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Buccaneer Energy Limited ABN: 63 125 670 733

Quarter ended ("current quarter") 30 June 2013

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 Preference Shares +	Nil			
7.2 Changes during the quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions.				
7.3 + Ordinary Securities	1,932,152,999	1,932,152,999		
7.4 Changes during the quarter				
(a) Increases through issues	412,707,628	412,707,628	\$0.040	\$0.040
(b) Decreases through returns of capital, buybacks, redemptions.				
7.5 + Convertible Debt Securities	Nil			
– Performance Shares				
7.6 Changes during the quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buybacks, redemptions.				
7.7 Options			<i>Exercise Price</i>	<i>Expiry Date</i>
Options – Helmsec Global Capital	9,700,000	Nil	\$0.10	15-Jul-16
Options – NewOak Capital Markets	2,500,000	Nil	\$0.10	22-Nov-13
Options – OPVS Group	5,000,000	Nil	\$0.10	14-Jul-14
Options – ESOP	7,500,000	Nil	\$0.11	30-Jun-16
Options – ESOP	45,500,000	Nil	\$0.10	30-Nov-15
Listed	Nil			
Unlisted	70,200,000			
7.8 Exercised during quarter	Nil	Nil	Nil	Nil
7.9 Issued during quarter	Nil	Nil		
7.10 Expired during quarter (Lapsed)	45,500,000	Nil	\$0.10	30-Jun-13
7.11 Debentures	Nil			
7.12 Unsecured Notes	Nil	Nil		

+ See Chapter 19 for defined terms

COMPLIANCE STATEMENT

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Signed: Dean L Gallegos



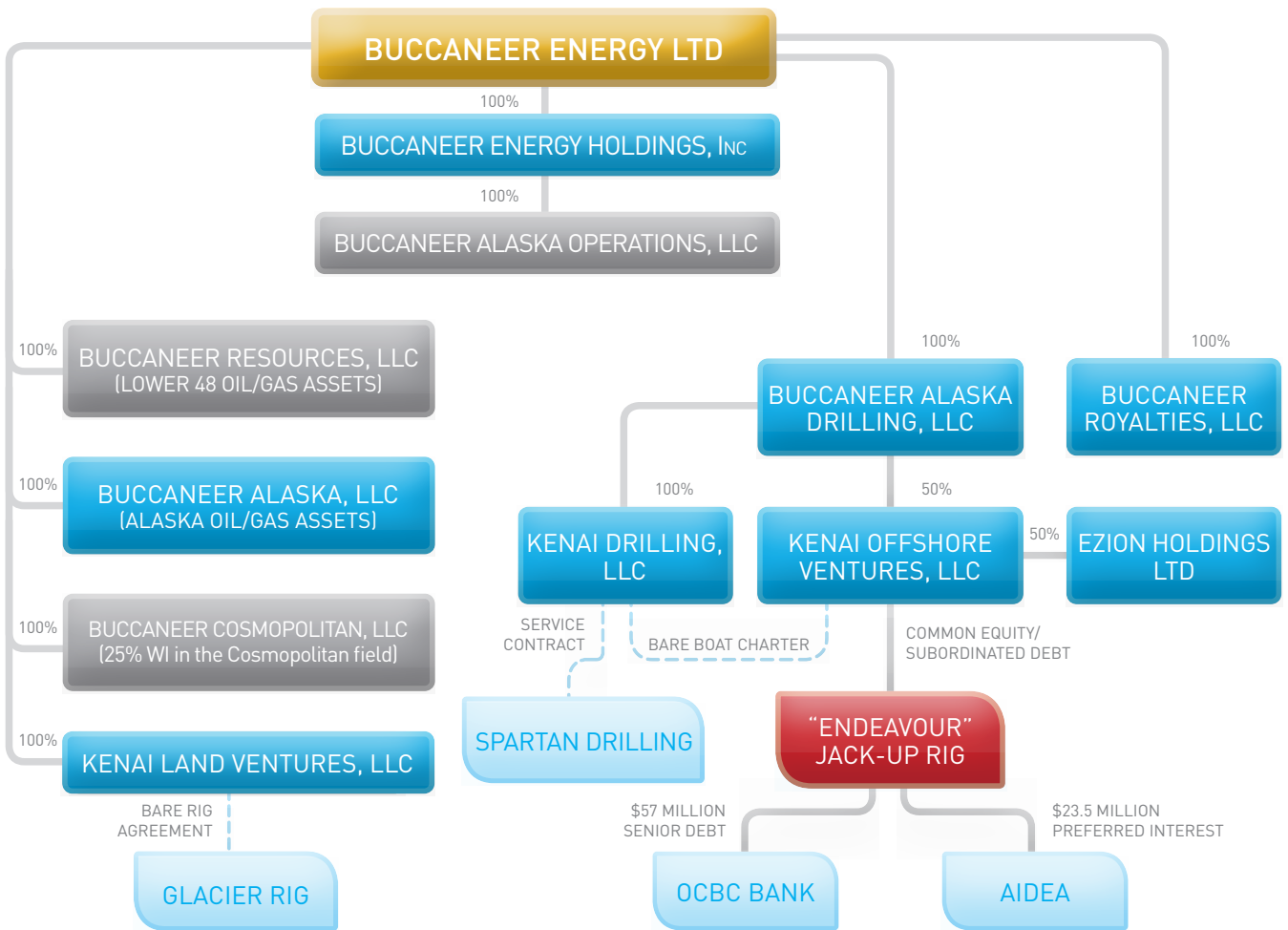
Date: 31 July 2013

NOTES

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid shares.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See Chapter 19 for defined terms

BUCCANEER ENERGY CORPORATE STRUCTURE



BUCCANEER ENERGY CORPORATE DIRECTORY

DIRECTORS

Dean Gallegos	Executive Chairman
Curtis Burton	Managing Director
Brian Moller	Non-Executive Director
Nicholas Davies	Non-Executive Director
Shaun Scott	Non-Executive Director
Clinton Adams	Non-Executive Director

COMPANY SECRETARY

Bruce Burrell

REGISTERED OFFICE & CORPORATE HEAD OFFICE

Level 9, 25 Bligh Street
SYDNEY NSW 2000

Telephone: + 61 2 9233 2520

Facsimile: + 61 2 9233 2530

Email: info@buccenergy.com

Website: www.buccenergy.com

PRINCIPAL OFFICE

952 Echo Lane, Suite 420
Houston, Texas 77024 USA

Telephone: + 1 713 468 1678

Facsimile: + 1 713 468 3717

Email: info@buccaneerresources.com

www.buccaneerenergy.com

AUDITORS

Crowe Horwath Sydney
Level 15, 1 O'Connell Street
SYDNEY NSW 2000

Telephone: + 61 2 9262 2155

Facsimile: + 61 2 9262 2190

SOLICITORS TO THE COMPANY

Hopgood Ganim Lawyers
Level 8, Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

Telephone: +61 7 3024 0000

Facsimile: +61 7 3024 0300

Email: contactus@hopgoodganim.com.au

SHARE REGISTRY

Computershare Registry Services Pty Limited
GPO Box 505
Melbourne Vic 3001

Telephone: 1800 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)

Facsimile: 1300 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Email: web.queries@computershare.com.au



www.buccaneerenergy.com