



ASX RELEASE – 5 DECEMBER 2011

BUCCANEER COMPLETES ACES BRIDGE FUNDING FACILITY

HIGHLIGHTS

- **US\$50 million revolving credit facility with Centaurus Capital, LP**
- **Secured by Alaskan State Government Rebates**
- **Funds approximately 50% of future capital expenditure requirements**

Buccaneer Energy Limited (ASX: BCC) is pleased to advise that its wholly owned subsidiary Buccaneer Alaska, LLC ("Buccaneer" or "the Company") has executed a \$50.0 million senior asset backed revolving credit facility with Centaurus Capital LP, a Houston-based investment fund.

The credit facility, which matures in November 2016, is secured by receivables to be paid by the State of Alaska and available to the Company under the Alaskan Clear & Equitable Share ("ACES") rebate program that was implemented by the State of Alaska in 2007. The Company intends to use the proceeds from the credit facility for drilling exploration and development activities on its five Alaska lease areas. This facility will provide approximately 50% of all capital expenditures on the aforementioned leases.

Under the ACES program all rebates for capital expenditure are paid between 5 and 18 months after expenditure has been incurred. While the maximum amount to be drawn down at any one time under the facility will be US\$50 million, it is anticipated that a multiple of this amount will be utilized over the life of the facility.

To date the Company has accrued approximately US\$13.5 million in ACES rebates through capital expenditures on its Kenai Loop project. The credit facility allows the Company to access approximately US\$12.8 million against these accrued ACES receivables.

The US\$13.5 million in accrued ACES receivables is anticipated to be paid to the Company under the ACES program between December 2011 and July 2012. On receipt, these funds will automatically repay advances made to the Company under the credit facility but will be available to the Company for a draw down to fund future capital expenditures.

Buccaneer Director Dean Gallegos said:

"This credit facility is an important step for the Company. It funds a large piece of our development program going forward, significantly reducing the use of equity.

It also marks the first time the Company has accessed the North American senior debt market. There is a great deal of interest in the Company's Alaskan activities and it is an area we will continue to develop.

It is also thought that this is the first time this type of structure has been applied to an oil and gas exploration based government rebate in the North American market, so to a large extent we are breaking new ground."



Yours faithfully
BUCCANEER ENERGY LIMITED

Mr Dean Gallegos
Director

For further information please contact Dean Gallegos, Executive Director on 0416 220 007 or 02 9233 2520. Alternatively visit the Company's website at www.buccenergy.com.

About Buccaneer

Buccaneer Energy Limited is an Australian listed company focused on developing its 100% owned oil & gas assets in Alaska. The Company's flagship projects are a series of onshore and offshore developmental and exploration prospects in Alaska's Cook Inlet.

Buccaneer Energy has a 3 pronged cash flow strategy:

- *Developing the 100 % owned Kenai Loop onshore gas project with independently assessed 4.8 MMBOE¹ in 2P Reserves;*
- *Acquiring and 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 73.3 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 a jack-up rig named the "Endeavour" which is capable of drilling in the Cook Inlet. Mobilisation of the Endeavour into the Cook Inlet is expected in 1Q / 2Q 2012. The Alaskan Government is supportive of oil and gas in the Cook Inlet. There are a number of fiscal incentive programs for exploration and development in the Cook Inlet.

Buccaneer Energy has drilled the onshore Kenai Loop #1 well. The well was tested to have a flow rate of 6 – 8 mmcfd (750 - 1,000 BOEPD¹). It is expected to be in production in December 2011. The Company plans to drill Kenai Loop #2 in 1Q/2Q 2012. Full development of the onshore Kenai Loop field could exceed 10 producing wells.

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. Lee County is an onshore oil project, currently producing oil.

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