

KEY OFFSHORE PERMITS GRANTED**HIGHLIGHTS**

- **Plan of Operations for both Southern Cross and Northwest Cook Inlet Units approved by the DNR**
- **U.S. Army Corps of Engineers granted Permit including Marine Mammal Monitoring and Mitigation Plan**
- **Permitting Plan on schedule**

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that two key permits have been granted for oil and gas exploration operations at the Southern Cross and Northwest Cook Inlet Units located offshore in the Cook Inlet, Alaska.

The Alaskan Department of Natural Resources (DNR), Division of Oil and Gas, has approved the Buccaneer Alaska Operations, LLC Unit Plan of Operation, Cook Inlet - Exploratory Drilling Program, which approval authorizes exploration activities in state waters in the Cook Inlet.

Additionally, pursuant to the Rivers and Harbours Act of 1899, the U.S. Army Corps of Engineers has issued the required “Section 10 Permit” authorizing Buccaneer’s use of a jack-up rig in the navigable waters of the Cook Inlet for the planned exploration activities. The Company’s Marine Mammal Monitoring and Mitigation Plan is incorporated in the Section 10 permit.

The Company’s permitting plan was implemented approximately 18 months ago and is on schedule for completion prior to the arrival of the Endeavour-Spirit of Independence jack-up rig in Cook Inlet.

Securing these required authorizations represents a significant milestone in planning for the Company’s 2012 and 2013 offshore Cook Inlet exploration operations, which includes drilling 2 wells at each of its Southern Cross Unit and North West Cook Inlet Unit.

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;*
- *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 the jack-up rig "Endeavour" which is capable of drilling in all areas of the Cook Inlet, the Beaufort Sea and the Chukchi Sea. Mobilisation of the Endeavour into the Cook Inlet is expected in 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 mmcf/d (750 - 1,000 BOEPD¹) and the Company constructed both the pipeline and facilities at Kenai Loop, the well started production and selling gas in early January 2012. The Company plans to drill the next well at Kenai Loop in 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