



ASX RELEASE – 18 JULY 2012

CAPITAL RAISINGS TO RAISE \$13.5 MILLION TO FUND GROWTH

Buccaneer Energy Limited ("Buccaneer" or the "Company") is pleased to advise that it has executed binding agreements for the issue of 292,682,927 shares in the Company at an issue price of \$0.041 to raise a total of \$12.0 million ("Placement"). In addition, the Company will also implement a Share Purchase Plan ("SPP") to eligible shareholders capped at \$1,500,000 at an issue price of \$0.041.

The Placement will be completed in two tranches with Tranche 1 of 141,798,925 shares to raise \$5,813,756 being undertaken immediately under the Company's 15% capacity under ASX Listing Rule 7.1. Tranche 2 of the Placement of 150,884,002 shares to raise \$6,186,244 will be completed subject to shareholder approval at a general meeting that is expected to be held in late August 2012. The Company anticipates sending SPP documentation to shareholders shortly and the issue of shares under the SPP is subject to receiving all necessary approvals required under the Listing Rules.

Bell Potter Securities is acting as Lead Manager to the Placement.

The Company is also pleased to advise that Zenith Securities Pte Ltd, Singapore ("Zenith") and Augsburg Investments Ltd, Hong Kong ("Augsburg") have each subscribed to 48,780,488 shares in Tranche 1 of the Placement with each corresponding to a 4.3% interest in the Company.

The Company views the issue of shares to Zenith and Augsburg as the start of a long term strategic relationship and as such it intends offering Zenith and Augsburg jointly one non-executive board seat to cement this new partnership.

The remainder of the Placement was supported by existing institutional shareholders and a range of new international and domestic institutions and sophisticated investors and was heavily oversubscribed

The proceeds of the Placement along with the Company's existing project finance facility will be used for the following purposes:

- Drilling the next well at the Company's Kenai Loop project;
- Support the Company's offshore Cook Inlet exploration program;
- Completion of the acquisition of a 25.0% working interest in the Cosmopolitan project;
- Additional equity contributions to the Company's 50% owned subsidiary Kenai Offshore Ventures, LLC that will be used to finalise the modifications and upgrades to the Endeavour jack-up rig; and
- Costs of the issue and general working capital.

Buccaneer Director Dean Gallegos said:

"The Company is about to embark on a significant period of activity and growth in its Alaskan operations and to do this effectively will require the Company forming solid business relationships not only within Alaska but also globally.



The initial effort will be focussed on maximizing production delivery of the Kenai Loop onshore gas field. To optimize its capital expenditure program, offshore exploration will be phased to follow the development of its onshore Kenai Loop project.

To reduce operational expenditure while the Company focuses on its Kenai Loop development, the Company will seek to contract out the recently acquired Endeavour Jack Up rig to third party operators.

The Company's ability to complete a large equity capital raising relative to its size is confirmation of the strong underlying strength of its Alaskan projects and business plan. We look forward in working with Zenith and Augsburg to maximise and monetise the value of the Company's asset base for the benefit of all shareholders."

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 mmcfd (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 Kenai Loop #2 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 a small amount of oil.

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