



ASX RELEASE – 25 JULY 2013

KENAI LOOP DRILLING PERMIT APPROVED

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that the drilling permit for the Kenai Loop # 1-4 well has been approved by the Alaskan Oil and Gas Conservation Commission (“AOGCC”).

Preparations to commence drilling operations are advanced and the well is expected to spud in the next 7 - 10 days.

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

The Kenai Loop # 1-4 well is designed to test targets identified through the sub-surface studies completed since the successful Kenai Loop # 1-3 (formerly Kenai Loop # 4) well, which was placed onto production in February 2013.

Yours faithfully
BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
Executive Chairman

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



About Buccaneer

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

Buccaneer Energy has a 3 pronged cash flow strategy:

- *Developing the 100% owned Kenai Loop onshore gas project with independently assessed 6.4 MMBOE in 2P Reserves;*
- *Operating an 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 150.8 MMBOE in 2P Reserves / P50 Resources using the acquired jack-up rig.*

Buccaneer Energy has a 50/50 joint venture with Singaporean-based Ezion, a leader in the development, ownership and chartering of strategic offshore assets, and the Alaskan Industrial Development and Export Authority ("AIDEA"). This joint venture has acquired the jack-up rig "Endeavour" which is capable of drilling in all areas of the Cook Inlet, the Beaufort Sea and the Chukchi Sea. Mobilisation of the Endeavour into the Cook Inlet was completed in late August 2012.

The Alaskan Government is supportive of oil and gas in the Cook Inlet. There are a number of fiscal incentive programs for exploration and development in the Cook Inlet.

Buccaneer Energy has two onshore wells at Kenai Loop producing at a combined rate of 10.0 MMCFD (1,666 BOEPD). The Company expects this to increase to 11 - 12 MMCFD (1,833 – 2,000 BOEPD) if a third gas sales contract can be finalised in the coming months.

Buccaneer Energy also has major working interests in Texas and the Gulf of Mexico, USA.