



ASX RELEASE – 27 AUGUST 2013

KENAI LOOP # 1-4 WELL – DRILLING REPORT # 3

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to provide the following update on the progress of the 100% owned Kenai Loop # 1-4 well:

Time: 9.00 am (Sydney) 27 August 2013 / 3.00 pm (Anchorage) 26 August 2013.

Depth: 7,541' Measured Depth ("MD") / 7,388' True Vertical Depth ("TVD")

Activity: Drilling continues to next planned casing point above the Tyonek Formation at approximately 9,500' MD / 9,300' TVD.

Well Plan:

The Kenai Loop # 1-4 is being drilled from Drilling Pad # 1 which is the same drilling pad as Buccaneer's other Kenai Loop wells and will be drilled to approximately 10,700' TVD / 10,897' MD.

The well will be drilled to a target that appears to be fault separated from the current producing zones in the Kenai Loop # 1 - 1 and Kenai Loop # 1 - 3 wells and is expected to be completed in late September 2013. The current production facilities at Drilling Pad # 1 will need minor upgrades to facilitate production from this new well and preliminary plans have been finalized to perform these upgrades with minimal delays.

Yours faithfully
BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
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 offshore Cook Inlet projects that have independently assessed 155.3 MMBOE in 2P Reserves / 2C Contingent Resources & P50 Prospective 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 9.5 - 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.