

**ASX RELEASE – 4 FEBRUARY 2014**

**COMPETENT PERSONS STATEMENT**

Buccaneer Energy Limited advises that to comply with ASX Listing Rules 5.4.3 and 5.33 it has added additional information to its quarterly report as released on 31 January 2014.

The additional information does not affect the Statement of Cash flows and is not considered material to the information contained in the previously released quarterly report.

Yours faithfully

**BUCCANEER ENERGY LIMITED**



**Mr Curtis D Burton**  
**Managing Director**

**ASX RELEASE – 31 JANUARY 2014**

**QUARTERLY REPORT – 31 DECEMBER 2013**

[Buccaneer Energy Limited](#) (ASX: BCC) is pleased to present its quarterly report for the 3 months ending 31 December 2013.

Key milestones and activities during and subsequent to the quarter centered on progressing the company's recapitalisation process, and included:

- Quarterly Gross Production Revenue of US\$5.3 million
- Completion of Kenai Loop reserve and resource certification
- Commencement of drilling of West Eagle Unit #1 well
- Portfolio review resulting in withdrawal from the Southern Cross and Northwest Cook Inlet projects
- Successful completion of sale of 25% working interest in Cosmopolitan project for US\$40.6 million
- Successful completion of sale of 50% interest in Kenai Offshore Ventures for US\$23.95 million
- Refinancing Victory Park Capital debt facilities
- Repaying unsecured debt facility of US\$11.2 million
- Appointing two new directors

**REVIEW OF OPERATIONS**

A portfolio review was recently completed highlighting the need to focus the Company's exploration and development efforts on its most prospective projects – [Kenai Loop](#), [Tyonek Deep](#) and [West Eagle](#).

As a result, the Northwest Cook Inlet and Southern Cross projects were removed from the Company's priority list for drilling in 2014, and the Alaska Department of Natural Resources (DNR) was notified that Buccaneer will not be continuing with these two projects at this time. For further details please refer to the Company's release of 28 January 2014.

**KENAI LOOP**

The 100% owned Kenai Loop gas field is producing at a combined rate of approximately 8.8 million cubic feet per day (MMCFD) from the Kenai Loop # 1-1 and Kenai Loop # 1-3 wells. Since the commencement of production operations in February 2012 until the date of this report, the project has produced in excess of 5 billion cubic feet (BCF) of gas (833,333 BOE). The reservoirs of the Kenai Loop #1-1 and #1-3 wells continue to perform at or above expectation.



Since the completion and commissioning of the Kenai Loop facilities in February 2012, virtually no production time has been lost due to the production facilities or well performance. This is a direct result of the initial design and construction of the field's production facilities by the

Company's in-house engineering team, and the supervision and maintenance by the Company's experienced field operations staff.

## Reserves

On 1 October 2013, the Company received a revised reserve certification from Ralph E Davis for the Kenai Loop field as outlined below.

### 9,700' & 10,000' Sands Co-mingled

Reserves	Proven (1P)	Proven + Probable (2P)	Proven + Probable + Possible (3P)
Gas-BCF Proved Developed Producing (PDP)	13.6	13.6	27.7
MMBOE	2.3	2.3	4.6

### 9,700' Sand Only

Prospective Resources	Low Estimate	Best Estimate	High Estimate
Gas-BCF	20.3	40.6	60.8
MMBOE	3.4	6.8	10.1

<sup>1</sup> Gas to oil conversion using a Gas to Oil ratio of 6:1

<sup>2</sup> Net of all royalties

The Proved Developed Producing Reserves (PDP) have a Future Net Income of US\$81.7 million and a Present Value (at a 10% discount rate) of US\$68.2 million.

The estimated quantities of gas that may be potentially be recovered by the application of a future development program of the Prospective Resources stated above relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable gas.

## Future Development Plans

The 9,700' Sand has been proven to be productive in all successful wells drilled to date and this will be the focus of the immediate development program. Subsequent subsurface mapping of the 9,700' Sand within the Company's acreage position has been completed and provides the technical support for the Possible Reserves and Prospective Resource estimates. The Company is currently finalising the location of the next well for the Kenai Loop development program.

## Kenai Loop - Possible Reserves

The Possible Reserves were mapped in two separate areas with a total aerial extent of 735 acres and with total recoverable Possible Reserves of 14.2 BCF (2.4 MMBOE) net. The Company estimates that, if successfully delineated, up to 3 wells could be required to fully drain these Possible Reserves.

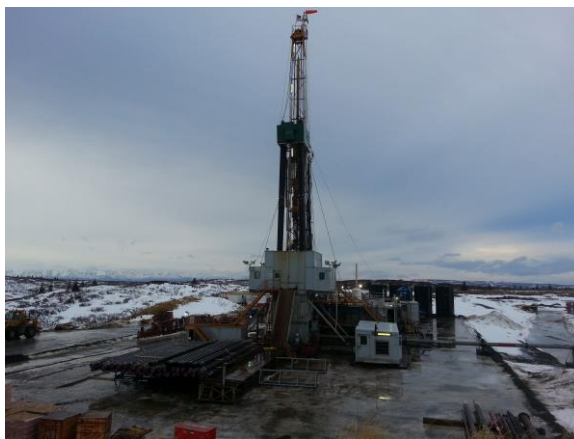
### **Kenai Loop - Prospective Resources**

The Prospective Resources were mapped in six separate areas with a total aerial extent of 2,038 acres with Best Estimate (P50) Prospective Resources of 40.6 BCF (6.8 MMBOE) net. The Company estimates that, if successfully delineated, up to 8 wells could be required to fully drain these Prospective Resources.

The Company believes that there are potentially additional producing horizons other than the 9,700' Sand in the Tyonek Formation within the 9,308 acre lease position. As these horizons are proven to be productive, additional reserves and resources are expected to be delineated.

### **WEST EAGLE UNIT**

The [West Eagle](#) #1 exploration well commenced drilling on 22 January 2014. As of the date of this report, the well has reached a depth of 2,500 feet with casing being run before drilling ahead, and has been permitted to a drill depth of 8,500 feet. Initial gas targets are expected at approximately 3,500 feet. Encouraging results from the shallow targets may result in the Company continuing to drill to the fully permitted depths.



The primary objective of the West Eagle Unit #1 well targets a Lower Beluga - Upper Tyonek interval of sandstones that had gas shows in a down-dip offset well, the Standard Oil of California, Anchor River #1. Up-structure on a northeast to southwest trending ridge, the West Eagle well will test an amplitude anomaly mapped with 2D seismic data covering an area of 3,600 acres. West Eagle is located approximately 13-15 miles from a natural gas pipeline tie-in.

Based on the shallow targets, the well is budgeted to cost less than US\$5 million, net of ACES rebates.

### **SUMMARY OF RESERVES & RESOURCES**

The Company has previously reported reserves and resources net to its working interest. The ASX implemented new reporting requirements on 1 December 2013 and in accordance with those requirements the Company now reports its reserves and resources net of all royalties.

The Company has the following Reserves and Resources independently verified by third party engineers:

Project Area	Acres	Working Interest	Net Royalty Interest	1P Reserves MMBOE	2P Reserves MMBOE	3P Reserves MMBOE	2C Contingent Resources	P50 Prospective Resources	Certifying Engineer
Onshore Alaska									
Kenai Loop	9,308	100.00%	76.00%	2.3	2.3	4.6	-	6.3	Ralph E Davis
West Eagle	15,843	100.00%	79.25%	-	-	-	-	-	
West Nicolai	5,653	100.00%	83.75%	-	-	-	-	-	
Offshore Alaska									
Tyonek Deep	23,368	100.00%	Confidential	7.5	29.9	74.9	18.7	-	NSAI
Total	54,172			9.8	32.2	79.5	18.7	6.3	

1. Gas to Oil Conversion ratio of 6:1

The NRI on Kenai Loop has increased to 79% as a result of the buy back of the VPC ORRI. The Present Value, at a 10% discount, of the Proven and Probable Reserves of the above projects are as follows:

Project	Proven Reserves	Proved Reserves Present Value (PV10) US\$Millions	Proven & Probable Reserves	Proved & Probable Reserves Present Value (PV10) US\$Millions	Certifying Engineer
Kenai Loop	2.3	\$68.2	2.3	\$68.2	Ralph E Davis
Tyonek Deep	7.5	\$137.7	29.9	\$732.4	NSAI
<b>Total</b>	<b>9.8</b>	<b>\$205.9</b>	<b>32.2</b>	<b>\$800.6</b>	

## REVIEW OF CORPORATE ACTIVITY

### SALE OF COSMOPOLITAN PROJECT WORKING INTEREST

In early January 2014, the Company executed a Sale and Purchase Agreement for the sale of its 25% working interest in the Cosmopolitan Project to BlueCrest Energy Inc (BlueCrest). The sale was completed on 24 January 2014 raising gross proceeds of US\$40.6 million, inclusive of the repayment of a US\$625,000 bond. For further details please refer to the [Company's ASX release of 28 January 2014](#).

### KENAI OFFSHORE VENTURES, LLC – SALE OF ENDEAVOUR JACK-UP RIG

The Endeavour is owned by Kenai Offshore Ventures, LLC (KOV), originally a joint venture between Buccaneer and Singapore based Ezion Holdings Limited with the Alaska Industrial Development and Export Authority (AIDEA).

In early January 2014, the Company executed a Membership Interest Purchase Agreement (MIPA) with Teras Investments Pte. Ltd for the sale of its 50% equity interest in, and its subordinated shareholder loans in KOV for US\$23.95 million. The Company maintains control of the Endeavour through its bareboat charter agreement with its Alaskan subsidiary, Kenai Drilling, LLC. The sale is in line with the Company's stated strategy, which was to ensure that suitable drilling equipment was available in the Cook Inlet. For further details please refer to the [Company's ASX release on 28 January 2014](#).

### MERIDIAN CAPITAL INTERNATIONAL FUND – CREDIT FACILITY

As outlined in the Company's ASX release of 28 January 2014, Meridian has provided a credit facility of US\$56.6 million to Buccaneer (the Facility). The Facility was used to fully repay the Term Loan and ACES Revolver with Chicago based Victory Park Capital. The Company also utilised the Facility to buyback the 3.0% overriding royalty interest held by Victory Park Capital on Kenai Loop production.

The Meridian Facility is on similar commercial terms to the prior Victory Park Capital facilities and is repayable by 30 June 2014.

For further details of the transactions with Meridian please refer to the [Company's ASX release of 28 January 2014](#).

#### **EOS-PETRO**

The [Participation Agreement](#) signed with EOS-Petro, Inc. (EOS) in August 2013 was terminated November 2013 for, amongst other things, failure by EOS to fund its obligations under the agreement.

Approximately US\$15 million was expended on the Southern Cross #1 well, all of which was to be funded by EOS. The Company is assessing its position in respect to recovery of these costs from EOS.

#### **AVAILABLE CASH FACILITIES & DEBT**

As of 31 January 2014 the Company has US\$28.9 million in cash.

Proceeds from the sale of Buccaneer's 25% working interest in the Cosmopolitan project were US\$40.6 million of which US\$4.1 million has been escrowed until finalisation of tax submissions to the US internal Revenue service. The remaining US\$36.5 million from the sale has been used to:

- pay transaction fees and, current and outstanding accounts payable totaling approximately US\$20 million;
- repay US\$10.8 million to Meridian comprising the US\$6.0 million short-term loan and US\$4.8 million production payment loan entered into in June 2013; and
- balance of US\$5.0 million for capital expenditure in relation to West Eagle Unit #1 well and working capital purposes.

It is expected that approximately US\$3.3 million from this the escrowed amount for taxes will be released by 30 June 2014.

The Victory Park Term Loan and ACES Revolver have been repaid in full. At 31 January 2014, the total debt owed under the replacement Meridian Facilities is US\$56.6 million.

The Company will need to have access to additional working capital in the short term in order to repay the Meridian Facility, meet its existing contractual obligations and to undertake its proposed drilling programme through the remainder of 2014.

## ACES REBATES

The Company currently has approximately US\$20.27 million in ACES rebates applications filed due to be paid in the next 6-9 months.

Yours faithfully

**BUCCANEER ENERGY LIMITED**



**Mr Curtis Burton**  
**Managing Director**

*For further information, please visit the Company's website at [www.buccaneerenergy.com](http://www.buccaneerenergy.com) or email [investorrelations@buccaneerenergy.com](mailto:investorrelations@buccaneerenergy.com).*

**This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Buccaneer Energy that its expectations, estimates and forecast outcomes will be achieved.**

Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 31 years experience including employment by Shell Oil Company, Union Texas Petroleum, Burlington Resources and Renaissance Alaska. Dr. Bangia has approved the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

**FINANCIAL REPORT**
*Rule 5.3*
**APPENDIX 5B**

Mining Exploration entity quarterly report

Name of Entity

**Buccaneer Energy Limited**

ABN

**63 125 670 733**

Quarter ended ("current quarter")

**31-December-2013**
**Consolidated statement of cash flows**

			Current Quarter	Year to date (6 months)
			\$A'000	\$A'000
Cash flows related to operating activities				
1.1	Receipts from Product Sales and related debtors		\$5,501	\$11,460
1.2	Payments for	(a) Exploration & Evaluation	-\$5,463	-\$10,620
		(b) Development	-\$2,861	-\$13,962
		(c) Production (including Royalties)	-\$1,501	-\$3,476
		(d) Administration	-\$2,867	-\$8,344
1.3	Endeavour Jack-Up Rig	(a) Endeavour Day Rate Revenue	\$4,361	\$10,280
		(b) KOV Charter Payments	-\$1,314	-\$8,341
		(c) Spartan Drilling Crewing Costs	-\$2,758	-\$6,828
		(d) Operational Costs - Repairs & new equipment	-\$380	-\$4,185
1.4	Interest and other items of similar nature received		\$2	\$58
1.5	Interest and other costs of finance paid		-\$2,152	-\$4,724
1.6	Property Taxes paid (Alaska)		-\$246	-\$425
1.7	Other	(a) GST Refunds	\$88	\$158
Net operating cash flows			-\$9,590	-\$38,948
Cash Flows relating to investing activities				
1.8	Payments for purchases of:			
		(a) prospects	\$0	\$0
		(b) equity investments (Jack-Up Rig)	\$0	\$0
		(c) other fixed assets	-\$20	-\$71
1.9	Proceeds from sale of:			
		(a) prospects	\$0	-\$956
		(b) equity investments	\$0	\$0
		(c) other fixed assets	\$0	\$0
1.10	Loans to other entities		\$5	-\$25
1.11	Loans repaid by other entities		\$45	\$45
1.12	Security Deposit Paid		\$0	-\$1,309
Net Investing cash flows			\$30	-\$2,316
1.13	Total operating and investing cashflows (carried forward)		-\$9,560	-\$41,264

+ See Chapter 19 for defined terms



		Current Quarter \$A'000	Year to date (6 months) \$A'000
1.13	Total operating and investing cashflows (carried forward)	-\$9,560	-\$41,264
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc	\$520	\$19,181
1.15	Proceeds from sale of forfeited shares	\$0	\$0
1.16	Proceeds from Loans / ACES Revolver	\$11,140	\$26,612
1.17	Repayment of borrowings	-\$882	-\$20,454
1.18	Dividends paid	\$0	\$0
1.19	Other - Share issue costs and Financing Fees	-\$231	-\$4,124
	<b>Net financing cash flows</b>	\$10,547	\$21,215
	<b>Net increase (decrease) in cash held</b>	\$987	-\$20,049
1.20	Cash at beginning of quarter/year to date	\$8,376	\$29,524
1.21	Exchange Rate adjustments to item 1.20	\$150	\$38
1.22	<b>Cash at end of Quarter</b>	\$9,513	\$9,513

#### Payments to directors of the entity and associates of the directors

#### Payments to related entities of the entity and associates of the related parties

	Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2
1.24	Aggregate amount of loans to the parties included in item 1.10
1.25	Explanation necessary for understanding the transactions

#### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in which the reporting entity has an interest

+ See Chapter 19 for defined terms

### Financing Facilities Available

Add notes as necessary for an understanding of the position

		Amount available \$US'000	Amount Used \$US'000
3.1	Loan facilities - Victory Park Capital		
	- Secured Term Note	\$44,000	\$43,509
	- ACES Revolver	\$25,000	\$6,426
3.2	Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter - using an Exchange Rate of AUD\$1.00 = US\$0.89

		\$A'000
4.1	Exploration and Development (Inc. Aged Payables)	-\$34,000
4.2	Production Revenue	\$6,600
4.3	Production Expenses (Royalties and Well Opex)	-\$1,770
4.4	Administration	-\$3,000
4.5	Operational Expenses	-\$5,300
4.6	Jack-Up Rig Charter Fees and Crewing	-\$9,950
4.7	Jack-Up Rig Charter Fees (Accrued)	-\$8,850
4.8	Jack-Up Rig Charter Fees (Pre Payment)	-\$2,060
4.9	Jack-Up Rig Revenue	\$0
4.10	Asset Sales	\$68,100
4.11	Debt Repayments	-\$80,100
4.12	Debt Draw downs	\$63,600
4.13	Royalty Buy backs	-\$3,370
4.14	Interest Payments	-\$9,200
4.15	ACES Rebates	\$4,300
	<b>Total (Net Inflow)</b>	<b>-\$15,000</b>

### Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current Quarter \$A'000	Previous Quarter \$A'000
5.1	Cash on hand and at bank	\$9,513	\$8,376
5.2	Deposits at call	\$0	\$0
5.3	Bank overdraft	\$0	\$0
	<b>Total: Cash at end of quarter (item 1.22)</b>	<b>\$9,513</b>	<b>\$8,376</b>

### Changes in interests of mining tenements

	Tenement Reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See Chapter 19 for defined terms

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total Number	Number Quoted	Issue price per security (cents) (see note 3)	Amount paid up per security (cents) (see note 3)
7.1 <b>Preference Shares +</b>	<b>Nil</b>			
7.2 Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions.				
7.3 <b>+ Ordinary Securities</b>	<b>2,408,671,956</b>	<b>2,408,671,956</b>		
7.4 Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions.	10,000,000	10,000,000	\$0.052	\$0.052
7.5 <b>+ Convertible Debt Securities - Performance Shares</b>	Nil			
7.6 Changes during the quarter (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions.	Nil			
7.7 <b>Options</b> Options - Helmsec Global Capital Options - OPVS Group Options - ESOP Options - ESOP  <b>Listed</b> <b>Unlisted</b>	9,700,000 5,000,000 6,000,000 45,500,000  Nil 66,200,000	Nil Nil Nil Nil	<b>Exercise Price</b> \$0.10 \$0.10 \$0.11 \$0.10	<b>Expiry Date</b> 15-Jul-16 14-Jul-14 30-Jun-16 30-Nov-15
7.8 Exercised during quarter	Nil	Nil	Nil	Nil
7.9 Issued during quarter	Nil	Nil		
7.10 Expired during quarter (Lapsed)	2,500,000	Nil	\$0.10	22-Nov-13
7.11 Debentures	Nil			
7.12 Unsecured Notes	Nil	Nil		

+ See Chapter 19 for defined terms

## Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

31-January-2014

Name: **Curtis D Burton**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid shares.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See Chapter 19 for defined terms

## Oil & Gas Leases held as at 31 January 2014

### Kenai Loop

Lease	Working Interest	Net Royalty Interest
MHT9300082	100.00%	82.50%
MHT9300070	100.00%	79.50%
C-061667	100.00%	78.00%
ADL - 391094	100.00%	78.00%
ADL - 391092	100.00%	78.00%
ADL - 391091	100.00%	78.00%
ADL - 391095	100.00%	78.00%

### West Nicolai

Lease	Working Interest	Net Royalty Interest
ADL - 391609	100.00%	83.75%

### West Eagle

Lease	Working Interest	Net Royalty Interest
ADL – 391144	100.00%	79.25%
ADL – 391145	100.00%	79.25%
ADL – 391625	100.00%	83.75%
ADL – 392387	100.00%	79.25%
ADL – 392388	100.00%	79.25%
ADL – 392389	100.00%	83.75%

### Southern Cross

Lease	Working Interest	Net Royalty Interest
ADL – 391107	100.00%	76.50%
ADL – 391789	50.00%	45.125%
ADL – 391108	50.00%	46.125%
ADL – 391788	100.00%	75.75%

#### Northwest Cook Inlet

Lease	Working Interest	Net Royalty Interest
ADL - 391611	100.00%	80.25%

#### North Cook Inlet – Tyonek Deep (farm-in)

The Company has not yet satisfied the requirements to earn its relevant interest stated below.

Lease	Working Interest	Net Royalty Interest
ADL – 17589 (Blocks A & B)	100.00%	Commercial in Confidence
ADL – 17590 (Block B)	100.00%	Commercial in Confidence
ADL – 18740 (Block A)	100.00%	Commercial in Confidence
ADL – 18741 (Blocks A & B)	100.00%	Commercial in Confidence
ADL – 37831 (Blocks A & B)	100.00%	Commercial in Confidence

#### Leases Disposed or Expired since 30 September 2013

##### Southern Cross

Lease	Working Interest
ADL – 391789	50.00%
ADL – 391108	50.00%
ADL – 390379	100.00%

#### Northwest Cook Inlet

Lease	Working Interest
ADL – 390384	87.50%
ADL – 390742	100.00%
ADL – 391270	100.00%
ADL – 391268	100.00%
ADL – 391269	100.00%

**Cosmopolitan**

<b>Lease</b>	<b>Working Interest</b>
ADL – 391900	25.00%
ADL – 018790	25.00%
ADL – 384403	25.00%
ADL – 391899	25.00%
ADL – 391902	25.00%
ADL – 391903	25.00%
ADL – 391904	25.00%

## ASX Listing Rule 5

On 1 December 2013 the ASX implemented new requirements in respect to reporting of reserves and resources. The following disclosures are made in respect to Kenai Loop and Tyonek Deep to satisfy these new requirements:

### Kenai Loop

Listing Rule	Disclosure
5.25.1	The estimate Reserves are reported as at 1 October 2013
5.25.2	All reserves and resources reported in accordance with SPE-PRMS classifications
5.25.3	Not Applicable
5.24.4	Not Applicable
5.25.5	The estimated Reserves and Prospective Resources have been reported according to the Company's economic interest net of all royalties.
5.25.6	The deterministic method was used to prepare the estimates.
5.25.7	The estimates have been converted to BOE using a gas to oil conversion ratio of 6:1.
5.31.1	An average gas price of US\$6.72/MCF was used to calculate reserves and cash flow estimates
5.31.2	The Company is the Operator of the Kenai Loop Project
5.31.3	<p>The leases containing the estimate Reserves are leases issued by:</p> <ul style="list-style-type: none"> <li>• The State of Alaska;</li> <li>• The Mental Health Trust of Alaska ("MHT"); and</li> <li>• The Cook Inlet Regional Authority ("CIRI").</li> </ul>



5.31.4	<ul style="list-style-type: none"> <li>• The estimated Reserves are from reservoirs currently in production;</li> <li>• The initial In-Place reserves for the reservoirs containing the estimated Reserves and which contain three wells capable of production was estimated using Bottom Hole Pressure (“BHP”) data from all three wells and estimating the reserves using BHP/Z vs Cumulative Production plot. This estimate is supported by the volumetric estimates using Net Gas Sand Isopachs for both sands;</li> <li>• The wells are being produced under natural pressure; and</li> <li>• The PDP recovery of 90% requires compression to be installed in the future and no other major capital expenditures.</li> </ul>
5.31.5	The estimated quantities to be recovered from existing wells, facilities and through future investments are as reported above.
5.31.6	The Possible Reserves and Prospective Resources are planned for development drilling during the years of 2014-2016.
5.31.7	Not Applicable
5.31.8	Not Applicable
5.34	Not Applicable
5.35.1	<p>The leases containing the estimated Prospective Resources are leases issued by:</p> <ul style="list-style-type: none"> <li>• The State of Alaska;</li> <li>• The Mental Health Trust of Alaska (“MHT”); and</li> <li>• The Cook Inlet Regional Authority (“CIRI”).</li> </ul> <p>Based on sub surface mapping using 3D seismic Ralph E Davis opines that 12.0% of the estimated Prospective Resources are within leases which have not yet been leased by the Company.</p>
5.35.2	The Kenai Loop Field reservoirs in the 9700’ Sand are made of numerous seismic anomalies (amplitudes) that have been identified using newly acquired seismic data. The Prospective Resources have been estimated using the volumetric parameters derived from the producing anomaly for the 6 anomalies identified but not yet developed.

**Tyonek Deep**

<b>Listing Rule</b>	<b>Disclosure</b>
5.25.1	The estimate Reserves are reported as at 1 July 2013
5.25.2	All reserves and resources reported in accordance with SPE-PRMS classifications
5.25.3	Not Applicable
5.24.4	Not Applicable
5.25.5	The estimated Reserves and Contingent Resources have been reported according to the Company's economic interest net of all royalties.
5.25.6	The deterministic method was used to prepare the Reserve estimates and the probabilistic method was used to estimate Contingent Resources.
5.25.7	The estimates have been converted to BOE using a gas to oil conversion ratio of 6:1.
5.31.1	An average gas price of US\$7.50/MCF and an average oil price of US\$100.00 was used to calculate reserves and cash flow estimates
5.31.2	Buccaneer is the Operator of the Tyonek Deep Project
5.31.3	The leases containing the estimated Reserves are leases issued to ConocoPhillips by the State of Alaska. The Company has executed a farm-in agreement with ConocoPhillips that entitle the Company to the Reserves.

5.31.4	<ul style="list-style-type: none"> <li>• The estimated Reserves are from reservoirs that have been penetrated by up to 12 wells of which 7 were production tested;</li> <li>• The volumetric procedure was used to estimate the reserves and the contingent resources. These estimates are based on the mapping of the structure and net sand isopachs defined by the drilled wells and the producibility of reservoir from the tested wells; and</li> <li>• It is proposed that future wells will be produced under natural pressure and pressure maintenance as well.</li> </ul>
5.31.5	<ul style="list-style-type: none"> <li>• There are currently no existing wells or facilities at the Tyonek Deep project to which the Company has negotiated access;</li> <li>• The recovery of all estimated Reserves will be from future investment in wells and facilities.</li> </ul>
5.31.6	The estimated Reserves are planned for development drilling during the years of 2014-2017.
5.31.7	Not Applicable
5.31.8	Not Applicable
5.33	Not Applicable
5.33.1	The leases containing the estimate Contingent Resources are leases issued to ConocoPhillips by the State of Alaska. The Company has executed a farm-in agreement with ConocoPhillips that entitle the Company to the Reserves.
5.33.2	The estimated Contingent Resources are made up of numerous seismic anomalies (amplitudes) that have been identified using ConocoPhillips proprietary 3D seismic data, mapping and wells that have penetrated and production tested the formations in which the estimated Contingent Resources are contained.
5.33.3	<ul style="list-style-type: none"> <li>• The probabilistic method using monte carlo simulation was used to estimate the Contingent Resources; and</li> <li>• The estimated Contingent Resources are contingent upon demonstration of commercial producibility supported by actual production or formation tests in the wells that will be drilled during the development of reserves.</li> </ul>

5.33.4	Not Applicable
5.33.5	Not Applicable
5.34	Not Applicable

#### General Disclosures

Listing Rule	Disclosure
5.42	<ul style="list-style-type: none"> <li>a) The Reserves, Contingent Resources and Prospective Resources is based on and fairly represents the information and supporting documentation prepared by the Company's Reservoir Engineer Vijay Bangia and submitted for evaluation to third party engineering firms Netherland, Sewell &amp; Associates (Tyonek Deep) and Ralph E Davis (Kenai Loop).</li> <li>b) Neither Netherland, Sewell &amp; Associates (Tyonek Deep) or Ralph E Davis (Kenai Loop) are considered related parties to the Company;</li> <li>c) Member of Society of Petroleum Evaluation Engineers (SPEE), the Society of Petroleum Engineers (SPE) and the American Association of Petroleum Geologist (AAPG).</li> </ul>