



BUCCANEER
ENERGY

Б И Е К С Л
В У С С А И Е Е К



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Presentation Road Map

- ❑ Buccaneer Overview & Profile
- ❑ Success Factors
- ❑ Energy & Capital Markets Profile
- ❑ Pompano Overview & Opportunity
- ❑ Lee County
- ❑ Project Portfolio
- ❑ Financing
- ❑ Conclusion



Buccaneer Overview & Profile

Statistics

□ Overview:

- | | |
|-------------------------|----------------------------------|
| ▪ Incorporated | July 2007 |
| ▪ IPO Nov 2007 | Raised A\$20 million @ A\$0.25 |
| ▪ Rights Issue Sep 2009 | Raised A\$5.3 million @ A\$0.035 |
| ▪ Placement Dec 09 | Raised A\$4.6 million @ A\$0.105 |
| ▪ Market capitalization | A\$34 million @ A\$0.09 |
| ▪ Shares outstanding | 380 million |
| ▪ Inside ownership | ~15% |

□ Current Financial Resources

- | | |
|---------------------------|---|
| ▪ Cash | A\$5.5 million |
| ▪ Debt – Macquarie Bank | A\$1.0 million |
| ▪ Macquarie Bank Facility | US\$50 million (production based)
100% Undrawn |



Success Factors

Project Selection Criteria

- ✓ Drill ready prospects
- ✓ Multiple pays with Proved Undeveloped (PUD) – type reserves / with substantial exploration upside
- ✓ Low geological risk with well control, logged pay and recent 3D seismic data
- ✓ Operationally uncomplicated drilling conditions
- ✓ Immediate or ready access to production infrastructure
- ✓ Targeting material working interest positions and operational control



Energy & Capital Market Profile

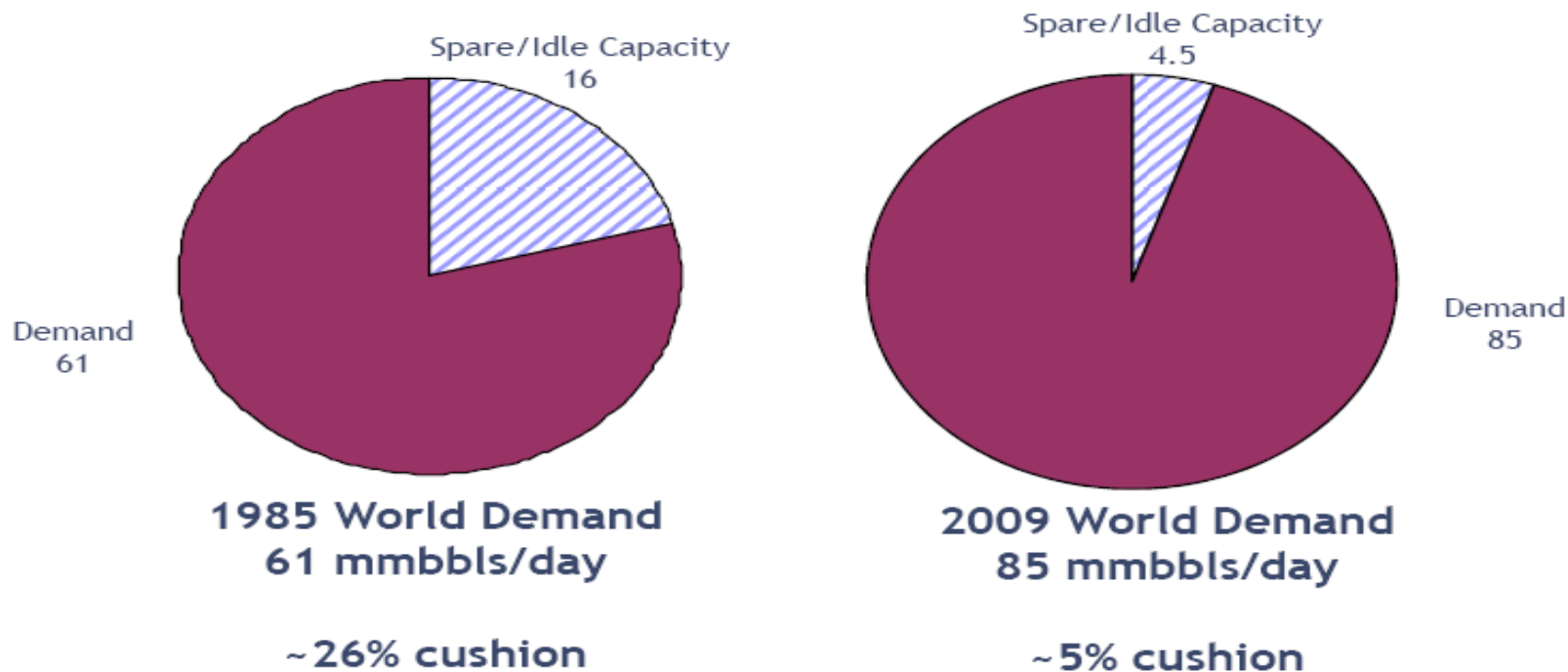
- ❑ Oversupply is relatively small compared to 1985
- ❑ Huge Government Stimulus Packages world wide
- ❑ Major Developing Economies Still have positive growth rates despite the worldwide slump and realistic new middle class aspirations
- ❑ Developed Countries recessions have bottomed and starting to grow
- ❑ There will be a significant upside oil demand “shock” over the next 18 months



Energy & Capital Market Profile

New Fundamentals

This Is Not The 1980's





Energy & Capital Market Profile

- ❑ **US capital markets still risk adverse**
 - ✓ Small (<\$50 million) listed and private companies are capital starved
 - ✓ Presenting excellent project acquisition opportunities
 - ✓ Opportunity to diversify portfolio and lower risk profile

- ❑ **Economic recovery in motion lowers downside commodity risk**
 - ✓ Acquisitions sweet spot for the next 6 months

- ❑ **Protect downside and take advantage of increasing volatility**
 - ✓ **Buccaneer current projects are break-even at:**
 - \$25.00 / BBL oil
 - \$2.50 / mcf gas



Energy & Capital Market Profile

- **Energy Business is Cyclical:** Booms and Busts
- **Self Correcting:** Prices Fall/Costs Fall, Production Falls, Prices Strengthen
 - **WE'RE IN THAT PART OF THE CURVE NOW!!**
 - Its Time to Take advantage of the negative sentiment !!
- **Service Prices Fall following Commodity Price Fall:**
 - ✓ Onshore Rig Prices 4 months ago \$23,000/day now \$13,000 / day
 - ✓ Offshore Rig Prices from \$100,000 /day to now < \$50,000/day
- **What Do we Learn:**
 - ✓ TODAY is the time to invest in energy - 6 months ago everything was too expensive
 - ✓ Buccaneer is correctly positioned to take advantage of the market (40% oil/60% gas)
 - ✓ When everyone is standing on the sidelines, now is the time to get in



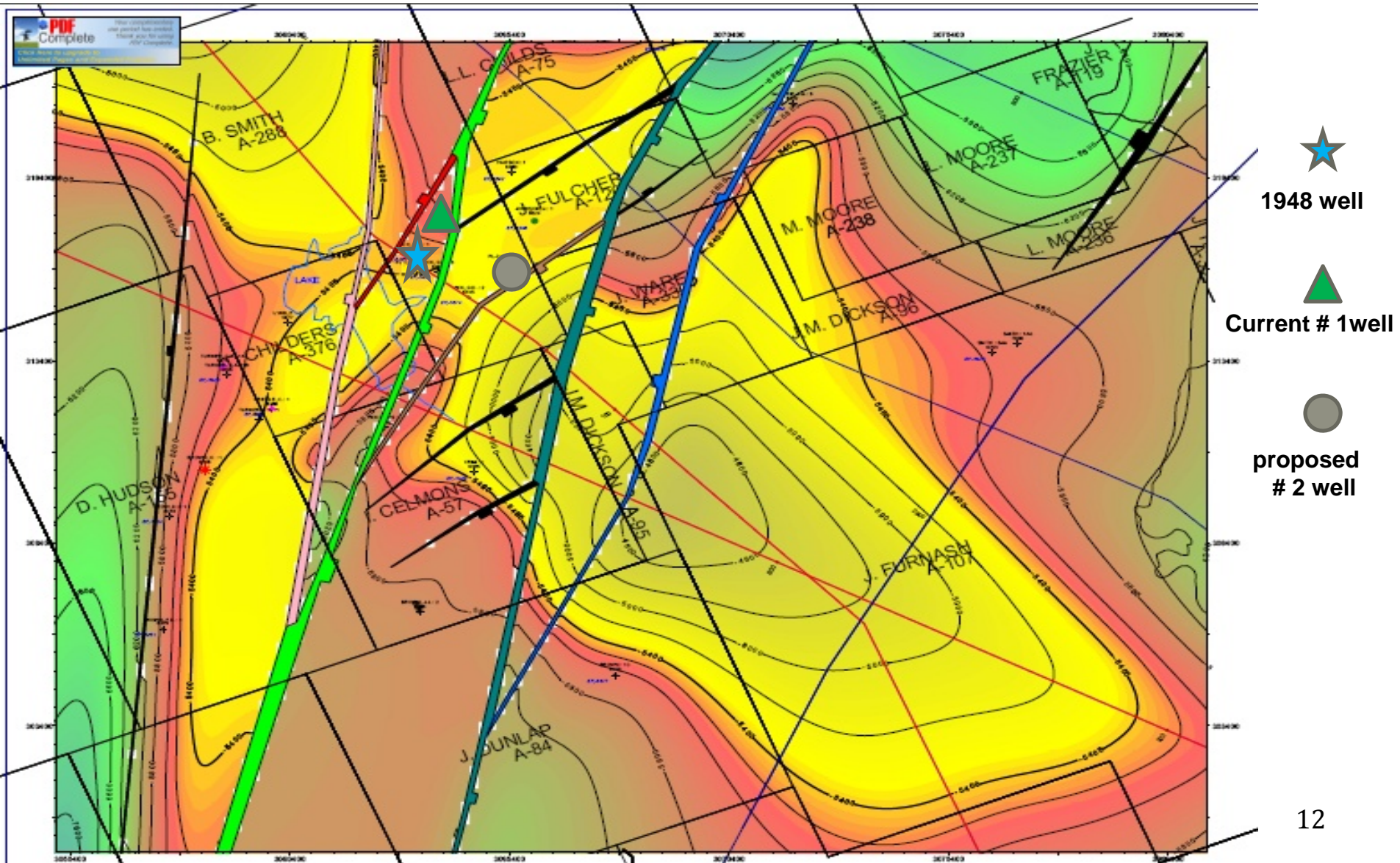
Project Review

Pompano

- ❑ Production rates holding at 6 mmscfd with light decline
- ❑ Acquired adjoining leases Swordfish, Redfish & Cobia – all have same productive Pompano sand packages at least 6 drill locations identified
- ❑ Further Development of original Pompano Field Area
 - ✓ Three remaining locations to be drilled / completed
 - ✓ Including UTFB (high reward / moderate risk) to be drilled – 72 BCF (2P)
- ❑ Production infrastructure in place to double production
- ❑ Aiming to drill Swordfish or UTFB



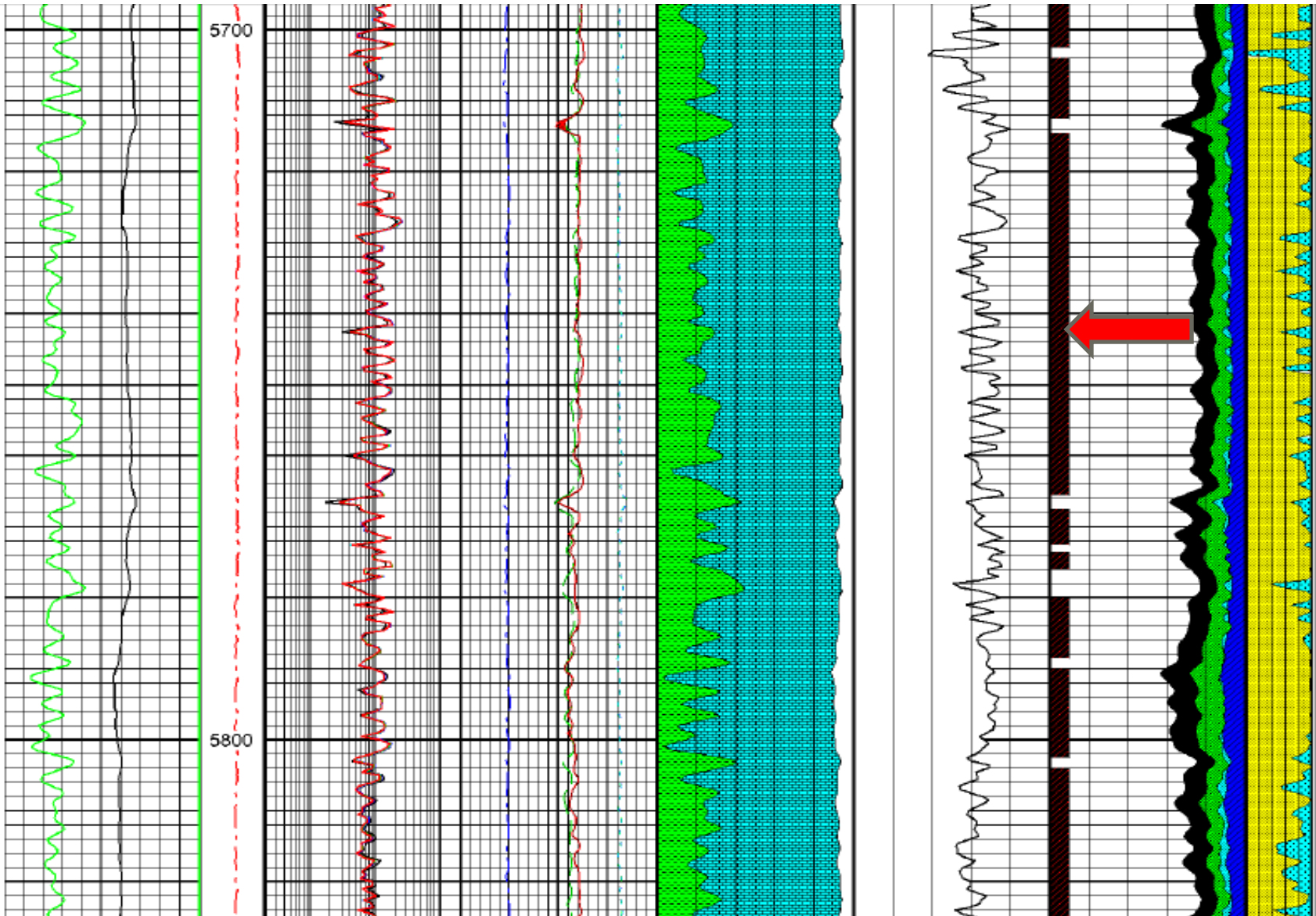
Project Review: Lee County





Lee County / Vick #1

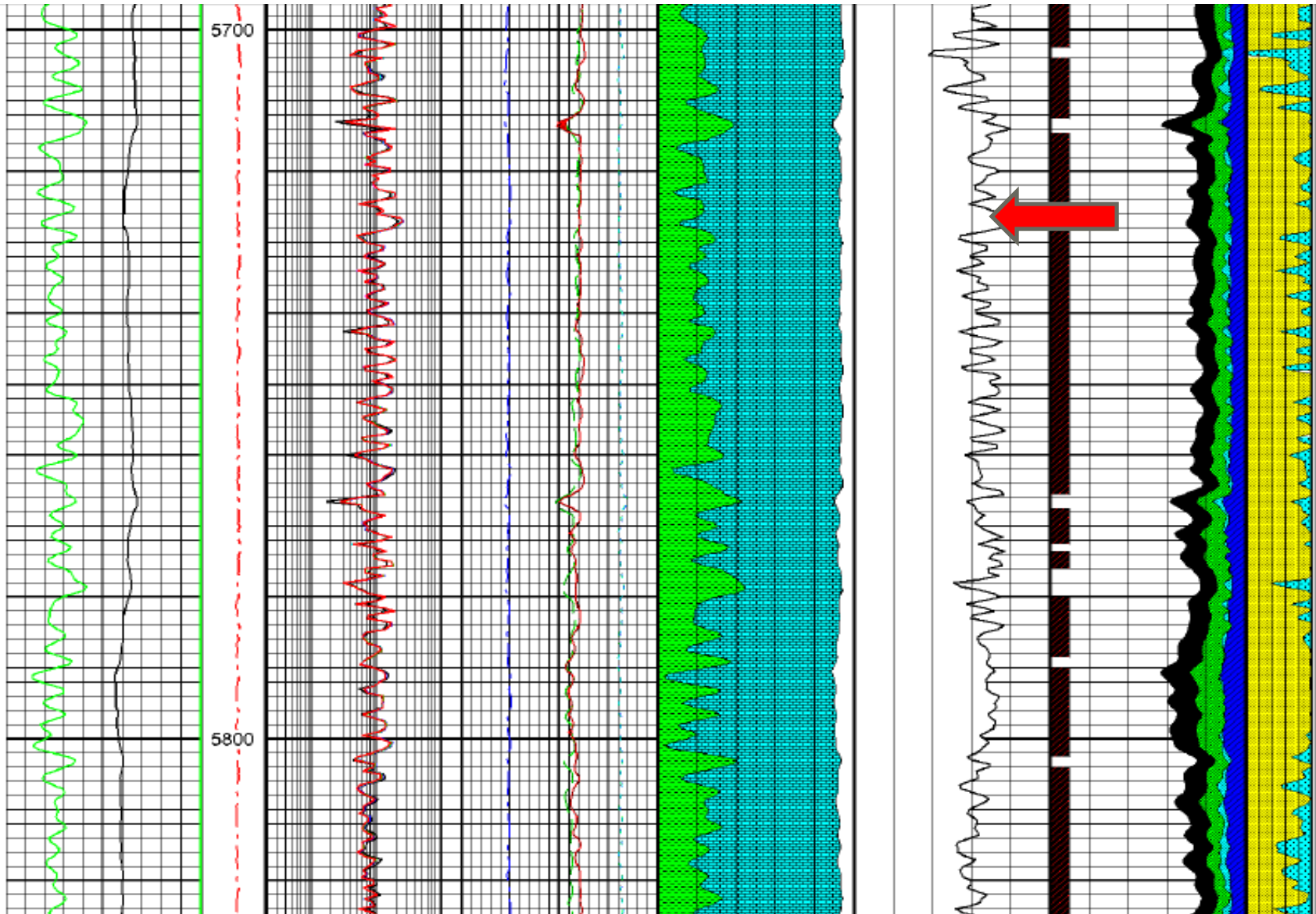
Vick #1 Lower Austin Chalk





Lee County / Vick #1

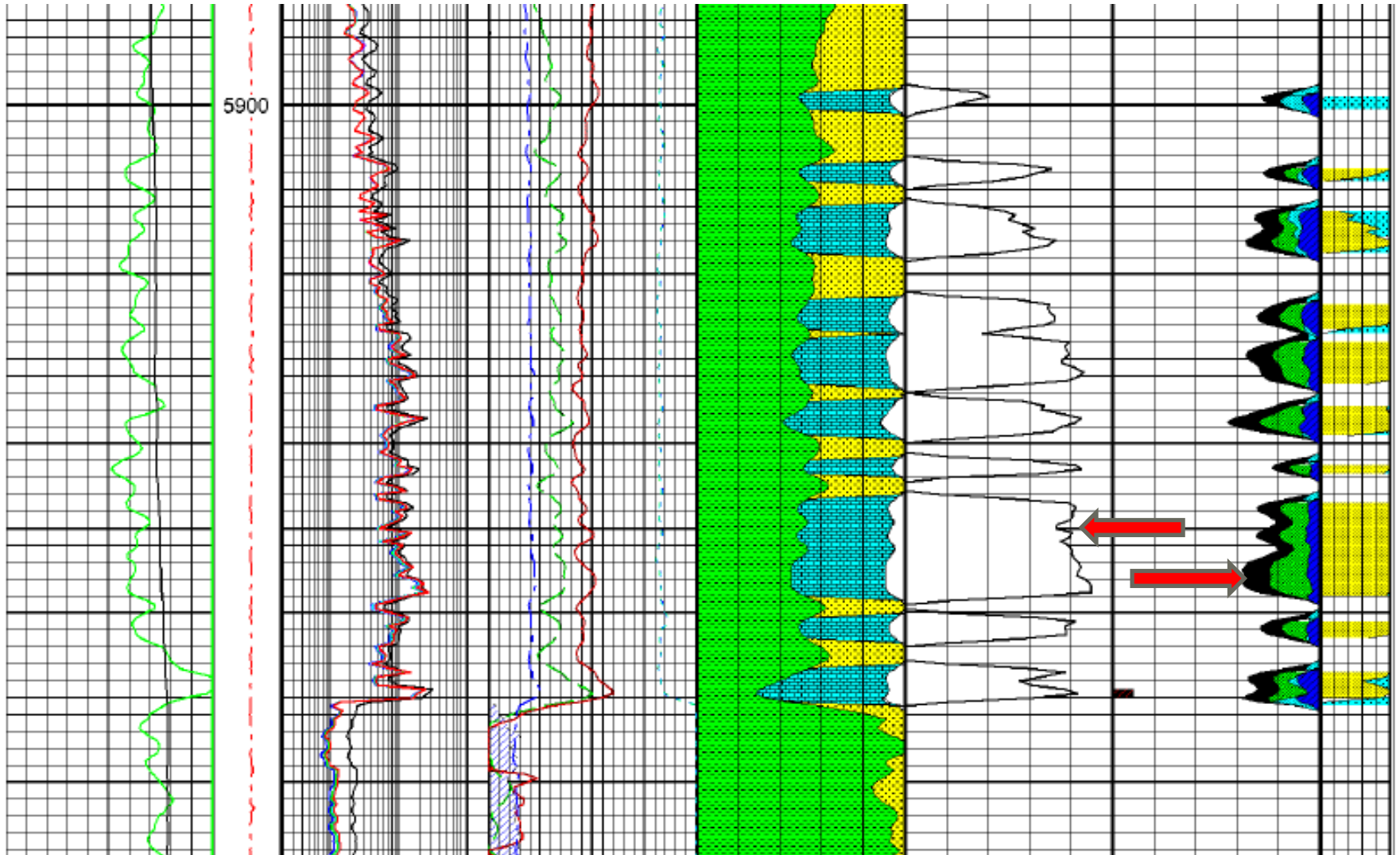
Vick #1 Lower Austin Chalk





Lee County / Vick #1

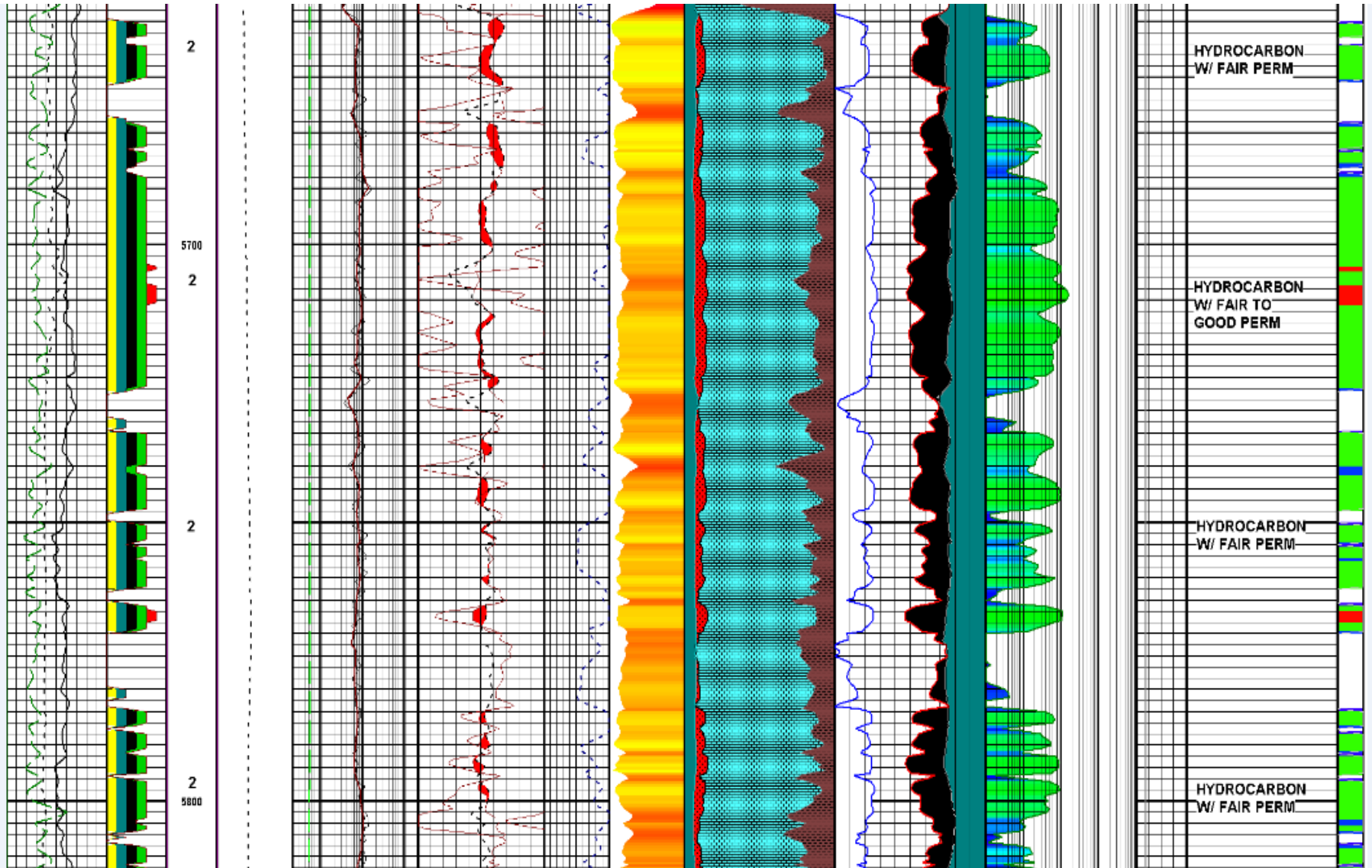
Vick #1 Eagleford





Lee County / Proposed # 2 Well

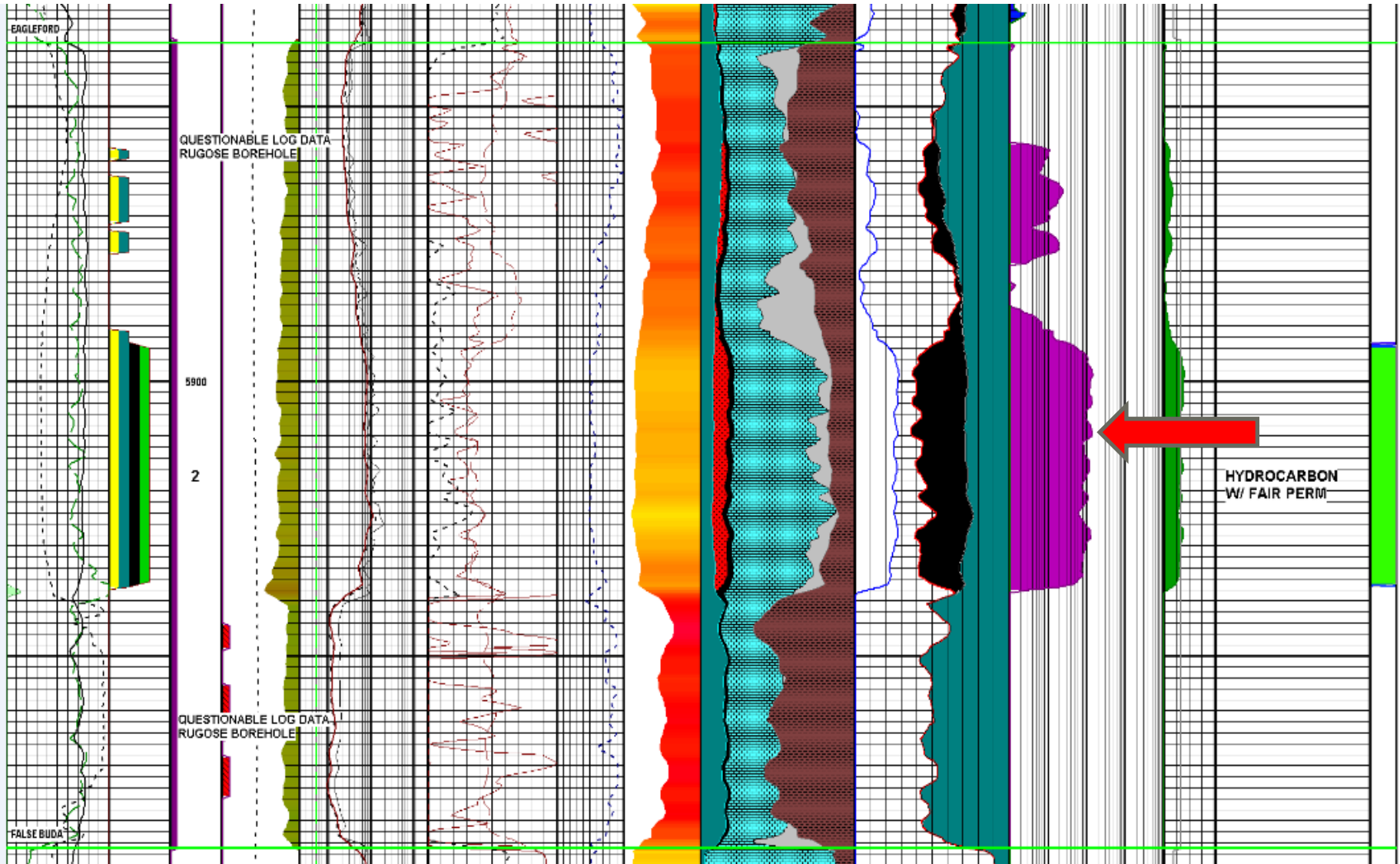
Watson #1 Lower Austin Chalk





Lee County / Proposed # 2 Well

Watson #1 Eagleford





Project Review

Lee County

- ❑ Vertical portion of 1st well complete, Horizontal portion imminent
- ❑ 2nd well planned soon after
- ❑ Proved hydrocarbons in the system (oil and gas)
- ❑ Initial production rates of 100 - 750 BOPD on adjoining leases from 1000 - 1400 ft horizontal completions
- ❑ Seismic and well mapping confirm acreage in excellent trapping position at all main targets – Austin Chalk, Eagleford, Buda and Edwards Formations
- ❑ Austin chalk is a prolific producing zone in the area
- ❑ 25 miles from the prolific Giddings Field that has produced 4.8 TCF of gas and 750 million barrels of oil from the Austin Chalk



Project Portfolio

Acquired projects that meet the investment criteria

❑ **Jaguar Project (Eugene Island) – 60 ‘ Water**

- ✓ 100 % Working Interest – seeking farm-in partners
- ✓ Significant PUD’s verified by independent third party report
- ✓ Infrastructure in place – quick production
- ✓ Targets identified / drill ready

❑ **Ruby Project – 10’ Water**

- ✓ 25 % Working Interest – seeking farm-in partners
- ✓ PUD’s verified by independent third party report
- ✓ Very large exploration target (Cib-Op) / productive in the area



Project Portfolio

❑ **Tuna / Tang (Galverstone) – 50 ‘ Water**

- ✓ 100 % Working Interest – seeking farm-in partners
- ✓ Infrastructure nearby that can be utilised
- ✓ Targets identified / drill ready

❑ **Acquisitions**

- ✓ Acquisition deal flow has improved – good quality projects
- ✓ Diversification of Production & Reserves
- ✓ Aggregation of look-a-like projects



Financing

- ❑ Buccaneer Shares currently in a trading halt pending financing announcement
- ❑ Financing is material to Buccaneer
- ❑ To single New York based institution
- ❑ Funds to be used to fund future acquisitions
- ❑ ASX announcement to be made Wednesday (Sydney time)



Conclusion

The Buccaneer Difference

- ❑ Focus on Proven PUD and Low Risk Project
- ❑ Focus on reducing portfolio F & D costs
- ❑ Maintain Operational Control
- ❑ Positioned to take advantage of deflationary cost period
- ❑ Ability to rapidly diversify production – by type and region
- ❑ Opportunities to benefit from price volatility
- ❑ Funding in place



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