



ASX RELEASE – 1 JUNE 2010

LEE COUNTY PROJECT – OPERATIONS UPDATE

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to provide the following operational update.

VICK # 2

During the last week, we shut in the well to install the production tubing and then successfully swabbed the well to recommence oil flow. It has been flowing oil for several days of testing while being shut in at night. After demonstrating an initial flowing production rate of 500 BOPD, the daily rates and flowing pressures have been erratic indicating that pumping, (or artificially lifting) the oil from the well will be required to achieve a more consistent production rate. This is typical of Austin Chalk oil production in the area.

We are preparing to install a pumping unit and down hole pump to place the well on permanent production within the next week and then determine a 24 hour daily pumping production rate. We will report that production rate after it has been established.

VICK # 1

Pumping the Vick # 1 has been in planning since the initial flow test after drilling the well showed small amounts of oil at 2-3% of total production with water. Over the last week, we have swabbed the well to obtain the necessary information to design the pumping unit and plan these pumping operations. Swabbing has recovered load water and formation water as planned and has seen a slight increase in gas production.

The pumping unit and down hole pump will be installed within the next two weeks, and we will initiate continuous production of the well by pumping. We believe pumping will over time cause oil production to come and increase gradually while the water production decreases. This technique has been effective with several other Lower Austin Chalk wells by other operators in the area.

In the last 60 days an operator with a well approximately 2 miles from the Vick # 1 location successfully pumped a well into oil production after encountering water during drilling, and the well eventually achieved a production rate of 500 BOPD.

Additionally, an operator with a well approximately 8 miles to the South conducted the same operation and successfully pumped a well into production after encountering water during drilling, and that well eventually achieved a production rate of 200 BOPD.

For personal use only

The participants in the Lee County project are as follows:

Participant	Working Interest
Buccaneer Resources*	52.50%
Sandstone Energy	38.75%
Megashine International Ltd	8.75%

* A wholly owned subsidiary of Buccaneer Energy Limited

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

Yours faithfully

BUCCANEER ENERGY LIMITED



Mr Dean Gallegos
Director

About Buccaneer:

Buccaneer Energy's wholly owned subsidiary Buccaneer Resources is based in Houston, Texas and is an upstream oil and gas company. It specialises in the development and expansion of behind-pipe proved and probable reserves and low-risk exploration plays with growth potential.

Buccaneer's growth strategy is focused on the progressive expansion of oil and gas production and reserves by acquiring significant working interests in low-cost, low-risk development properties that possess significant undeveloped upside.

For personal use only