



ASX RELEASE – 24 AUGUST 2010

ACQUISITION OF ADDITIONAL WORKING INTEREST FROM CHEVRON

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that its wholly owned subsidiary Buccaneer Alaska, LLC has entered into a binding agreement with Chevron Corporation to acquire the remaining 50% working interest (2,506 net acres) that it does not already own in 2 leases on its North Middle Ground Shoal (Southern Cross Unit) structure in the Cook Inlet, Alaska.

This acquisition gives the Company a 100% WI in all the leases that cover the North Middle Ground Shoal structure, this equates to a net 10,108 acres.

Please find attached a fact sheet on the project and a map showing its location within the Cook Inlet, Alaska.

For further information please contact the Company on + 61 416 220 007 or + 61 2 9233 2520 or visit the Company’s website at www.buccenergy.com.

Yours faithfully

BUCCANEER ENERGY LIMITED

Mr Dean Gallegos
Director

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 was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 30 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.

NORTH MIDDLE GROUND SHOAL

FACT SHEET

The North Middle Ground Shoal (“NMGS”) field is in approximately 30’ of water with no unusual technical hurdles to drill and develop reserves. The NMGS field is within 5-10 miles of four significant oil and gas fields as follows (see Figure 1):

- Trading Bay Field with production to date of 103 million BO, 73 BCF of gas and 360 thousand barrels of Natural Gas Liquids (“NGL”);
- McArthur River Field with production to date of 630 million BO, 261 BCF of gas and 9 million barrels of NGL;
- Middle Ground Shoal Field with production to date of 198 million BO and 93 BCF of gas; and
- South Granite Point Field with production to date of 147 million BO and 131 BCF of gas.

Since acquiring the initial leases from Stellar Oil & Gas, LLC (“Stellar”) in March 2010 the company has expanded its lease position from a net 1,280 acres to a net 10,108 acres, through acquisition.

Importantly, the Company now owns the lease on which the Pan Am A-1 well (MGS State 18743-1) was drilled in 1964 and which flow tested gas (> 3 mmcf/day) in the Lower Tyonek Formation from one of three gas intervals identified on drilling logs; this well also had significant oil shows in the Hemlock formation at the bottom of the well. Neither the gas nor oil was produced due to very low oil and gas prices at that time.

Reserves

On acquisition in March 2010 the NMGS assessed P10 reserves were 154 BCF of gas and 18 million barrels of oil (MMBO). The P50 reserves were 60 BCF and 8 MMBO. These reserves are expected to increase significantly due to the expanded lease position and the incorporation of 3D seismic data.

The Company has appointed Netherland Sewell, one of the leading US based engineering firms, to complete a third party engineering report on the reserves for NMGS and the Company expects Proven, Probable and Possible (3P) reserves to be assigned.

There is also possible access to the existing Platform approximately 5 miles to the south, this would significantly reduce capital expenditure and time to first production.

Drill Permitting

The permitting process to drill in the Cook Inlet takes approximately 6-9 months. The Company has commenced this process for NMGS and has a detailed work schedule so that all permits are in place for the commencement of the 2011 drilling season commencing in March / April 2011.

The Company already has in place the Air Permit that regulates drilling rig emissions, this is a long lead time permit and does not expire.

Unit Application

A unit application for NMGS has been lodged with the Alaskan DNR, under this application the NMGS project will be renamed the **Southern Cross Unit**. The unit is expected to be granted late in the third quarter of 2010 after the required public comment process has been undertaken.

The main advantage of combining the lease positions into one unit is that a single discovery well and a plan of operations will hold all of the leases, whereas if they remain individual leases, a discovery well will only hold the lease on which the well was drilled. A unit is typically granted for 5 years.
