



ASX RELEASE – 12 JANUARY 2010

**LEE COUNTY PROJECT – DRILLING UPDATE**

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

All equipment and personnel have been mobilised to the Lee County Vick # 1 location to commence Phase 2 of the drilling operations. Deepening operations into the anticipated pay zones are expected to commence in the next 12 hours.

Phase 2 of the Lee County Vick # 1 drilling operations is the utilisation of a coiled tubing unit to deepen the well through the Austin Chalk, Buda and Eagleford Formations. These are the anticipated oil and gas pay zones for this well. The final target depth will be approximately 6200 feet.

The participants in the Lee County project are as follows:

<b>Participant</b>	<b>Working Interest</b>
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](http://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.

