



ASX RELEASE – 27 APRIL 2010

LEE COUNTY PROJECT – DRILLING OPERATIONS TO RECOMMENCE

Buccaneer Energy Limited (“Buccaneer” or “the Company”) provides the following update on operations at Lee County.

The Company has been waiting on the contracted drilling company to finalise operations at an existing project prior to mobilising into the Lee County area and commencing vertical drilling operations on the Vick # 2 well. Over the last month this drilling contractor has continually given anticipated start dates however has chosen to drill additional wells with its existing client. These additional wells were not planned when the Vick # 2 drilling contract was executed.

The Company and its legal advisors have interpreted this action as a breach of contract and intend to pursue remedies available to it under Texas law.

The Company is pleased to advise that a drilling contract has been executed with a replacement drilling contractor to commence the drilling of the Vick #2 well. Site modifications to accommodate that rig type have been completed and the rig is mobilising to the site in the next 24 hours to commence drilling operations. The vertical component of the Vick # 2 well is expected to take approximately 14 days.

Once the first section of the vertical portion of the Vick # 2 well has been drilled and casing set in the top of the Austin Chalk, the horizontal rig that is currently on the Vick # 1 well location will move onto the Vick # 2 well and continue to drill the vertical “pilot” hole through the Lower Austin Chalk (“LAC”) and the Eagleford Shale whereupon these formations will be evaluated with open hole logs.

The objective is to further investigate the oil production potential of the Eagleford Shale for future drilling and testing, and to refine our Vick #2 horizontal target interval in the LAC. The Vick # 2 horizontal drilling operations in the “high graded” LAC interval will then commence.

This procedure will provide us the earliest opportunity to move the horizontal drilling rig from the Vick # 1 location to allow us to install the pumping equipment to start pumping operations at the Vick #1 well.

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

A handwritten signature in black ink, appearing to read 'Dean Gallegos', with a small dot at the end.

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.

