



ASX RELEASE – 12 MAY 2010

GOVERNOR PARNELL SIGNS BILL TO SIGNIFICANT INCREASE IN ALASKAN DRILLING INCENTIVES

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to advise that Governor Parnell has today signed the Bill to make law a significant amendment to Alaska’s Clear and Equitable Share (ACES) program.

As advised on 21 April 2010, most significantly, the statutory amendments enacted with this legislation will establish a tax credit up to US\$25 million for exploration wells drilled into the pre-Tertiary strata of the Cook Inlet with a jack-up drilling rig.

The new incentive provides for the following:

- If Buccaneer drills the first well in the Cook Inlet using a jack-up rig, it will be eligible to claim up to US\$25 million of all drilling costs (including rig mobilisation costs). If it drills the second well, the claim will be US\$22.5 million, and if it drills the third well, it is entitled to claim US\$20 million. A company is eligible for only one of these incentives.
- On any subsequent well Buccaneer will still be eligible for the standard ACES incentive of 45 – 65% of drilling and development costs.
- Buccaneer has a substantive acreage position in the Cook Inlet and is positioned to move forward with exploration drilling plans later this year.

The above incentives apply irrespective of the success of any well or development program.

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

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