



ASX RELEASE – 13 JANUARY 2010

### LEE COUNTY PROJECT – LOG EVALUATION

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

As advised on 5 January 2010 the Company completed Phase 1 of the Lee County Vick # 1 drilling operations on the 24 December 2009 when the well ceased drilling at the top of the Austin Chalk Formation at a depth of approximately 5325 feet. Wireline logs were run and a 5½” casing was installed and successfully cemented.

The anticipated pay zones for this well are below the current depth of the well in the lower Austin Chalk, Buda and Eagleford Formations. Our primary objectives in the lower levels of the well will continue to be our focus in upcoming operations.

The Company and its consultants have now had an opportunity to conduct a more detailed analysis of these logs and correlate with mud logging data and cuttings produced from drilling operations. These zones have not been perforated or flow tested and therefore cannot be considered commercial. Further test work is required if additional analysis warrants this work being conducted.

### LOGGING EVALUATION

Detailed below is a brief synopsis of the results of the analytical work to date:

**Wilcox Formation – 32 feet  
(2580’ – 2612’)**

Eight coal seams in this interval released significant amount of gas when drilled. Not known if these have the capacity to flow or at what rates. Evaluation is continuing.

**Wilcox Formation - 25 feet  
(2650’ – 2675’)**

An apparent sand with coal seams at the top and base of the sand appears to have gas. Further evaluation is warranted as gas saturation, and thus commercial value, cannot currently be calculated.

**Lower Wilcox Formation – 20 feet  
(3090’ – 3110’)**

Sands with some heavy gases and good apparent porosity. Although no ‘show’ was reported in this zone whilst drilling, the heavy gases warrant further study.

**Pecan Gap – 90 feet  
(4680’ – 4770’)**

Limestone, probably fractured, gave up a significant amount of gas when drilled. This zone has produced in the vicinity. Not known if it can flow in this area.

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**Upper Austin Chalk – 30 feet  
(5190' -5220')**

Fractured chalk released some gas when drilled. Well was drilled 'over balanced' so this would impede the flow of gas into the well bore. As much more of the Austin Chalk will be drilled in the current phase of drilling, additional work on this zone is probably not warranted at this time.

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.