



ASX RELEASE – 5 MAY 2010

**OFFSHORE DRILLING BANS**

Buccaneer Energy Limited (“Buccaneer” or “the Company”) has been contacted by a number of shareholders concerned by the new restrictions imposed by President Obama over the weekend.

The Company’s lease holdings onshore and offshore Texas, Louisiana and Alaska are in no way impacted by these new restrictions. The Company’s lease positions are in mature basins where infrastructure is in place and where drilling, development and production operations have existed for many decades.

The following are recent comments made by US Federal Administration:

*Interior Secretary Salazar, appearing on ABC’s “The Week,” noted that 30 percent of the country’s oil production comes from the Gulf, site of the massive oil spill resulting from the April 20 explosion of an exploratory drilling rig at BP’s Macondo prospect*

*“For us to turn off those spigots would have a very, very huge impact on America’s economy right now,” Salazar said.*

White House spokesman Robert Gibbs said on 30 April.

*“The explosion at an oil rig in the Gulf of Mexico is no reason to give up plans to expand offshore drilling, President Barack Obama continues to believe that the United States needs a comprehensive solution to its energy problems - including expanded domestic production of oil and natural gas.”*

Yours faithfully  
**BUCCANEER ENERGY LIMITED**

**Mr Dean Gallegos**  
**Director**

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