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21 November 2007

Company Announcement Office
Australian Securities Limited
Level 1, Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Dear Sir / Ms

RE: POMPANO PROJECT - WORKS TO COMMENCE

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to announce that it has been advised by AnaTexas Offshore ("AnaTexas" or "the Operator") that the Joint Operating Agreement ("JOA") for the Company's Pompano project has been executed by each of the well participants.

The Pompano Field is located approximately 90 miles southwest of Houston and 30 miles east of Port O'Connor, Texas. It is located 7 miles off the coast in the Gulf of Mexico in approximately 55' of water.

The execution of the JOA allows for the commencement of infrastructure refurbishment operations. AnaTexas has advised that contract negotiations have been completed for the fabrication and installation of the Caisson, it is anticipated that this work will be completed in the next 21-28 days.

The Caisson will be installed as soon as possible at which time the rig drilling location will be ready for the rig to move onto site.

AnaTexas also advises that negotiations with rig providers are advanced and final rig selection and contracting will take place whilst the Caisson work is being completed.

The Pompano project has existing production facilities in place including the following:

- An existing 4-pile production platform with over 50 MMCFD gas production handling capacity and other satellite structures connected by flowlines to the production platform, from which new wells can be drilled, completed and connected to rapidly initiate production and sales; and

- An existing gas gathering pipeline providing immediate access for gas production to the sales market.

These facilities have an independently assessed replacement value of approximately US$15 million and need relatively minor refurbishment work to allow them to be utilised for production purposes.

The Participants in this well are as follows:

Participant	**Working Interest**
Buccaneer Resources*	65.0%
Elixir Petroleum	25.0%
Baron Petroleum+	7.5%
Streamline Exploration+	2.5%

* A wholly owned subsidiary of Buccaneer Energy Limited
\+ Affiliated with AnaTexas Offshore, Inc. Baron Petroleum and Streamline Exploration are members of Millennium Explorer, LLC., the generator of the Pompano project.

The first well to be drilled is a commitment well and the Company has options to drill an additional 5 wells in the Pompano field. The first commitment well to be drilled has independently assessed Proven and Probable (2P) reserves of 18.7 BCF.

The first four well locations, including the commitment well, have independently assessed Proven and Probable (2P) reserves of 56 BCF and Proven, Probable and Possible (3P) reserves of 147 BCF.

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

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.

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Buccaneer Energy that its expectations, estimates and forecast outcomes will be achieved.

Information contained in this report concerning the Pompano project was compiled from information provided by AnaTexas Offshore, Inc. Information on the above mentioned project was reviewed by Chief Exploration Officer for Buccaneer Resources, Neville Henry, B.A. Honours in geology from Macquarie University (Sydney, Australia) and who has had more than 33 years experience in petroleum geology. Mr Henry has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.