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DRILLING UPDATE - POMPANO PROJECT

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to announce progress of SL 103229 # 1. All reported depths are below the Rotary Table Kelly Bushing on the rig floor in Measured Depth ("MD") and/or True Vertical Depth ("TVD") since the well is being directionally drilled to a bottom location approximately 2,000 feet to the northwest of the surface location:

Report Date:	06.00am 21 January 2008 (US Central time) 23.00pm 21 January 2008 (NSW Daylight time)
Current Depth:	3,265 feet MD
Progress:	10 ¾" casing successfully run to 3,000 feet and tested. Drilling ahead.
Hydrocarbon Indications:	Hydrocarbon shows will only be reported after logging and evaluation of the well after reaching the Total Depth. The well will take approximately 4 weeks to drill and complete to the programmed Total Depth of 7,940 feet MD, or 7,550 feet TVD.
Targets:	The well is designed to test and develop seven gas sands from 3,800 feet to a measured depth of 7,940 feet.

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.

While operations are underway, the Company will issue routine drilling releases every Tuesday or at any such time that material matters require an earlier release.



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.





A picture of the Hercules 152 rig positioned over the "B" Platform and drilling Pompano SL 103229 # 1 Well through the 36" caisson.
