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DRILLING UPDATE - POMPARNO PROJECT

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to announce Hercules Rig 152 has spudded the second well in the Pompano field redevelopment program SL 103230 # 1 at 1.00pm (US Central time) on 24 February 2008.

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 2,342 feet to the southeast of the surface location:

Report Date:	06.00am 25 February 2008 (US Central time) 23.00pm 25 February 2008 (NSW Daylight time)
Current Depth:	800 feet MD
Progress:	Pulling out of the hole to run and cement the 16" casing string.
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 to the programmed Total Depth of 9,360 feet MD, or 8,735 feet TVD.
Targets:	The well is designed to test and develop the B-2 and C Sands up dip of a well that produced from the B and C Sands.

The well is also designed to test the E Sand in an undrilled fault block plus the F and G Sands in a trapping position for the first time in the SE/4 of this fault block.



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.
