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ASX RELEASE – 25 MARCH 2008

SECOND WELL COMMERCIAL SUCCESS

DRILLING UPDATE - POMPANO PROJECT

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to announce progress of Pompano SL 103230 # 1 which was spud 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: 2.00pm 24 March 2008 (US Central Daylight time)
6.00am 25 March 2008 (NSW Daylight time)

Current Depth: 8,627 feet MD or 8,093 feet TVD

Progress: The Operator has advised that the B sand, C sand and E sand appear to be commercial. The E sand was the main objective prior to drilling.

A 5 ½" production casing is being run to the current depth. Drilling conditions have been difficult and a decision to drill onto the exploratory F and G sand targets will be made once this production casing has been cemented.

If the decision is made to complete the well at this depth then completion operations are estimated to take approximately 2 weeks after which the well will be perforated and a flow rate determined.

Hydrocarbon Indications: Logging and evaluation is ongoing. The Operator has advised that preliminary indications are positive. The well was originally programmed to take approximately 4 weeks to drill to a programmed depth of 9,360 feet MD.

Data collected during drilling operations have indicated if the F & G Sands are drilled the programmed Total Depth will be 9,150 feet MD, or 8,545 feet TVD.

Targets:	The well was 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.