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POMPANO EXTENSION

PROJECT ACQUISITION – TEXAS STATE LEASE SALE

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to announce it has participated in the high bid submitted on an additional 720 acre tract adjacent to the Pompano project at the Texas State Lease Sale held on April 1, 2008 in Austin.

The new lease will be designated State Lease ("SL") 108868 and covers the N/2 NE/4 Brazos Block 479-L, flanking the Pompano Prospect immediately south of and contiguous to the SL 103230 lease where we are currently drilling our second well in the field re-development program.

Buccaneer's strategic prospect generating partner, Millennium Explorer, LLC, ("MEX") recommended purchasing the tract in the sale for several purposes as follows:

- The lease covers some down-dip area of the potential reservoirs to be tested in the SL 103230 #2 well planned for drilling in mid-year 2008.
- MEX has two drilling leads on the tract that it calls the "Redfish Prospect", and these will be further evaluated with an additional 9 square mile (23.3 sq km) 3D seismic data block. The Redfish leads target some of the same gas sands that have already been proven productive in the Pompano drilling to date.

The Texas General Land Office ("GLO") holds state mineral lease sales on a quarterly basis and advertises tracts nominated by the industry for sealed bids to be submitted on the sale date. In this "Notice for Bids", the GLO also specifies a minimum acceptable bonus bid upon which it will grant the lease.

AnaTexas Offshore, Inc., the operator for the Pompano Project, submitted the bid on behalf of the joint venture partners US$110,000 (US$152.78 per acre), qualifying over the GLO's minimum of $108,000, or $150 per acre, therefore the Operator has advised that the lease will be awarded.

The State of Texas retains a 25% royalty by its lease terms. However, the agreement allows for a 5% royalty credit if the lease is placed into production within the first two years of the five year primary term, or a 2.5% royalty credit if the lease commences production during the third or fourth year in order to promote prompt drilling.

The participants in the Redfish Prospect will mirror that of the existing Pompano Project:

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.

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.