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POMPANO PROJECT – THIRD WELL TO COMMENCE

Buccaneer Energy Limited (“Buccaneer” or “the Company”) is pleased to announce that AnaTexas Offshore (“AnaTexas” or “the Operator”) has executed a drilling rig contract with Hercules Offshore, Inc (“Hercules”) to drill a third well at the Pompano Project.

The third Pompano well is designated SL 103230 # 4 and based on current timetables it is anticipated the rig will be on location and the well will spud in late July 2008.

SL 103230 # 4 will be directionally drilled from a new caisson to be driven outboard, but immediately adjacent the # 5 Caisson which is located approximately 3,000 feet southwest of the A Production Platform. The well will be drilled into an adjacent fault block to the recently successfully completed SL 103230 # 1.

The primary objective of SL 103230 # 4 is to test up to 6 sand reservoirs including developing remaining reserves in the 6700 ft, B, C and E sands, which are the main objectives of the well. It is not intended to test any potential objectives below the E Sand.

The current drilling plan has allocated a 25 day drilling time and an additional 22 days to complete the well for production. Once the well has been completed it is anticipated that production will commence within 21 days as there are existing flow lines connecting the # 5 Caisson location to the A Production Platform.

Drilling Option

Incorporated into the latest drilling contract is an option to utilise the same rig for a fourth well, this option needs to be executed within 5 days of the commencement of the third well.

The Company will discuss this option with its joint venture partners and will make a further release at the appropriate time.



The Participants in SL 103230 # 4 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.

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.

