

Buccaneer Energy

Looking to the Future

World Energy interviews Curtis D. Burton, Managing Director and Chief Executive Officer, Buccaneer Energy and Dean L. Gallegos, Director, Buccaneer Energy

World Energy: The past year has been very busy for Buccaneer. What are some of the key milestones that you have achieved?

Burton: Buccaneer has been on a fast track. At Winter NAPE 2007 we met the Macquarie Bank people and some of their business associates, notably Dean Gallegos, an Australian marketing and capital-formation executive. With Macquarie as a sponsor and Dean as a non-executive director, by November Buccaneer Energy Ltd. had been formed and listed on the ASX. We immediately began work on the Pompano project in December and have since completed two wells and are in planning for a third. We have also been awarded two properties through lease sales in the Gulf of Mexico. Our production is currently approximately 14.5 million cubic feet per day (higher than our original projection) and achieving cash flow that significantly exceeds overhead costs of the company.

In addition, we have completed an initial credit line from Macquarie Bank for an additional \$50 million under extremely favorable terms to the shareholders and the company. Last, we have continued to evaluate and identify new opportunities that we are rapidly progressing toward the drill bit.

World Energy: In addition to the projects Buccaneer currently has, where do you see this year taking you?

Burton: Our public announcements have Buccaneer doubling its revenue and adding a minimum of three to four more wells to production this calendar year.

We are focusing on the shallow Gulf projects with potential reserves up to 25 billion cubic feet. We have 65 percent of the Pompano Project, and this is a much higher working interest position than you would otherwise see with that type of project. But given the low risk of Pompano wells, that is the way we would like to keep it. We like to have a large percentage in low-risk projects, especially in development-type projects like Pompano. So I think you can see us doing more of the same kinds of projects in the future.

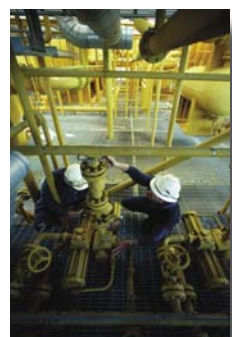
Gallegos: As Curtis said, Buccaneer is on the fast track, and with the projects we have in the pipeline I think you will see us continue to grow at a relatively high rate.

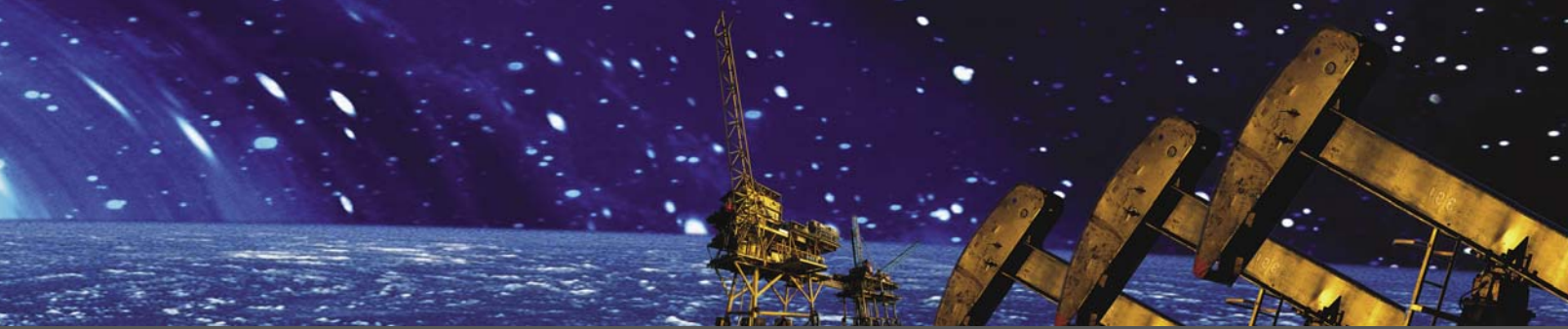
World Energy: What has made Buccaneer different from other independents?

Burton: We've focused on three things that set Buccaneer apart.

First, the properties that we are dealing with are large-impact properties. This means they typically have large upside reserves – for example, our core unrisks reserves included in the IPO approached 200 billion cubic feet.

Second, we are focused on quickly bringing these properties to market. This translates into rapid cash flow and rapid payout of initial investment capital. To illustrate what I mean, Pompano's first well began producing within 17 days of being drilled, and while our pre-drill estimates placed production rates in the





6-7 million cubic feet per day range, it initially came on above 7 million per day. Because of the rapid time to first production and the higher-than-published initial rate, Buccaneer was able to take advantage of historically high commodity prices from Day One. This is a major difference from our peer group because properties like Pompano can require 12 to 18 months to bring online. As we said, we funded in November, commenced drilling operations in late December and had production from two wells by the end of April.

The third thing that makes Buccaneer unique is that this model is repeatable. We are currently adding properties, preferred providers and more capital to achieve our goals. Many of the companies that have tried to do a start-up in the past five or six years have not had all three of these elements, and having them is a huge plus in this marketplace.

World Energy: In addition to size and development of project properties, what elements of Buccaneer set the company apart and create opportunities for continued success?

Gallegos: I believe it is an overused saying, but our people make the difference. From Curtis having extensive start-up experience and looking for innovative ways to structure deals, to Clint Wainwright and his knowledge of reservoirs and production operations, to Neville Henry and his exploration and oil/gas-finding expertise – we have a team that makes this work, day in and day out.

World Energy: Looking forward, what will be the focus of Buccaneer Resources?

Gallegos: We deliberately set up our infrastructure – our management structure – at Buccaneer to be able to cope with these larger projects and to handle them simultaneously by utilizing the preferred suppliers' network, seasoned consultants and a very professional staff. Our core team has over 175 years of combined experience in the industry; the youngest member of staff has been in the industry for 20 years. That is a lot

of experience in a small company. We have built this company's foundation so that it can grow rapidly both in reserves and share price. That is the focus for us, to grow the business in a very deliberate way using low-risk development properties as the basis.

World Energy: Do you have any final comments?

Burton: Some people may question our ability to replace properties like Pompano. Any doubts would be unfounded, considering we have already won two major properties in bidding and have added other major-impact properties through our network of prospect generators. We are more than comfortable with our ability to generate new prospects while maintaining our low finding costs. Of course, this is something that can be proven only by the passage of time, but I would recommend that skeptics watch our activities over the next six months. I believe that will be the best answer to whether we can perform or not.

Buccaneer Resources is based in Houston, Texas, and is an upstream oil and gas company. It specializes in the development and expansion of behind-pipe proved and probable reserves and low-risk exploration plays with growth potential.

Buccaneer Resources LLC was established in September 2006 and is now a wholly owned subsidiary of Buccaneer Energy.



3300 S. Gessner Rd., Suite 200
Houston, TX 77063 USA
(713) 780-1243

contactus@buccaneerresources.com
www.buccaneerresources.com

Find us on the Australian Stock Exchange
ASX:BCC