



ASX RELEASE – 11 APRIL 2011

COOK INLET - CRITICAL BELUGA HABITA

Buccaneer Energy Limited ("Buccaneer" or "the Company") is pleased to provide background and clarification to the April 8, 2011 (US time) National Oceanographic and Atmospheric Administration ("NOAA") final rule designating critical habitat for the beluga whale, which was first proposed for listing under the Endangered Species Act ("ESA") in 2008. The final rule issued on April 8 has been anticipated since the initial ESA listing and is substantially the same as the draft NOAA ruling issued for comment in 2010.

Buccaneer planned its Cook Inlet exploration activities in anticipation of the critical habitat designation and does not anticipate delays in its planned exploration drilling program in the Cook Inlet.

Important Points in regard to the final rule:

- Drilling and development activities can still be undertaken within the designated critical habitat areas. The declaration effectively means a beluga risk mitigation plan now needs to be considered and lodged, whereas previously no formal plan was required;
- The designation of critical habitat has been anticipated since 2008 when the whale was formally listed under the ESA and as such as been part of the Company's planning process. There have been numerous public hearings and over 135,000 individual submissions made on this subject prior to the formal designation of critical habitat, the Company has tract these hearings and comments and designed its exploration program in anticipation of this final rule;
- Buccaneer's offshore Cook Inlet projects are near known oil and gas fields and close to existing operating platforms. The commencement of drilling operations by Buccaneer is not expected to cause any material additional hazards to the beluga whale population;
- Beluga whales are noise sensitive and the primary measures to be undertaken involves the reduction of noise while beluga whales are in the vicinity of operations; and
- Even prior to the designation of critical habitat, Buccaneer had planned its Cook Inlet exploration program so as to minimize impacts to marine mammal species (including beluga whales) in order to comply with the Marine Mammal Protection Act, a statutory program with substantive provisions designed to minimize impacts to species within the Cook Inlet.

Since April 2009, the Buccaneer Alaska team has been aware that NOAA planned to designate certain areas within the Cook Inlet as critical habitat for the beluga whale. The Company's strategic permitting plan was developed in anticipation of this final rule.



Furthermore:-

- A. It is Buccaneer's obligation to conduct an exploration program that will have a minimal impact to beluga whales or other marine mammals. Conducting such a program is a requirement of the Marine Mammal Protection Act, the provisions of which have applied to the Company's planned exploration program even before the beluga whale was listed or critical habitat was designated;
- B. Buccaneer has contracted with Mr. Greg Green of ICF International, who is a recognized expert in designing marine mammal monitoring and mitigation programs for Alaska oil and gas exploration programs to ensure minimal impacts from operations. Mr. Green will work cooperatively with NOAA in the development and implementation of a marine mammal monitoring and mitigation program that will avoid acoustical harassment of beluga whales and other marine mammals.
- C. This program will include:
 - i. a detailed evaluation of how each project activity could impact local belugas and other marine mammals;
 - ii. the establishment of safety zones around the project activities to ensure that high noise activities are shut down at the approach of belugas or other marine mammals; and
 - iii. an on-site team of marine mammal observers will be monitoring during those activities with the potential to acoustically harass marine mammals. Buccaneer is exploring methods to avoid or minimize potential acoustic effects during these surveys.

The Company does not expect any significant delays in obtaining all permitting to commence drilling within the Cook Inlet.

The following are extracts from the final ruling released by the NOAA on April 8, 2011 (US time):

"The vast majority of projects entering the consultation process are resolved informally with a determination that no listed species will be impacted, nor designated critical habitat destroyed or adversely modified. Even where a formal consultation is required in instances of an identified potential threat, the agencies more often than not conclude that no such threat exists, or work with the action agency to design project alternatives. Only in extremely rare instances are projects terminated because of probable impacts on listed species."

and

"The designation of critical habitat is not anticipated to hamper development in the vicinity of Cook Inlet, and thus would not result in declines in State and local tax revenues nor lost jobs."



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



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