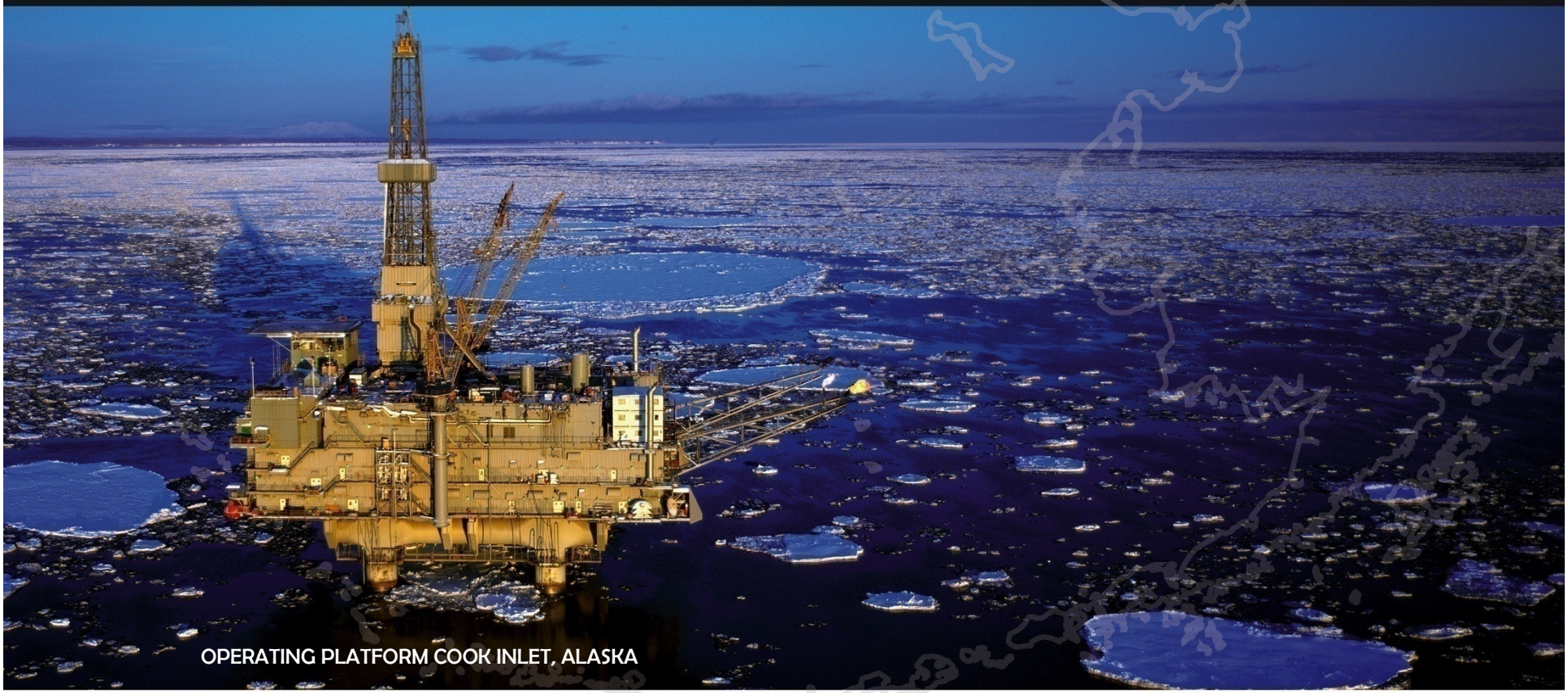
BUCCANEER ENERGY

Mayor's Energy Taskforce

Anchorage, January 2012



OPERATING PLATFORM COOK INLET, ALASKA

DISCLAIMER

- **Securities Disclaimer**
  This presentation is for informational purposes only and does not constitute an offer or sell, or solicitation to purchase, any securities. Such Offer can be made only through proper subscription documentation and only to investors meeting strict suitability requirements. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

- **Forward Looking Statements**
  Various statements in this presentation constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward looking statements will be achieved.

- **Reserves and Values**
  All reserves and valuations are presented for informational purposes and are not guaranteed or warranted by Buccaneer in any way. Anyone interested in a purchase or transaction involving one of the subject properties is encouraged to obtain independent professional verification and base their purchase decisions on their own analysis and their 3rd party input.

- **Competent Persons Statement**
  Information pertaining to Lee County project contained in this report were compiled by Gary Rinehart, BS in Geology from University of Oklahoma and who has had more than 35 years experience in petroleum geology. Mr Rinehart has consented to the inclusion in this report of the technical matters and information herein in the form and context in which it appears.
  Information contained in this report pertaining to the Alaskan projects was reviewed by Dr. Vijay Bangia, PhD in Petroleum Engineering from the University of Tulsa, who has over 30 years experience including employment by Shell Oil Company, Union Texas Petroleum, Burlington Resources and Renaissance Alaska. Dr. Bangia has approved the inclusion in this report of the technical matters and information herein in the form and context in which it appears.

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WHY ALASKA & THE COOK INLET

- Majors out / Independents In
  - Buccaneer (April 10), Apache (June 11), Hilcorp (July 11)
- Underexplored basin (USGS study)
  - Estimated 600 MMBO & 19 TCF gas
- Strong Local Market
  - Projected gas supply shortfalls
  - Plans to import LNG
  - Tesoro Refinery demand for Cook Inlet Crude
- Premium Natural Gas Prices
  - 50-100% premium to Lower 48
  - Negotiated directly with end users
- Attractive Fiscal Terms (ACES)
  - Still ELF
  - 45% - 65% tax rebates
  - Special Jack-Up Rig rebates

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FINANCING

- Attractive Fiscal Terms

- Alaska's Clear and Equitable Share (ACES)
  - November 2007, the Alaska Legislature passed House Bill 2001
  - 45% - 65% tax rebates
  - First rebate received by Buccaneer on December 20, 2011

- Bridge funding agreement completed in December 2011
  - $50 million revolving credit facility with Centaurus Capital, LP
  - Secured by ACES rebates
  - Funds approximately 50% of future capital expenditure requirements

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OPERATING OVERVIEW & CORE FOCUS

Alaska - Onshore	• 66,265 acres (Gross and Net) • Kenai Loop development -- Establish production & Cash flow (January 2012) • West Nikolai Creek and West Eagle prospects onshore gas weighted prospects
Alaska - Offshore	• Leases (16,300 acres – 2 State Units) in Cook Inlet Alaska State waters • Multi-pay horizons; Close to infrastructure; offset to proven oil/gas structures • Southern Cross Unit: Oil Weighted • Northwest Cook Inlet - Gas Weighted
Endeavour Jack-Up Rig	• Strategic asset for Cook Inlet and Chukchi Sea • Available to unlock Alaskan offshore value • Finalized acquisition
U.S. - Lower 48	• GoM shallow-water gas: Pompano, Swordfish & Big Fish Package -- high potential reserves • Lee County, Central TX – onshore oil • Potential near term cash flow

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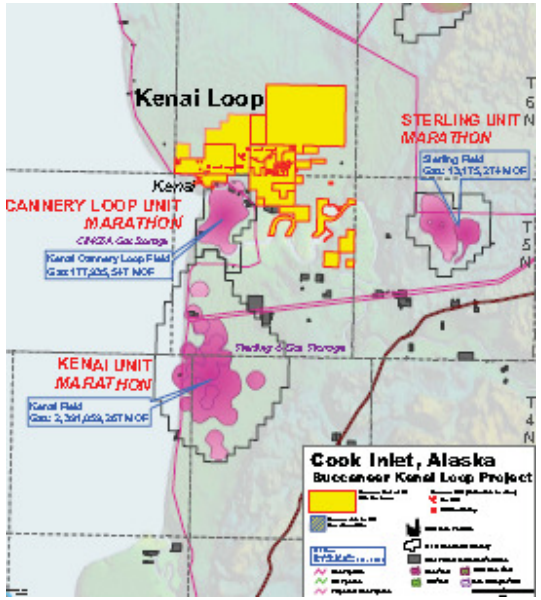
PROVEN SUCCESS: KENAI LOOP / ONSHORE

Highlights: Kenai Loop #1 Well

- Leased, permitted and drilled within 9 months
- 100% working interest / 82.0% Net Royalty Interest (NRI): 9,308 Acres
- Reserves 52 BCF (Ralph E Davis Report)
- Adjacent to Marathon's Cannery Loop Field - 175 BCF Produced
- Pipeline construction began in October; production to begin January 2011



ENSTAR Gas Sales Contract Approved

- Minimum deliverability of 5.0 MMCFD commences April 2012
- Annual net weighted average price of $6.24 / MCF
- Deliverability of up to 15.0 MMCFD and commitment volume up to 31 BCF
- Secondary contract completed to sell natural gas to ConocoPhillips

Development Plan

Two wells drilled	3-D Seismic Program	Commence production	Commence contract gas sales	Drilling additional 4 wells
Completed	Commenced	January 2012	April 2012	Next 12 months

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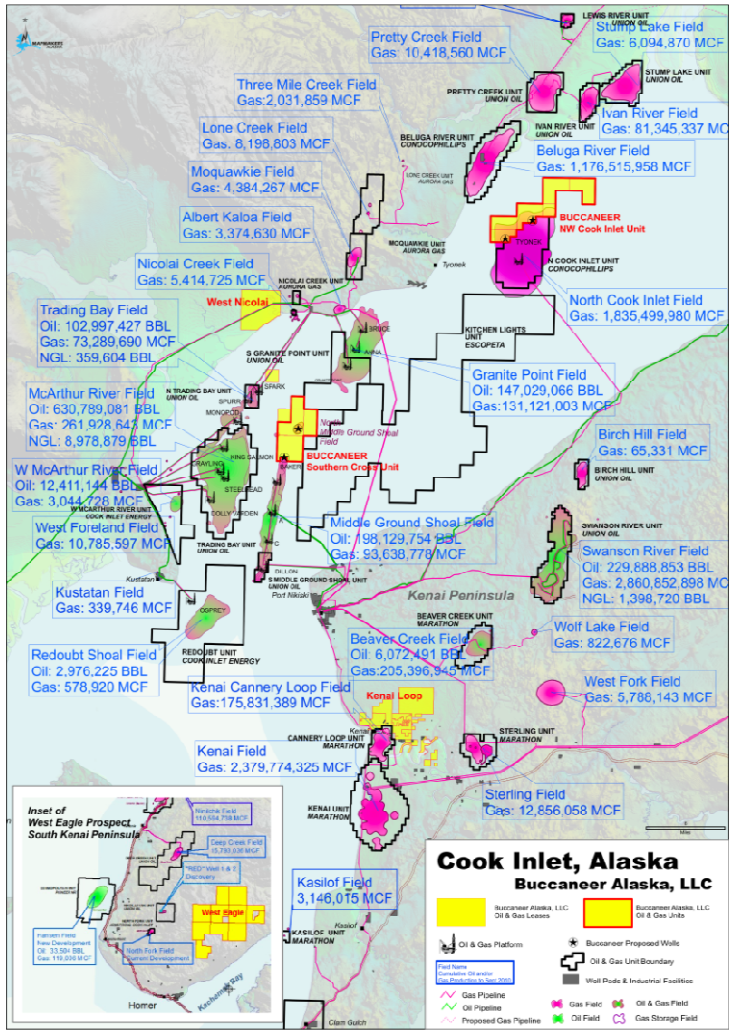
LOCATION MAP and HIGHLIGHTS



- **North West Cook Inlet Unit**
  - Netherland Sewell P50 Resource: 49.4 MMBOE
  - Two wells committed; first in 2012
- **Southern Cross Unit**
  - 3D and Well Control
  - Netherland Sewell 2P 12.7 MMBO;
    P50 Resource: 27.4 MMBOE
  - Two wells committed; first in 2012
- **West Nicolai**
  - Acquire Seismic 2012
  - Well in 2013
  - Close to Infrastructure
- **West Eagle**
  - Largest acreage position ~ 50,000 acres
  - Currently Reprocessing 2-D Seismic
  - Well planned for 2012

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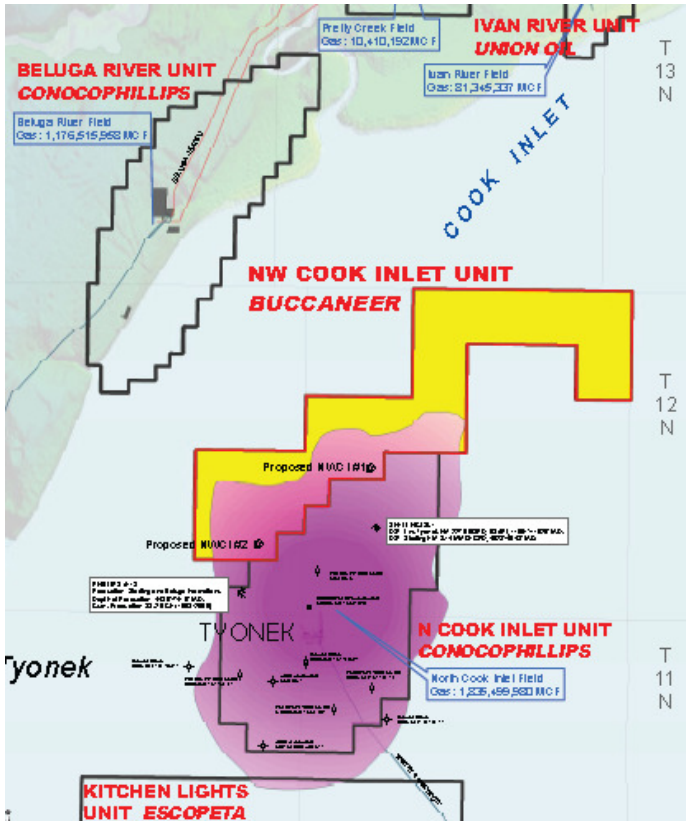
NORTH WEST COOK INLET



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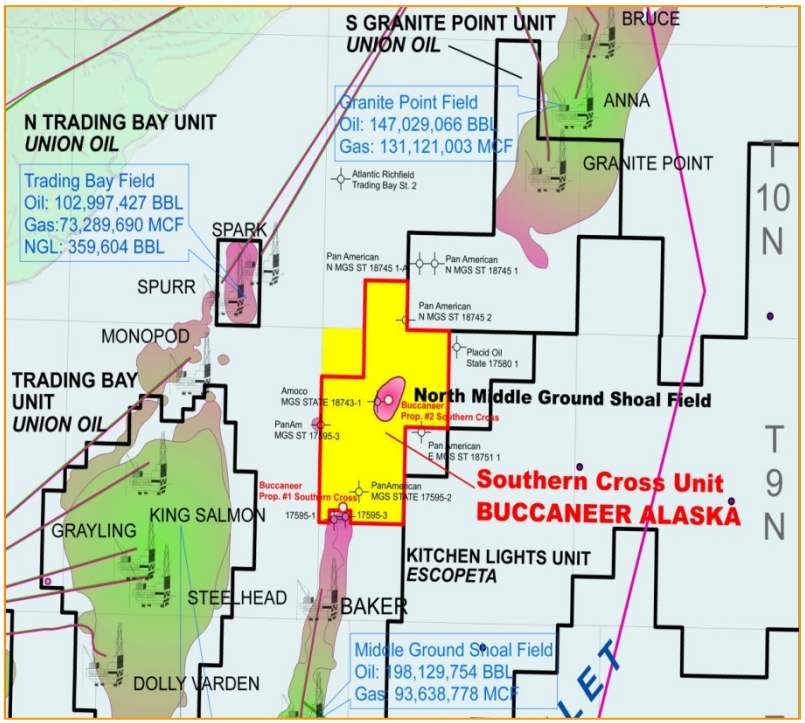
SOUTHERN CROSS



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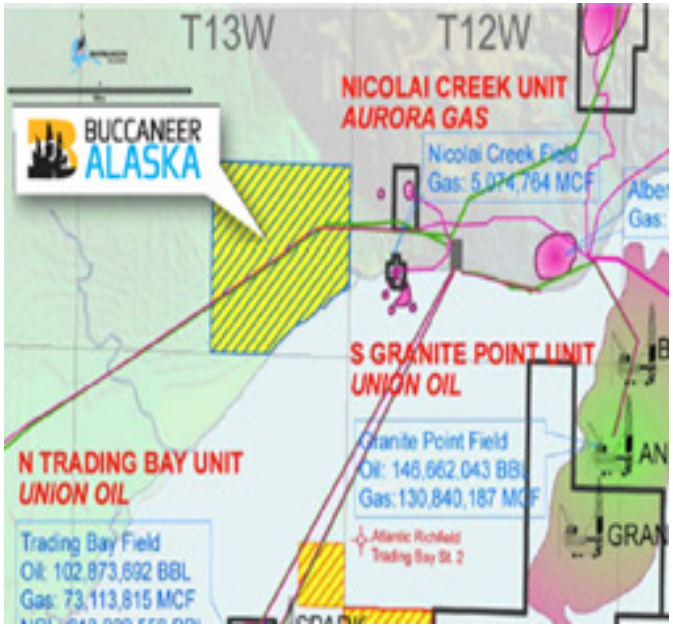

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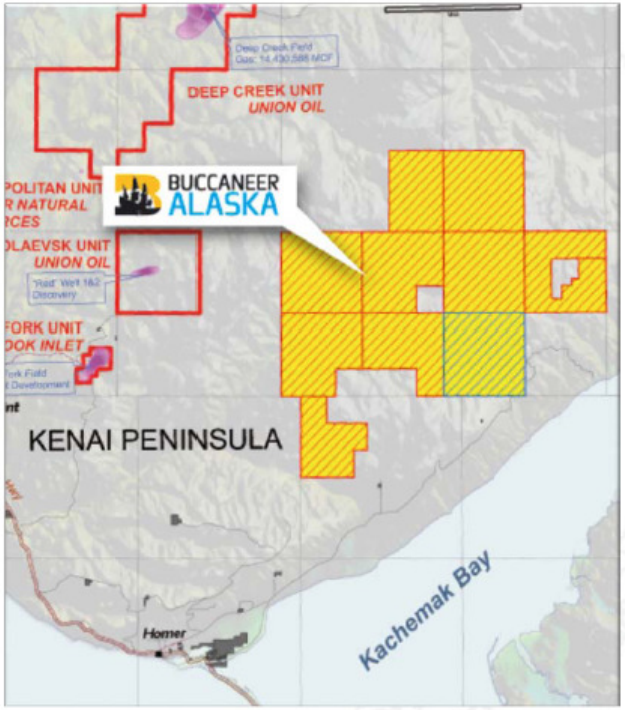

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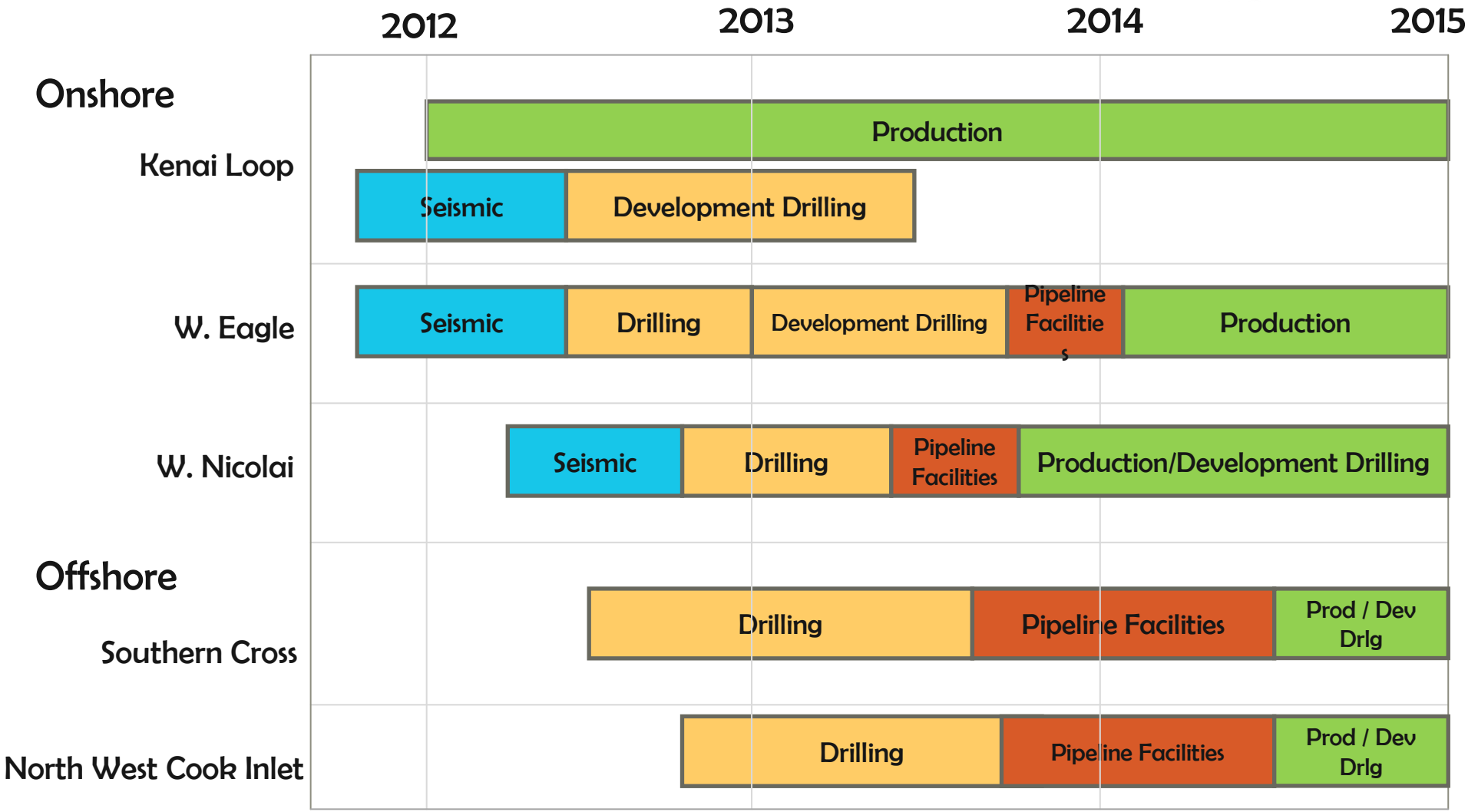
DEVELOPMENT SCHEDULE



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EXTRACTING THE VALUE: JACK – UP RIG ACQUISITION

Kenai Offshore Ventures (KOV) Ownership & Partners

- 50/50 JV with Ezion Holdings (Singapore listed)
- AIDEA is a partner owning 100% Preferred Equity
- Acquisition Completed
- Rig mobilized to Singapore for modifications

Kenai Drilling, LLC

- Daily Operations of the Rig
- Drilling Contractor Chosen – Archer Drilling
  - Operates over 100 rigs globally
  - Extensive experience operating in harsh environments and engineering capabilities
  - Very familiar with the LeTourneau 116 Class jack-up rig
  - Excellent safety record

Endeavour
The Spirit of Independence

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MARKET OUTLOOK

- Increased drilling in the Cook Inlet will increase:
  - Gas reserves
  - Gas production in the near term
- Increasing the gas market in Alaska will fuel enthusiasm for continued drilling.
- Impact
  - Bullet Line
  - LNG Plant Closing
- Cook Inlet LNG Growth
  - Fairbanks Initiative
  - Coastal & Transportation Market
  - Export/Import

CONTACT DETAILS

Thank you

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