



SAMSON OIL & GAS OPERATIONAL ADVISORY

Denver 1700 hours January 17th, 2011, Perth 0700 hours January 18th, 2011

Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) advises on the following field operations:

ROOSEVELT PROJECT

Gretel II 12KA 3, Roosevelt County, MT (SSN 100%, subject to a 33.34% back-in option)

The required repair to the top drive unit was completed and DHS Rig 1 on the Gretel II well site has commenced drilling operations from the 9 5/8 inch casing shoe, which had previously been set at 1,701 feet. Current operations are drilling ahead at a depth of 7,100 feet. The forward plan is to change out the bottom hole assembly to include MWD tools at a depth of 7,500 feet to enable the core point to be accurately selected at around 8755'.

The Gretel II 12 KA 3 well is Samson's second Bakken well in the Roosevelt Project.

HAWK SPRINGS PROJECT

Defender US33 #2-29H, Goshen County, WY (SSN 37.5% carried working interest)

The Defender US33 #2-29H workover rig arrived on location on Friday, January 13th and the existing pump was removed over the weekend. Due to adverse weather conditions, the operation has proceeded slower than expected and the replacement pump is due to be in operation today.

The Defender US33 #2-29H is the first Niobrara appraisal well in Samson's Hawk Springs project and is being fully carried by Samson's farmin partner.

NORTH STOCKYARD FIELD

Everett #1-15H, Williams County, ND (SSN 26% working interest)

The drill out of frac plugs has been completed, following the completion of the stimulation job that placed 1.6 million pounds of proppant in 20 stages.

The well flowed during drill out operations and during the operation to land the production tubing. The flow rate (measured hourly) varied from 528 BOPD (extrapolated) to 2,112 BOPD (extrapolated). These flows have been established from the annulus only. The forward operation is to hydraulically burst the safety disc inside the tubing which will allow the well to be put into production. This operation is expected to be completed during today. Cumulative production to date is 3,800 barrels of oil.

The Everett #1-15H well is Samson's sixth Bakken well in the North Stockyard Field.



Samson's Ordinary Shares are traded on the Australian Securities Exchange under the symbol "SSN". Samson's American Depository Shares (ADSs) are traded on the New York Stock Exchange AMEX under the symbol "SSN". Each ADS represents 20 fully paid Ordinary Shares of Samson. Samson has a total of 1,996 million ordinary shares issued and outstanding (including 246 million options exercisable at AUD 1.5 cents), which would be the equivalent of 99.8 million ADSs. Accordingly, based on the NYSE AMEX closing price of US\$2.27 per ADS on January 12, 2012 the Company has a current market capitalization of approximately US\$225 million. Correspondingly, based on the ASX closing price of A\$0.105 on January 12, 2012, the Company has a current market capitalization of A\$206 million. The options have been valued at their closing price of A\$0.094 on January 12, 2012 and translated to US\$ at the current exchange of 1.0377 for purposes of inclusion in the US\$ market capitalization calculation.

For and on behalf of the board of
SAMSON OIL & GAS LIMITED

For further information please contact, Terry Barr, CEO on
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TERRY BARR
Managing Director

Statements made in this release that are not historical facts may be forward looking statements, including but not limited to statements using words like "may", "believe", "expect", "anticipate", "should" or "will."

Actual results may differ materially from those projected in any forward-looking statement. There are a number of important factors that could cause actual results to differ materially from those anticipated or estimated by any forward looking information, including uncertainties inherent in estimating the methods, timing and results of exploration activities.

A description of the risks and uncertainties that are generally attendant to Samson and its industry, as well as other factors that could affect Samson's financial results, are included in the Company's report to the U.S. Securities and Exchange Commission on Form 10-K, which is available at www.sec.gov/edgar/searchedgar/webusers.htm.