



SAMSON OIL & GAS OPERATIONAL ADVISORY

Denver 1700 hours Sept 17th, 2012, Perth 0700 hours, Sept 18th, 2012

Samson Oil & Gas Limited (ASX: SSN; NYSE MKT: SSN) provides an operational advisory.

Samson's Board of Directors is currently in the process of finalizing a 2012/13 budget that, as presently contemplated, will encompass the following projects:

Fort Peck Indian Reservation, Roosevelt County, Montana

Based on discussions with a neighboring operator, Samson expects to participate in two or three horizontal wells with long laterals in the Middle Bakken in the Roosevelt Project by the end of the second calendar quarter 2013. This program is based on positive results seen from the adjacent Abercrombie #1-10H well and the geologic mapping accomplished using the Gretel II and Australia II well results. The three wells that are currently expected to be drilled are the Prairie Falcon well (T27/28N-R53E), which will be changed to a north-south orientation to fit the regional well pattern (SSN = 48% WI, Fort Peck Energy Company ("FPEC") = 24% WI, OTHERS = 28% WI), a 1280-acre spaced well in T27N-R53E Sections 1 & 12 (SSN = ~9.7% WI, FPEC = ~4.9% WI, OTHERS = ~85.4% WI), and a 1280-acre spaced well in T27N-R54E Sections 6 & 7 (SSN = ~2.2% WI, FPEC = ~1.1% WI, OTHERS = ~96.7% WI). Participation in these wells is subject to election and title verification.

A workover operation on the Gretel II well is expected to occur later this year by which an effort will be made to enhance oil production from the Middle Bakken by curtailing the water production from the three faults intersected at the toe end of the lateral portion of the well.

South Prairie 3-D Project, North Dakota (SSN 25% WI)

The seismic permitting process for the South Prairie 3-D survey, with the Mississippian Madison as the primary exploration objective, is in the final stages and acquisition operations are expected to commence by the end of October. The first 3-D data processing volumes would be expected to arrive in January of 2013 and the first well could be drilled as early as the end of that first calendar quarter. Ongoing leasing efforts are expected to increase the partnership's current land position of 23,714 net acres, of which Samson has 25% or 5,928 acres.

North Stockyard Field, Williams County, North Dakota (SSN 30% avg. WI)

The operator of the North Stockyard Field has permitted two Bakken infill wells, the NSI 14-15H, which will be drilled to the northwest from a surface location in section 14 (between the Everett 1-15H and the Rodney 1-14H wells), and the NSI 23-24H, which will be drilled to the southeast from the same surface location (between the Gary 1-24H and the Leonard 1-23H wells). Both of these wells are currently expected to be drilled in the second quarter of calendar 2013.

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HAWK SPRINGS PROJECT, GOSHEN COUNTY, WYOMING

Spirit of America US34 #2-29, (SSN 100% WI)

Flow-back operations from the Stage 3 frac in the Permian aged Cassa Formation continued over the weekend on the SOA #2 well. A coil tubing unit was utilized to clean the well bore of frac sand and precipitating salt. This resulted in the recovery of 461 barrels of frac fluid out of the 1661 barrels that was pumped into Stage 3 before the well stopped flowing on its own. A swabbing unit will now be required to recover the remaining load as well as any formation fluids. The previously bypassed Stage 2 zone is currently being evaluated for fracking.

Bluff Federal Prospect (SSN WI to be determined)

A better understanding of the Permian section has been achieved from the well data obtained in the Spirit of America US34 #2-29 well. From that data, several of the upper Permian zones calculate to be hydrocarbon bearing whereas the deepest zone, the 9500' sand, calculates to contain formation water or is "wet".. The SOA #2 prospect depended on the 9500' sand to be a stratigraphic trap (i.e. a sand pinch-out).. The fact that this zone calculates to be wet most likely means the sand does not pinch-out or trap at this particular prospect as the seismic data would seem to indicate but instead persists over a much larger area, requiring a structural closure to trap hydrocarbons in the reservoir. This 9500' sand can be mapped as a four-way dip structural closure just a few miles away and more than 2,000' shallower at the Bluff Federal prospect. The excellent reservoir properties seen at this level in the SOA #2 well has allowed us to high-grade the Bluff Federal prospect, which is currently being prepared to be drilled next year.

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 MKT 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 231 million options exercisable at AUD 1.5 cents), which would be the equivalent of 88.25 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$1.10 per ADS on September 17th, 2012 the Company has a current market capitalization of approximately US\$107 million. Correspondingly, based on the ASX closing price of A\$0.054 on September 17th, 2012, the Company has a current market capitalization of A\$105 million. The options have been valued at their closing price of A\$0.039 on September 17th, 2012 and translated to US\$ at the current exchange of 1.0534 for purposes of inclusion in the US\$ market capitalization calculation.

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

TERRY BARR
Managing Director

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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”, “calculate”, “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, including workovers. Estimates of contingent recoverable volumes of oil or gas from planned but undrilled exploration projects are inherently uncertain and dependent on various contingencies that are outside the control of Samson.

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.