



## **SAMSON OIL & GAS OPERATIONAL ADVISORY**

### **FARMOUT OF 25% OF UNDEVELOPED ACREAGE IN THE NORTH STOCKYARD AND UPDATE ON ROOSEVELT SALE**

*Denver 1700 hours August 15th, 2013, Perth 0700 hours August 16th 2013*

#### **NORTH STOCKYARD PROJECT, WILLIAMS COUNTY, NORTH DAKOTA**

As part of Samson's broader financing plan to ensure its participation in the full development of the North Stockyard project, Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) has today agreed to divest half of its equity position in the undeveloped acreage in the North Stockyard project to Slawson Exploration Company, Inc. (SECI) and a third party for \$5.562 million in cash and other consideration.

Samson has retained its full interest in currently producing wells in the field. As a consequence of the transaction Samson and Frontier have terminated the Rig 24 contract (with no penalty payment) and Slawson has contracted the rig for the ongoing development of the North Stockyard project.

The sale agreement calls for Samson to receive cash consideration of up to \$5.562 million. Along with the undeveloped acreage, Samson will transfer a 25% interest in the drilled but not yet completed Billabong and Sail and Anchor wells. The cash portion of the purchase price is subject to the delivery of a useable wellbore in Billabong, valued by the agreement at \$891,000, and other customary post-closing adjustments.

As a result of this transaction, Slawson will become the operator of the project going forward. Accordingly, Slawson is mobilizing the Frontier 24 rig to the Tofte 2 pad, for the drilling of two middle Bakken wells.

Slawson has indicated that it intends to pursue the 160 acre infill development of both the middle Bakken and first bench of the Three Forks. Slawson is an experienced Bakken operator that is already employing the Frontier 16 drilling rig, a sister rig to the Frontier 24, on a project south of the Missouri River.

The sale, together with Samson's other planned financing initiatives, should allow Samson to participate fully in the development of the balance of the Bakken and Three Forks wells that are planned for its North Stockyard acreage. This development is currently expected to include a total of 6 middle Bakken wells and 7 wells in the first bench of the Three Forks.



Slawson Exploration Company, Inc. (SECI) is a privately held oil and gas exploration company founded by Donald C. Slawson in 1957. Since its inception, SECI has drilled over 3500 wells in 10 states employing advanced techniques like 2D Seis/Strat in the early 80's, Horizontal drilling in the late 80's, large scale 3D AVO in California gas basins in the 90's and record-holding staged fracs for hydrocarbon harvesting in the oil resource plays throughout the Rockies. SECI has now drilled hundreds of laterals in 14 different formations in 7 basins. Regional exploration offices are located in Denver (Northern Rockies / California), Oklahoma City (Anadarko), Houston (Gulf Coast / South Texas) and Wichita (W Kansas). As an aggressive exploration firm, SECI focuses on risk-reduction technological advantages in time-tested, prolific geologic provinces.

### **Coopers 2-15-14HBK and Tooheys 2-15-14HBK wells (SSN WI 27.76%)**

Frontier 24 is being moved to the Tofte 2 pad and is being rigged up over the Coopers well; the forward plan is to batch drill the Coopers and Tooheys middle Bakken wells. The spud of Coopers is expected to occur on Tuesday, August 20. The well will be drilled to a depth of around 2,200 feet where surface casing will be set and then the process will be repeated for Tooheys.

Both wells will be drilled as a 6,300 ft. laterals in the middle Bakken Formation.

### **Sail and Anchor 1-13-14HBK well (SSN WI 25.03%)**

Facilities construction for the Tofte 1 pad is expected to commence early next week following the departure of the Rig 24. The fracture stimulation of the Sail and Anchor well is then planned to commence August 30, with first sales expected around September 7.

### **Billabong 2-13-14HBK well (SSN WI 24.86%)**

Fishing operations to retrieve the drill pipe have been temporarily halted as the Frontier 24 rig is being moved to the Tofte 2 pad. The work over of Billabong to attempt to recover the remaining drill pipe will be undertaken by a more cost effective work over rig. While it is possible that the drill pipe will not be recovered and the wellbore therefore incapable of production, Samson believes based on expert advice, that it can remove the entire stuck drill pipe to make the well suitable for fracture stimulation and production. The work over operation on Billabong will commence following the fracture stimulation and flow back of the Sail and Anchor well.



## **ROOSEVELT SALE**

As previously advised, the intended buyer of Samson's Roosevelt acreage failed to close on the transaction by July 31, 2013, and Samson terminated the arrangement. The buyer has today advised Samson that the necessary funds have been allocated to the transaction and has proposed closing the transaction on the same terms as were originally proposed on or before August 31, 2013. The buyer has provided a letter from a third party's bank confirming the availability of the funds and their allocation to the buyer. Based on the foregoing, Samson has informed the buyer that, if the funds are tendered by August 31, it will proceed with the sale transaction as originally contemplated and will raise \$13.533 million.

## **RAINBOW PROJECT, WILLIAMS COUNTY, NORTH DAKOTA**

Preparations have commenced to permit the first two wells in the project. These preparations include reaching a preliminary agreement with a surface owner for two pads which would host the first 8 wells. Physical staking of these surface locations is expected this week. Permits for two of these wells will be sought under the default spacing order and Samson's application for an increased drilling density has been placed on the North Dakota Industrial Commission's agenda for August. Because this spacing application appears to be in line with current industry standards, Samson expects that it will receive spacing approval for 14 for the two units, 8 middle Bakken and 6 in the first bench of the Three Forks.

Samson would expect to begin this project development with a well in each of the middle Bakken and Three Forks. The timing of this drilling will depend on negotiating a two well slot for an available drilling rig.

## **CORPORATE BRIEFING**

Samson is undertaking several corporate briefings and the presentation being used for that purpose has been posted on the Samson website:

[www.samsonoilandgas.com](http://www.samsonoilandgas.com)



### **About Samson Oil & Gas Limited**

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 2,326 million ordinary shares issued and outstanding (including 97,307,525 million options exercisable at AUD 3.8 cents), which would be the equivalent of 116 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$0.51 per ADS on August 15th, 2013 the Company has a current market capitalization of approximately US\$60.23 million (the options have been valued at an exchange rate of 0.9166). Correspondingly, based on the ASX closing price of A\$0.031 for ordinary shares and a closing price of A\$0.012 for the 2017 options, on August 15th, 2013, the Company has a current market capitalization of approximately A\$73.27 million.

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

A handwritten signature in black ink that reads "Terry Barr".

For further information please contact, Terry Barr, CEO on  
303 296 3994 (US office) or 970 389 5047 (US cell)

**TERRY BARR**  
Managing Director

Statements made in this press 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 prospectus and prospectus supplement for its recent Rights Offering as well as the Company's report to the U.S. Securities and Exchange Commission on Form 10-K, which are available at [www.sec.gov/edgar/searchedgar/webusers.htm](http://www.sec.gov/edgar/searchedgar/webusers.htm).