



SAMSON
OIL & GAS LIMITED

14 January 2011

Mr Wade Baggott
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Wade

PRICE AND VOLUME QUERY

We refer to your letter dated 14 January 2011 in which you have requested a response to the following questions with regards to the increased price and volume of trading in the securities of Samson Oil & Gas Limited

We advise :

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

The Company is not aware of any information concerning it that has not been released.

2. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

On 6 January 2011 the Company announced an operations update and also provided advice concerning recent increases in trading volumes and prices of the Company's ordinary shares which are traded on the Australian Stock Exchange, and its American Depositary Shares, representing twenty ordinary shares, which trade in the U.S on NYSE Amex. The Company advised of the release in the United States of a research report completed by Enercom Incorporated on the Company's prospects. The report was posted to the Company's website.

The Enercom Incorporated Report appears to have been favourably received in the U.S markets, with the report estimating Samson's net asset value per share to be significantly greater than current market prices of its shares.

The report also discusses the considerable activity being undertaken by Samson's competitors in the Denver-Julesburg Basin with respect to the development of the Niobrara Formation, including credible initial production rates, and comments on the prospects for this play becoming an important oil producing unit.

The Directors of Samson believe the Enercom Incorporated report may be responsible for increased investor awareness of the Company's activities and may have resulted in increased trading volumes and prices of Samson's American Depositary shares and ordinary shares.

www.samsonoilandgas.com.au

Samson Oil & Gas USA

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Samson Oil & Gas Limited

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ABN 25 009 069 005 ASX Code SSN



3. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

We confirm that the Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Yours faithfully

For and on Behalf of the Board of
SAMSON OIL & GAS LIMITED

DENIS RAKICH
Company Secretary



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14 January 2011

Denis Rakich
Company Secretary
Samson Oil and Gas Limited
Level 36 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email

Dear Denis

Samson Oil and Gas Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on Wednesday 12 January 2011 of \$0.074 to an intra-day high at the time of writing today of \$0.099. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 10:00am WST today.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Wade Baggott

Senior Adviser, Listings (Perth)