



SAMSON OIL & GAS ADVISORY

Denver 1700 hours December 30th, 2012, Perth 0700 hours, December 31st, 2012

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

North Stockyard Oilfield, Williston Basin, North Dakota

Samson has owned an equity position in the North Stockyard Oilfield for several years and has participated in the drilling of six Bakken Formation wells along with a Mission Canyon Formation well. The six Section area, (three Sections are designated as the Northern Tier, and three Sections the Southern Tier) has been developed with a 640 acre spacing utilizing 5,000 foot laterals. Standard industry practice has evolved and the norm is to develop the Middle Bakken and the First bench of the Three Forks Formation at 160 acre spacing. Samson has been keen to develop the North Stockyard field to this drilling density; however, several of the other working interest owners in the field, including the Operator, do not wish to accelerate the development of this field at the optimal acreage spacing.

As a consequence, Samson and the Operator group have negotiated an acreage swap for the Middle Bakken/First Bench of the Three Forks (MB/TF), whereby Samson will acquire these parties' undeveloped acres in the Northern Tier and will divest undeveloped acres in the Southern Tier. After the swap, Samson will own 64% and 57%, respectively, in the two overlapping 1,280 acre spacing units located in the Northern Tier. Samson will become Operator for the entire Northern Tier. Samson will retain its existing equity in the seven producing wells and the deeper benches of the Three Forks in both the Northern Tier and the Southern Tier. The formal agreement documenting the swap has been completed and was executed by Samson and the Operator today.

Samson has appeared in front of the North Dakota Industrial Commission (NDIC) and requested a 160 acre spacing order in the Northern Tier. Samson expects that this request, which was unopposed, will be approved and that the NDIC will consent to the drilling permits that have already been lodged. This administrative step will then allow Samson to drill an additional 14 wells in the Northern Tier to develop the MB/TF to a 160 acre spacing.

Proved Developed Producing Reserves (PDP)

The PDP reserve of the North Stockyard Oilfield have been assessed by Ryder Scott as at June 30 2012, at a gross EUR of 1.8 MMSTB valued at \$7.5 million net to Samson using the NYMEX forward curve as at June 30th. Representing \$86 per barrel for the second half of 2012, \$88 for 2013, \$87 for 2014, and 2015, \$86 for 2016, and thereafter.

Probable Reserves

Samson has completed an internal estimate that suggests the MB/TF in the Northern Tier will recover a gross EUR of 7.1 MMSTB (net 3.4 MMSTB) valued at \$42.4 million net to Samson.

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Given the administrative status of these wells, these reserves are currently classed as Probable. At such time as the NDIC approves the requested spacing order the designation of these reserves is expected to move from Probable to Proved Undeveloped.

Samson has also completed an estimate of the Probable Reserves of the deeper Three Fork Benches (TF) and has estimated that these Probable Reserves, at a gross EUR of 24.5 MMSTB (net 6.1 MMSTB), valued at a \$49.8 million net to Samson.

These estimates are set out in the following table:

	Gross EUR MMSTB	Net EUR MMSTB	Net NPV [#]
MB/TF Northern Tier	7.1	3.4	\$42.4
TF Both Tiers	24.5	6.1	\$49.8
Total	31.6	9.5	\$92.2

NPV is calculated at a 10% discount rate, using \$80 per barrel for Bakken crude.

Development Plan

Samson is planning to mobilize the Frontier Rig 24 to the North Stockyard Field early in 2013 to drill an initial 6 development wells. These wells will be drilled from two pads utilizing the skiddable platform available on Frontier 24. As previously advised, Samson contracted for the use of this new build rig for an 18 month period at a contract cost of \$14.2 million, although the drilling rig contract, as amended, caps the liability for cancellation during the term at \$5 million. The development wells are designed as 5,000 horizontals in either the Middle Bakken or the First Bench of the Three Forks. The wells will be “batched” drilled which are expected to result in considerable cost savings.



Samson has the majority equity in a recently completed Salt Water Disposal well in the Northern Tier, as well as a water disposal pipeline system, that will be utilized to dispose of the water produced from the development wells in an economic manner. Existing gas gathering infrastructure is also already in place. Samson therefore expects that a relatively high net return will be extracted from the development of the Northern Tier. Samson's ability to complete the development plan is contingent on its completion of a planned debt financing or another capital raising program.

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

Acquisition of the South Prairie 3-D seismic survey has been completed as planned and the initial processed seismic data was received on schedule in early December. That seismic data is currently in the process of being mapped and evaluated.

Samson has a 25% working interest in 23,879 net acres within the South Prairie 3-D survey. Potential reservoirs include the Mississippian Mission Canyon Formation and the Devonian Nisku Formation. After the 3-D data has been evaluated, the first well is planned for the 1st quarter of 2013.

As previously disclosed, the leads identified on the existing 2-D seismic data appear to be similar to the oil field immediately adjacent to the north of the project area. Wells in this other field have demonstrated recoveries of between 260,000 and 450,000 barrels of oil for wells drilled at the crest of the structure. Additional Mission Canyon fields along trend have demonstrated that some wells can recover as much as 900,000 barrels of oil per well when located on the crest of the structure. The 3-D seismic is expected to deliver excellent structural control, such that the wells can similarly be located at the crest of any structures. Given that the wells are presently expected to be drilled for approximately \$1.1 million, Samson believes that the return on its investment will be attractive.



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 prior to December 31 2012, at AUD 1.5 cents). As at December 28th, total issued ordinary shares was 1,908 million (equivalent to 95.4 million ADSs) and 88 million outstanding 1.5 cent options. Accordingly, based on the NYSE MKT closing price of US\$0.645 per ADS on December 28th, 2012 the Company has a current market capitalization of approximately US\$62 million. (Excluding the value of the outstanding options) Correspondingly, based on the ASX closing price of A\$0.031 on December 28th, 2012, the Company has a current market capitalization of A\$59 million (Excluding the value of the outstanding options).

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", "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 exploratory wells, development wells and 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.

The reserves quoted in this release were estimated based on the definitions and disclosures guidelines contained in the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resources Management Systems.



The PDP Reserves estimated by Ryder Scott were the responsibility of Richard J. Marshall a Colorado Registered Professional Engineer.

The Probable Reserves estimated by Samson Oil and Gas Limited were the responsibility of Terence M. Barr their CEO, a Petroleum Geologist with 37 years of industry experience.

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