



QUARTERLY REPORT for the period ended 31 December 2013

HIGHLIGHTS

- During the quarter 4 new North Stockyard infill wells (Coopers, Tooheys, Little Creature and Blackdog) were successfully drilled;
- The Coopers, Tooheys and Little Creature wells have been fracture stimulated;
- Early flowback rate of 1,000 BOPD established for Tooheys;
- Entered into an agreement with Momentus Energy Corp, for 50% of Samson's interest in the Roosevelt Project for an earning program consisting of 3-D seismic and the drilling of one Bakken well, valued at approximately \$10 million; and
- Subsequent to the end of the quarter, a reserve based debt facility was established to augment funding requirements.

FINANCIAL

- Cash receipts for the quarter of US\$1.1 million - down for the quarter due to planned shut-in periods while completing the offset wells.
- A closing cash balance for the quarter of US\$6.625 million.

OPERATIONAL

- In The North Stockyard project, located in Williams County, North Dakota, the Coopers 2-15-14HBK, Tooheys 4-15-14HBK, Little Creature 3-15-14HBK, and Blackdog 3-13-14H wells were all successfully drilled during the quarter. The Coopers, Tooheys, and Little Creature wells have all been fracture stimulated while frac operations on the Blackdog well are expected to commence during the first week of February.
- In the same project, two wells, the E. Rennerfeldt 1-13-HBK and 2-13-HBK, have been started and are being batched drilled
- Flowback operations commenced on the Little Creature and Tooheys wells with an early flowback rate of 1,000 BOPD established for Tooheys.
- In Goshen County, Wyoming, the Bluff #1-11 has been drilled to a depth of 1037 feet with an air-drill rig and surface casing has been set.
- In Ward County, North Dakota, leasing is being finalized on the Pubco Prospect and the well is being permitted in preparation to drill the well in Q2 this year.

LAND

- Samson's current land position in the Hawk Springs Project, Wyoming stands at approximately 21,000 net acres.
- Samson's current land position in the Roosevelt Project, Montana, is 30,000 net acres. During the quarter Samson entered into a farmin transaction with Momentus Energy for 50% of the acreage in return for a 3D seismic grid and a horizontal Bakken well (valued at approximately \$10 million).

- Samson has 531 net acres in both the Bakken and Three Forks pools within North Stockyard Oil-field, Williams County, North Dakota.
- Samson has 950 net acres in the Bakken pool within its new Rainbow Project in Williams County, North Dakota.
- Samson's current land position in the Green River Basin, Wyoming is in two areas, Rock Springs West Project, consists of 3,187 net acres (100% working interest) in Greens Canyon and 6,400 acres (25% working interest) in Flaming Gorge.
- Samson has 6,415 net acres in the South Prairie Project, North Dakota.
- Samson's current land position in Lea County, New Mexico, consists of 130 net acres.

DRILLING PROGRAMME 2014

North Stockyard Oilfield, Williams County, North Dakota Mississippian/Devonian Bakken & Three Forks Formations, Williston Basin

Bakken infill wells

Samson ~25% Working Interest

The E. Rennerfeldt 1-13-HBK and 2-13-HBK wells are currently being batch drilled. Following completion of the Rennerfeldt wells, the rig will drill the last two Middle Bakken Formation wells left to be drilled in Section 15, the Matilda Bay 1-15-HBK and 2-15-HBK wells. Following the completion of the Matilda Bay wells, the rig will begin drilling the Three Forks Formation program. Eight Three Forks Formation wells are planned and will be drilled as 8,000 foot laterals oriented west-east. The Bootleg 4-14-15TFH, Bootleg 5-14-15TFH, Ironbank 5-14-13TFH, and Ironbank 5-14-13TFH wells will be drilled from a centrally located pad. The Bootleg 6-14-15TFH, Bootleg 7-14-15TFH, Ironbank 6-14-13TFH, and Ironbank 7-14-13TFH wells will be drilled from a separate centrally located pad.

Rainbow Field, Williams County, North Dakota Mississippian Bakken Formation, Williston Basin

Samson 23 and 52%% Working Interest

Drilling permits for the Rainbow 10-19-18HBK well and the Rainbow 5-20-17HBK were approved. One of the partners (Continental Resources or CLR) has opposed the Rainbow 5-20-17HBK permit on the basis that they have a larger equity than Samson in this well (SSN 23% and CLR 36%). Samson has determined to transfer that drilling permit to CLR and expects that CLR will drill this well in the second quarter of 2014.

Hawk Springs Project, Goshen County, Wyoming Wildcat (Exploratory) Permo-Penn Hartville Formation, Northern D-J Basin

Bluff #1-11 well

Samson 41.67% BPO Working Interest in the 1st Bluff Prospect well

The Bluff #1-11 has been drilled to a depth of 1,037 feet with an air-drill rig and surface casing has been set. A larger top-drive rig will drill the remainder of the well when it becomes available to Samson. The well will test a four-way dip structural closure in the Permian and Pennsylvanian age rocks to a depth of approximately 8,550 feet. The well is located three miles to the northwest of the Spirit of America US34 #2-29 well (SOA #2) and is more than 2,000' shallower in depth. The excellent reservoir properties and oil shows seen in the SOA #2 well has allowed Samson to validate the 3-D seismic data and consequently high-grade the Bluff prospect.

South Prairie Project, North Dakota Mississippian Mission Canyon Formation, Williston Basin

Pubco Prospect

Samson 25% Working Interest

The operator of the South Prairie Project is currently obtaining the last few leases over the Pubco prospect. Once the entire prospect has been leased, then the well will be permitted. It is anticipated the Pubco prospect will be drilled before the end of Q2 2014.

PROJECTS

North Stockyard Oilfield, Williams County, North Dakota Mississippian Bakken Formation, Williston Basin

PRODUCING WELLS

Samson has eight producing wells in the North Stockyard Oilfield. These wells are located in Williams County, North Dakota, in Township 154N Range 99W. All of the wells experienced downtime during the quarter due mostly to the closure of wells to mitigate detrimental interference effects from off-set well completions. It is industry standard practice to remove the down hole pump and place a temporary plug in the vertical well bore to ensure that any pressure surge experienced from the neighboring fracture stimulation does not transport sand into the well bore, that would require a subsequent work over operation to remove.

The Harstad #1-15H well (34.5% working interest) was down for 38 days during the quarter and averaged 325 BOPD from the Mississippian Bluell Formation. The well has cumulative gross oil production of 113 MSTB.

The Leonard #1-23H well (10% working interest, 37.5% after non-consent penalty) was down for 3.3 days during the quarter. The well averaged 31 BOPD and 34 Mscf/D during the quarter. To date, the Leonard #1-23H well has produced approximately 113 MSTB and 118 MMscf.

The Gene #1-22H well (30.6% working interest) was down for approximately 12 days during the quarter. The well produced at an average daily rate of 85 BOPD and 204 Mscf/D during the quarter. The cumulative production to date is approximately 161 MSTB and 187 MMscf.

The Gary #1-24H (37% working interest) well was down for 50 days during the quarter mostly due to planned shutin periods while completing the offset wells. The well averaged 70 BOPD and 88 Mscf/D during the quarter. The cumulative production to date is approximately 159 MSTB and 253 MMscf.

The Rodney #1-14H (27% working interest) well was down for 71 days during the quarter due to planned shutin periods while completing the offset wells. The well produced at an average daily rate of 10 BOPD and 9 Mscf/D during the quarter. The cumulative production to date is approximately 119 MSTB and 169 MMscf.

The Earl #1-13H (32% working interest) well was down for 44 days during the quarter due to planned shutin periods while completing the offset wells. The well produced at an average daily rate of 107 BOPD and 138 Mscf/D. Cumulative production to date is approximately 196 MSTB and 282 MMscf.

The Everett #1-15H (26% working interest) well was down for 50 days during the quarter due to planned shutin periods while completing the offset wells. The Everett well produced at an average daily rate of 46 BOPD and 55 Mscf/D during the quarter. Cumulative production to date is approximately 102 MSTB and 137 MMscf.

The Sail & Anchor 4-13-14HBK well was shutin most of the quarter due to simultaneous drilling operations. The well did produce 10,579 BO over the 26 days it did produce for an average daily rate of 407 BOPD.

Rainbow Project, Williams County, North Dakota Mississippian Bakken Formation, Williston Basin

Samson acquired this area in two tranches, a net 950 acres in two 1,280 acre drilling units located in the Rainbow Project, Williams County, North Dakota. The Rainbow Project is located in Sections 17, 18, 19 and 20 in T158N R99W.

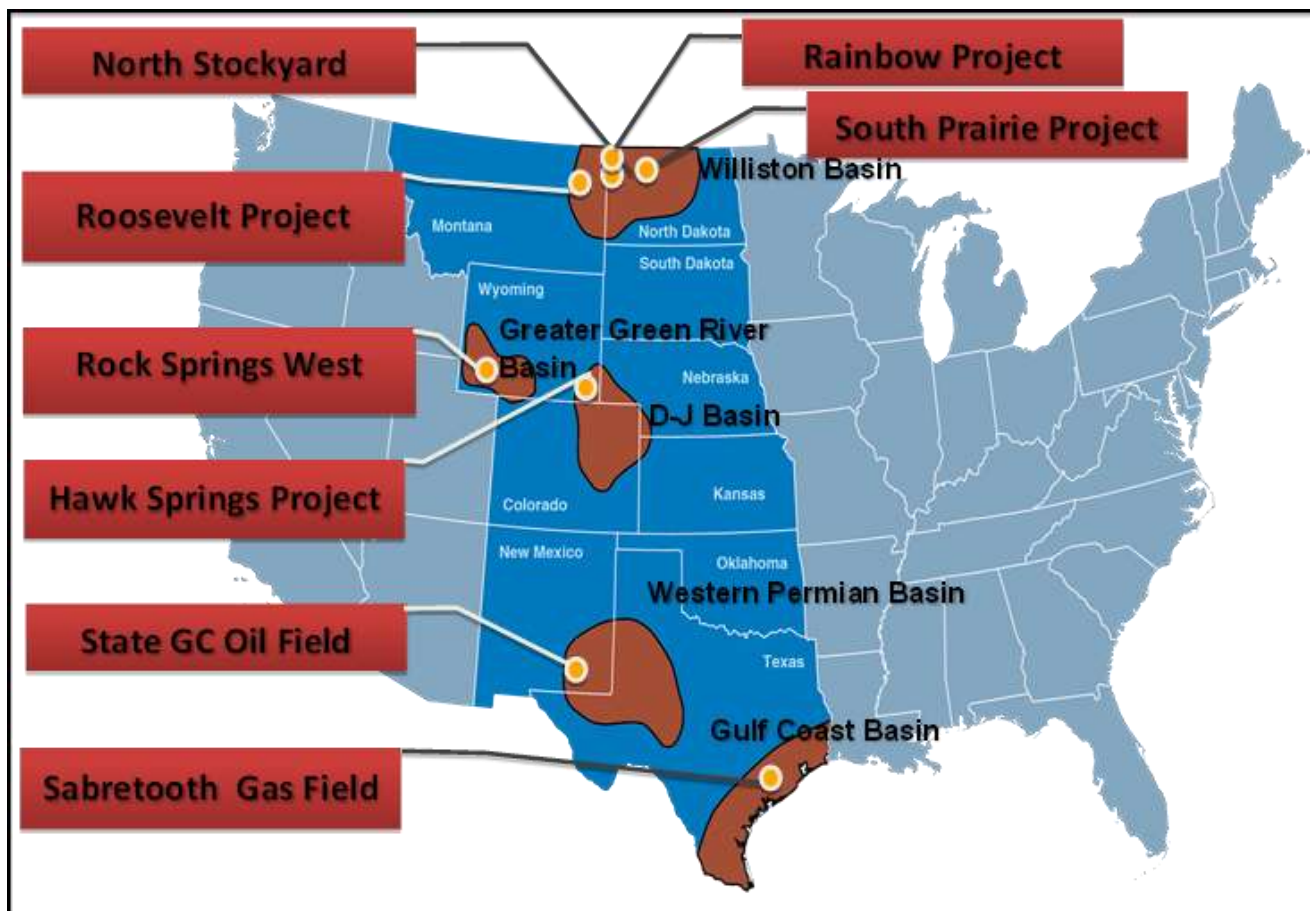
The acquisition involved an acreage trade by the parties and a future carry of the vendor by Samson in the initial drilling program on the Rainbow Project. Samson transferred 160 net acres from its 1,200 acre undeveloped acreage holding in North Stockyard and the vendor will fund its share (between 7.5% and 8.5%) of the North Stockyard initial infill program. Samson has acquired 950 net acres in the Rainbow Project from the vendor for this acreage trade and will provide a \$1 million carry (10%) to the vendor, for the first development well to be

drilled in the Rainbow Project. Samson will have the ability, subject to the vendor acquiring additional acres, to acquire a further 274 acres by carrying the vendor for \$0.7 million in the second well in the project.

Samson has assessed the project based on offset well data and understands that the project will support 14 wells: eight in the middle Bakken and six in the first bench of the Three Forks. These wells would be expected to be configured as north-south orientated 10,000 foot horizontals.

In the western drilling unit of the acquired acreage, Samson will hold a 52% working interest. In the eastern drilling unit, Samson's interest will initially be 23% but with the option to increase it to 44% in the second tranche.

Other interest holders owning an interest in the Rainbow Project include Hess, Halcón and Continental.



PROJECTS LOCATION MAP

**Roosevelt Project, Roosevelt County, Montana
Mississippian Bakken Formation, Williston Basin**

Samson 100% working interest in Australia II & Gretel II wells, 66.7% in any subsequent drilling

Samson has an interest in approximately 45,000 gross acres (30,000 net acres) in the Roosevelt Project with Fort Peck Energy Co. (FPEC) having the remaining 15,000 net acres.

Samson is currently in the process of documenting the partial sale of its Roosevelt Project with Momentus Energy. The transaction requires Momentus Energy to acquire a 20 square mile 3D seismic survey, and drill a horizontal Bakken well in exchange for a 50% interest in the entire project area. The transaction could possibly include earning a 50% equity in Samson's two wells in the project in exchange for a full carry in an approved workover of both wells.

The Abercrombie #1-10H (SSN 2.82% working interest) well has produced a cumulative 56,912 barrels of oil and 131,579 Mscf while producing at an average rate of approximately 41 BOPD and 115 Mscf/D during the quarter.

The Riva Ridge 6-7-33-56H (SSN 0.76% working interest) well has produced a cumulative 24,077 barrels of oil and 7,906 Mscf while producing at an average rate of approximately 14 BOPD and 15 Mscf/D during the quarter.

South Prairie Project, North Dakota
Mississippian Mission Canyon Formation, Williston Basin
Samson 25% working interest

Samson has a 25% working interest in 25,658 acres, which is located on the eastern flank of the Williston Basin in North Dakota. The target reservoir for the project is the Mississippian Mission Canyon Formation. Seventy-six square miles of 3-D seismic data have been shot, processed, and interpreted. The Matson #3-1 well was the first well drilled in the project and was plugged and abandoned. Based on the technical analysis of this result, the forward program will show a preference for structural closures that exist along the salt edge rather than those created by dissolution events further interior to the salt edge. The joint venture is focusing on developing three structural closure prospects (Pubco, Deering, and Birch) along the Prairie Salt edge in the South Prairie 3-D project. The joint venture has approved the Pubco Prospect that will be drilled next on the eastern edge of the South Prairie 3-D seismic survey. Samson anticipates this well to be drilled before the end of Q2 2014.

Sabretooth Gas Field, Brazoria County Texas
Oligocene Vicksburg Formation, Gulf Coast Basin
Samson 9.375% Working Interest

Production for the Davis Bintliff #1 well averaged 4.0 MMscf/D and 35 BOPD for the quarter. Cumulative production to date is approximately 6.7Bscf and 75 MSTB.

State GC Oil and Gas Field Lea County New Mexico
Permian Bone Spring Formation, Western Permian Basin
Samson 27% Working Interest

The State GC oil and gas field is located in Lea County, New Mexico, and includes two wells, which produced at an average rate of 35 BOPD and 52 Mscf/D during the quarter.

Hawk Springs Project, Goshen County, Wyoming
Cretaceous Niobrara Formation & Permo-Penn Project, Northern D-J Basin
Samson currently has a 100% to 37.5% Working Interest

Samson has two contiguous areas in the Hawk Springs Project. One of the areas is a joint venture with a private company and is subject to the Halliburton Joint Venture (HJV).

The Defender US33 #2-29H well is pumped intermittently and produced 491 bbls of oil during the quarter.

The Spirit of America (SOA) US34 #2-29 intersected two excellent quality Permian age reservoirs, the 9,300 ft. sand, which appears to be oil saturated and the 9,500 ft. sand which is water saturated. Integrating the well data to the 3D seismic shows that an amplitude anomaly (lithology/porosity indicator) is associated with the 9,500' sand indicating a thick and porous reservoir exists everywhere the amplitude is mapped. However, the reason for the lack of oil saturation in the 9,500' sand, after further examination of the 3D seismic, is that a leak point can be established by a fortuitous juxtaposition of another porous reservoir across a fault that intersects the amplitude anomaly. This arrangement in the SOA prospect is unique in the project area and therefore re-establishes the prospectivity of the remaining two dozen prospects in the project since these prospects are not affected by any recognized faulting.

As a result of this analysis, the strategy is to drill the Bluff Prospect during Q1 2014, which relies on a four way dip structural closure. The Bluff Prospect will be drilled vertically to a depth of approximately 8,550 feet to test multiple targets in the Permian and Pennsylvanian sections.

Harrod Oilfield, Campbell County, Wyoming
Pennsylvanian Minnelusa Formation, Powder River Basin
Samson 25% working interest

The Harrod 4-2 well is shut-in due to mechanical problems and will remain shut-in during the winter months..

Pierce 44-27 Oilfield, Campbell County, Wyoming
Permo-Pennsylvanian Minnelusa Formation, Powder River Basin
Samson 100% working interest

The Pierce 44-27 Unit well produced an average of 4.2 BOPD during the quarter and was shut-in due to mechanical problems.

PRODUCTION

Estimated net production by Project for the December 2013 quarter is as follows:

	OIL– Bbls	GAS - Mscf	BOE
North Stockyard	10,107	8,428	11,512
Hawk Springs	173	-	173
Roosevelt	-	-	-
Other	2,535	33,010	8,036
Total	12,815	41,438	19,721

Estimated daily net production by Project for the December 2013 quarter is as follows:

	OIL– Bbls	GAS - Mscf	BOE
North Stockyard	112	94	128
Hawk Springs	2	-	2
Roosevelt	-	-	-
Other	28	366	32
Total	142	450	162

Estimated net production and revenue:

	OIL Bbls	OILUS\$	Gas Mscf	GASUS\$	TOTAL US\$
September 2013 Quarter	12,609	1,224,310	39,534	164,760	1,389,070
December 2013 Quarter	12,815	1,158,660	41,438	162,860	1,321,520

Average commodity prices:

	GAS US\$/Mscf	OIL US\$/Bbl
September 2013 Quarter	\$4.17	\$97.10
December 2013 Quarter	\$3.93	\$90.41

In some cases revenue is yet to be received and is therefore an estimate.

FINANCIAL

Treasury management

In order to diversify the deposit risk, a treasury management policy was adopted such that the cash was distributed as follows:

Bank of the West (Samson's trading bank)	US\$1,222,412
Bank of New York Mellon	US\$17,946
National Australia Bank	A\$6,017,970

Foreign Exchange Rates

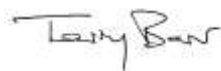
The closing A\$:US\$ exchange rate on 31 December 2013 was 0.8948. The average A\$:US\$ exchange rate for the quarter was 0.9287.

The Company's cash position at 31 December 2013 was as follows:

	US\$ ('000's)
Cash at bank and on deposit	: <u>6,625</u>

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

For further information please contact
Denis Rakich, Company Secretary, on 08 9220 9882



TERRY BARR
Managing Director

31 January 2014

Information contained in this report relating to hydrocarbon reserves was compiled by the Managing Director of Samson Oil & Gas Ltd., T M Barr a Geologist who holds an Associateship in Applied Geology and is a fellow of the Australian Institute of Mining and Metallurgy who has 30 years relevant experience in the oil & gas industry.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Samson Oil and Gas Limited

ABN

25 009 069 005

Quarter ended ("current quarter")

31 December 2013

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (6 months) \$US'000
1.1	Receipts from product sales and related debtors	1,108	2,504
1.2	Payments for		
	(a) exploration & evaluation	(218)	(420)
	(b) development	(1,746)	(13,631)
	(c) production	(951)	(1,002)
	(d) administration	(1,765)	(3,087)
		-	-
	Dividends received		-
	Interest and other items of a similar nature received	90	102
	Interest and other costs of finance paid	-	-
	Income tax(payment) refund	-	-
	Other (provide details if material)	-	-
	Net Operating Cash Flows	(3,482)	(15,534)
	Cash flows related to investing activities		
	Payment for purchases of:	-	-
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(25)	(25)

Proceeds from sale of:			
(a) prospects	-		2,640
(b) equity investments	-		-
(c) other fixed assets	-		-
	-		-
Loans to other entities			-
Loans repaid by other entities	-		-
Other (provide details if material)	-		-
	-		-
Net investing cash flows	(25)		2,615
Total operating and investing cash flows	(3,507)		(12,919)
Cash flows related to financing activities			
Proceeds from issues of shares, options, etc.	-		6,811
Proceeds from sale of forfeited shares	-		-
Proceeds from borrowings	-		-
Repayment of borrowings	-		-
Dividends paid	-		-
Other (provide details if material)	(35)		(35)
	(35)		(35)
Net financing cash flows	(35)		6,776
Net increase (decrease) in cash held	(3,542)		(6,143)

	Cash at beginning of quarter/year to date	10,455	13,349
	Exchange rate adjustments to item 1.20	(288)	(581)
	Cash at end of quarter	6,625	6,625

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	201
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Monies paid to Directors for salary and fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities	-	-
	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$US'000
4.1	Exploration and evaluation	375
	Development	7,255
	Production	404
	Administration	1,500
	Total	9,534

**In January 2014 a reserve based debt facility was entered into for \$25 million with an initial borrowing base of \$8 million, of which \$4 million was drawn down as at January 28th 2014 .*

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$US'000	Previous quarter \$US'000
5.1	Cash on hand and at bank	6,625	5,688
5.2	Deposits at call	-	4,767
	Bank overdraft	-	-
	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	6,625	10,455

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter – all reference to option exercise price is in AUSTRALIAN DOLLARS

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference				
+securities (<i>description</i>)				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	2,547,627,193	2,547,627,193		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (<i>description</i>)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date</i>
	1,000,000	-	20c	20.11.2013
	29,000,000	-	8c	31.10.2014
	31,500,000	-	8c	31.12.2014
	4,000,000	-	16.4c	31.12.2014
	4,000,000	-	15.5c	31.10.2015
	229,678,528	229,678,528	3.8c	31.03.2017
	4,000,000	-	3.9c	30.11.2017
7.8 Issued during quarter	4,000,000	-	3.9c	30.11.2017
7.9 Exercised during quarter				
7.10 Expired during quarter				

7.11	Debentures <i>(totals only)</i>		
7.12	Unsecured notes <i>(totals only)</i>	NIL	NIL

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2014
(Company secretary)

Print name: **Denis Rakich**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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