



SAMSON
OIL & GAS LIMITED

SAMSON OIL & GAS COMPLETES INITIAL MUTLI-STAGE ACID STIMULATION

Denver 1800 hours June 28th, 2016, Perth 0800 hours June 29th, 2016

Maris 1-16H Stimulation

The Maris 1-16H multi-stage acid stimulation was completed Friday June 24th. This well is a horizontal open hole completion in the Ratcliffe Member of the Mississippian Madison Formation, which is predominantly a limestone reservoir. The well has produced 177,000 barrels of oil after being initially drilled in 2004. The well was acquired as part of a package of wells in an acquisition that closed on April 1st 2016. Samson became Operator of this well on June 5th. The well had a shut in proved category (PDNP) as at the acquisition date.

A leading oil service provider designed and delivered a state of the art, multi-stage hydrochloric acid (HCl) /diversion product that was designed to treat the entire open hole well bore. The diversion of the acid to multiple permeability zones is the key component in the application such that acid can be delivered to open pore throats along the entire 4,500 feet horizontal length. Acid stimulation is an industry generally accepted, permeability enhancement technique that relies on a simple chemical reaction between calcium carbonate (which is the composition of limestone) and hydrochloric acid which effectively dissolves the calcium carbonate and thereby enhancing the permeability of the oil saturated reservoir.

The stimulation job placed 4,600 bbls of HCl acid and included in addition to other water based fluids, the injection of 4,200 barrels of diversion agent, spacers and pads necessary to complete the placement of acid in 19 stages across 5 zones.

The stimulation job took a day longer than expected but the entire planned fluid injection was achieved. An initial review of the pressure data observed during the stimulation job would suggest that the diversion agent (degradable fibers) worked as predicted, however the evidence of that and the economic benefit of the stimulation will only be determined after the well is pumped for a period of time to remove the injected fluid. This is expected to take 14 days or so until we can determine the effectiveness of the stimulation.

Foreman Butte Project Operations Program

As previously advised Samson had a three pronged approach to increase the production from the Foreman Butte project:

- 1) *Workover shut-in wells with mechanical problems*
- 2) *Workover shut-in horizontal wells with advanced stimulation potential*
- 3) *Proved undeveloped drilling*

Of these three initiatives the first one has essentially been completed, with 4 workover rigs recently active in both Montana and North Dakota. This program will be complete this week with 19 wells being bought back into production over the last 6 weeks.

This activity has increased Samson's net production from 834 BOPD at the end April to 1,322 BOPD at the current date. The detail associated with this increase is set out in the following table.

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| | Legacy Assets BOPD | Foreman Butte BOPD | Total BOPD |
|------|--------------------|--------------------|------------|
| May | 364 | 470 | 834 |
| June | 342 | 990 | 1,322 |

The above estimate does not include the final 3 PDNP wells (Evans, Yellowstone and Carter) that are due to be on stream by June 30th. Due to the non-receipt of current non operated production this estimate uses projected data from the most recent available. This is largely immaterial given that our Foreman Butte production is operated and the data is current.

The second initiative has been partially met with the Maris 1-16H stimulation and pending that assessment is expected that an additional 15 wells will be candidates for this treatment once the economic benefit of the stimulation can be measured. Our previous estimate of the cost of these stimulations has increased to around \$400,000 largely due to the cost to pump a state of the art diversion agent. No production has been assigned in the above estimate from the Maris well which went on stream today.

The third initiative is the proved undeveloped drilling program and this is expected to commence in the first quarter of 2017.

Reserves

Samson determined for various corporate purposes, an internal reserve estimate as at June 1st 2016.

This assessment was completed in response to the recent advance in the forward curve for WTI since the acquisition of the Foreman Butte project.

| PDP | Oil MSTB | Gas MMCF | NPV ₁₀ \$ million |
|-----------------------|----------|----------|------------------------------|
| Legacy assets | 1,050 | 1,448 | \$17,167 |
| Foreman Butte project | 2,648 | 1,202 | \$30.924 |
| Total | 3,698 | 2,650 | \$48,091 |

| PDNP | Oil MSTB | Gas MMCF | NPV ₁₀ \$ million |
|-----------------------|----------|----------|------------------------------|
| Legacy assets | 0 | 0 | 0 |
| Foreman Butte project | 1,743 | 3,515 | \$20.113 |
| Total | 1,743 | 3,515 | \$20.113 |

| PUD | Oil MSTB | Gas MMCF | NPV ₁₀ \$ million |
|-----------------------|----------|----------|------------------------------|
| Legacy assets | 0 | 0 | 0 |
| Foreman Butte project | 3,448 | 2,414 | \$30.595 |
| Total | 3,448 | 2,414 | \$30.595 |



| TOTAL PROVED | Oil MSTB | Gas MMCF | NPV₁₀ \$ million |
|-----------------------|-----------------|-----------------|------------------------------------|
| Legacy assets | 1,050 | 1,448 | \$17,167 |
| Foreman Butte project | 7,839 | 7,130 | \$81.632 |
| Total | 8,889 | 8,578 | \$98,799 |

Product prices adjusted for local differentials were based on the following WTI and Henry Hub prices as follows:

| Year | WTI oil price | Henry Hub gas price |
|-------------|----------------------|----------------------------|
| 2016 | \$49.32 | \$0 |
| 2017 | \$51.32 | \$0 |
| 2018 | \$51.69 | \$0 |
| 2019 | \$52.79 | \$0 |
| 2020 | \$54.15 | \$0 |
| There after | \$58.51 | \$0 |

The reserve report is unaudited.

The reserves are based on the definitions and disclosures guidelines contained in the Society of Petroleum Engineers, World Petroleum Council, Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resources Management Systems.

Information in this announcement relating to hydrocarbon reserves is the responsibility of the CEO of Samson Oil and gas Ltd., Mr. T.M Barr a petroleum geologist who holds an Associateship in Applied Geology and who has 40 years of relevant experience in the oil and gas industry.



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 200 fully paid Ordinary Shares of Samson. Samson has a total of 3,215 million ordinary shares issued and outstanding (including 230 million options exercisable at AUD 3.8 cents), which would be the equivalent of 16.08 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$0.65 per ADS on June 28th, 2016, the Company has a current market capitalization of approximately US\$10.4 million (the options have been valued at an exchange rate of 0.7398). Correspondingly, based on the ASX closing price of A\$0.005 for ordinary shares and a closing price of A\$0.001 for the 2017 options, on June 28th, 2016, the Company has a current market capitalization of approximately A\$16.3 million.

SAMSON OIL & GAS LIMITED

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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.