



QUARTERLY REPORT *for the period ended 30 September 2007*

HIGHLIGHTS

- Placement of US\$3 million to two US institutions.
- A technical breakthrough in the development of the Baxter Shale play within the Green River Basin.
- Stage Coach East cased and waiting on stimulation.
- Look Out Wash Field development well 30-31 spudded.

DRILLING PROGRAMME 2007

Lookout Wash 30-31

The Lookout Wash 30-31 development well spudded on October 23 and was drilling ahead at 890 feet at 0600 hours on October 24 (MST).

This well is located in the central part of the field adjacent to the best performing well in the field, which has produced in excess of 3 Bcf. The 30-31 well has a planned total depth 11,500 feet and its primary target the Almond Formation is expected to be intersected at around 11,090 feet. The well is expected to recover a reserve of 2.2 Bcf and have an initial production rate of around 2.5 mmcf/d.

Stage Coach East #1

The Almond Formation which is the primary target returned two gas shows. The first over the interval 8,226 to 8,265 feet peaked at 500 units over a background of 50 units and the second over the interval 8,342 to 8,366 feet recorded a peak of 470 units over a background of 25 units. The well was drilled to a total depth of 9,067 feet and was logged and production casing run.

The planning for the fracture stimulation of the two primary zones in the Almond Formation was completed, and the stimulation is expected to be undertaken in late October/early November, depending on the prior utilization of the stimulation equipment. The stimulation plan will place 110,000 pounds of proppant using a nitrogen energized stimulation fluid. The two stage frac will be isolated by a flow through plug which will allow an immediate flow back of frac fluids.

North Stockyard Project

The planning for the fracture stimulation of the Harstad 15-1H has been completed and is expected to be conducted in November and should increase the current oil rate from 60 BOPD to 400 BOPD. The engineering design for this stimulation will see a seven stage fracture stimulation of the 4,600 foot lateral. The effect of the frac will be to not only improve the permeability but to also connect parts of the lateral well bore which was drilled outside the primary porosity zone.

Rock Springs West Project, Baxter Shale

The analysis of the existing 3D seismic for fracture systems within the Baxter Shale has been completed and a horizontal well has been proposed to drill into one of these fracture zones. This investment is currently being considered by Samson's joint venture partner and their decision will effect the timing of the drilling of this well.

Jonah Field

Two additional developments wells are being planned by the operator and will be drilled in late 2007; these wells have been presented to the participants for their approval.

State GC Oil and Gas Field Extension

A follow up well that will target the Lower Leonard Formation which produces from the State GC well has been located using amplitude analysis of the 3D seismic grid that is available over this area. This well is scheduled to be drilled in November/December.

PROJECTS

Lookout Wash Field – Wyoming, USA

Samson 18.2% Working Interest

The Lookout Wash Field is located in the Washakie Basin which is part of the Greater Green River Basin and currently produces from 20 wells.

This field produces principally from The Almond Bar, which is a stratigraphically bound trap. Recent geologic mapping has suggested that this unit will be developed as a thick porous reservoir to the west of the existing well development.

The Lookout Wash 30-31 development well spudded on October 23. This well is located in the central part of the field and is adjacent to the best performing well in the field, which has produced in excess of 3 Bcf. The 30-31 well has a planned total depth 11,500 feet and its primary target the Almond Formation is expected to be intersected at around 11,090 feet. The well is expected to recover a reserve of 2.2 Bcf and have an initial production rate of around 2.5 mmcf/d. Samson's working interest in this well is 24.4%, compared to a general 18.2% interest in the balance of the field.

Stage Coach East – Wyoming, USA

Samson 100% Working Interest

The prospect is located to the southeast of the Stage Coach Draw Gas Field in the Green River Basin in Wyoming. The Stage Coach Draw Field has produced 23 BCF of gas and 316,000 barrels of condensate from the Almond Formation. The prospect is adjacent to the Stratos Federal #1 well. This well was partially funded by the US Department of Energy and there is considerable data available from the well. The Stratos Federal #1 was drilled to test deeper formations but intersected 20 feet of gas shows, good permeability and excellent porosity was measured by wire line logs in the Almond Formation. Recent mapping of this project area has determined both the trapping mechanism of the field and the prospect area and has determined that the prospect has the ability to deliver a recoverable contingent reserve of 58 Bcf, with 21 Bcfe net to Samson.

The Almond Formation which is the primary target returned two gas shows in the first well drilled in the field. The first over the interval 8,226 to 8,265 feet peaked at 500 units over a background of 50 units, and the second over the interval 8,342 to 8,366 feet recorded a peak of 470 units over a background of 25 units. The well was drilled to a total depth of 9,067 feet and was logged and production casing run.

The planning for the fracture stimulation of the two primary zones in the Almond Formation was completed, and the stimulation is expected to be undertaken in late October/early November, depending on the prior utilization of the stimulation equipment. The stimulation plan will place 110,000 pounds of proppant using a nitrogen energized stimulation fluid. The two stage frac will be isolated by a flow through plug which will allow an immediate flow back of frac fluids.

North Stockyard Project – North Dakota, USA

Samson 34.5% Working Interest

Samson has a 34.5% working interest in 3,303 acres adjacent to the North Stockyard Oil Field located in the Williston Basin in North Dakota.

The Harstad#1-15H well continues to produce at a rate of around 60 BOPD.

Engineering studies have been completed on a design of a fracture stimulation that is expected to increase the oil rate to around 400 BOPD.

**Green River Basin
Wyoming, USA**

The Green River Basin in Wyoming hosts a number of world class gas fields and has grown in importance as a major gas producing region within continental USA. Samson holds a significant tenure position in the Basin both in terms of conventional tight gas reservoirs and an emerging shale gas play located within the Baxter Shale. Samson holds a total of 40,000 net acres within this region.

**Rock Springs West Project – Wyoming, USA
Samson 78% Working Interest**

Fracture identification analysis has been completed and has determined a number of areas within the Greens Canyon 3D seismic area contain fracture systems. The importance of these systems has been published by Questar. Questar has advised that it's most recent success in the development of the Baxter Shale resource (evidenced with a flow rate of 9 mmcfpd from a vertical well and 5 mmcfpd from a horizontal well) has been due to the identification of fracture systems.

Planning has been undertaken to drill a horizontal well the Sue Federal 32-2 well and would target the Airport Sandstone which is located in the upper part of the Baxter Shale and returned an excellent gas show when drilled in the Greens Canyon 29-2 well. This well has been proposed to our joint venture partner who is currently considering whether to make the election to participate in this well, this election will occur prior to November 30.

**Jonah Field – Wyoming, USA
Samson 21% Working Interest**

Approval has been granted to develop this part of the Jonah Field to 10 acres, hence five Proved Undeveloped locations (PUD's) have been identified in the central part of the field.

The operator has advised Samson that it intends to drill two of these locations in late 2007.

The Jonah Field is located in the northern part of the Green River Basin and is one of the largest discoveries in recent decades in continental USA having produced in excess of 1.0 trillion cubic feet of gas since commencing production in 1992. Development of this field has resulted from the application of advanced fracture stimulation techniques. The field has undergone several iterations of development with some sections of the field currently being developed on a 10 acre well spacing. The current well spacing is around 20 acres.

The field produces from a series of stacked reservoirs within the Mesaverde and Lance Formations. The field is trapped between two faults forming a wedge shaped field.

**State GC Oil and Gas Field - New Mexico, USA
Samson 27% Working Interest**

The State GC #2 well is planned for November. The well will be located on an amplitude anomaly developed within the Lower Leonard section which is productive in the State GC #1 well. This amplitude anomaly has been calibrated by two additional dry holes that were drilled by adjacent leasees, who were attempting to offset the State GC #1 well.

The State GC oil and gas field located in Lea County, New Mexico, was discovered in 1980 and covers approximately 600 acres. The field currently has one well that has produced 460,000 barrels (bbls) of oil and 0.7 BCF of gas.

**Amber Field SE – Oklahoma, USA
Samson 37.5% & 32.5% Working Interests**

The SE Amber Gas Field in Grady County, Oklahoma was discovered in 1970 and covers an area of approximately 6,000 acres. The field has been in continuous production and development since its discovery and has produced in excess of 73 BCF of gas. Samson has an interest in 1,280 acres with 9 wells producing 3,700mcf daily (884 mcf net to Samson). These are long-lived reserves with the original 1970 well showing a

55 year production life. Two development wells drilled in 2005 had initial production of 1.3 and 1.6mmcf per day respectively with each well expected to produce approximately 2 BCF.

Hawk Springs Project – Wyoming, USA

Samson 50% Working Interest

A geologic project is being undertaken to identify the remaining potential in the Codell and Niobrara Formations. The analysis of the Codell Formation suggests that there is little potential at this level. The Niobrara Formation potential, including the identification of the regional structural position, is being undertaken.

South Goose Lake Prospect - Williston Basin, Montana, USA

Samson 25% Working Interest (18.375% NRI)

Following the unsuccessful drilling of the Lagerquist #1-19 well a review of the results of this well and the implications for the balance of the acreage is underway, which will determine the forward strategy.

PRODUCTION

September Quarterly Production and Cashflow:

	GAS A\$	GAS Mcf	OIL A\$	OIL Bbls	TOTAL A\$
September 2007 Quarter *	1,399,392	284,350	542,437	7,302	1,941,829
June 2007 Quarter	1,627,914	287,872	500,227	7,891	2,128,141

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

*Exchange Rate Sept Qtr AUD: USD 0.84

** Exchange Rate June Qtr AUD: USD 0.83

Average commodity prices:

	GAS US\$	OIL US\$
September 2007 Quarter	\$4.17	\$62.95
June 2007 Quarter	\$4.70	\$52.66

Gas prices in the Rockies Region have been weak due to the construction of the Rocky Mountain Express which will ultimately transport gas from the region into the east coast of the USA. This pipeline is being built in phases and the initial construction commenced and is operational in the western region bringing a surplus of gas into the area around Cheyenne in eastern Wyoming. As a result of this additional supply being available without transport capacity out of the region the price has been weak. The next segment of the pipeline is scheduled for completion in January 2008 when the pipeline will be completed into the area south of Chicago. Thus the surplus currently existing at Cheyenne will move east into the larger consuming areas. Gas prices are therefore expected to recover to trade at a modest discount to the national average rather than the significant discount that is currently in place.

The Lookout Wash Field was shut in during October because the October forward price was set at US\$1.11 per mmbtu. This price has improved during the month such that the Operator is expecting a price in the US\$3 per mmbtu range and consequently will produce the field for November.

OTHER ACTIVITIES

Interests in Listed Companies

Samson holds shares in a number of listed companies. These investments will continue to be realized during the coming quarters.

FINANCIAL

Convertible Note Facility

The Convertible note facility that is in place is denominated in US\$ and the amount outstanding is US\$20 million. The A\$ equivalent is calculated with reference to the spot AUD:USD foreign currency conversion rate applicable at the end of the quarter. The table below shows the applicable foreign currency exchange rates and the A\$ equivalent as reported in the current and previous quarterly.

Date	USD Balance	Spot Rate (AUD:USD)	AUD Equivalent
June 30 2007	20,000,000	84.88	23,562,676
Sept 30 2007	20,000,000	88.84	22,512,381

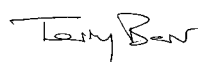
Cash and Current Investments

The Company's cash and current investments at 30 September 2007 were as follows:

	A\$
Cash at bank and on deposit	: 3,853,657
Current investments - <i>Shares in listed companies valued at market</i>	: 525,000
Total	<u>4,378,657</u>

Subsequent to the end of the reporting period Samson completed a placement and the proceeds of that placement was received on October 12 and amounted to A\$3,379,077.

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



TERRY BARR
 Managing Director

30 October 2007

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.

**For further information please contact
 Denis Rakich, Company Secretary, on 08 9220 9830**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Samson Oil & Gas Limited

ABN

25 009 069 005

Quarter ended ("current quarter")

30 September 2007

Consolidated statement of cash flows

	Current quarter A\$'000	Year to date (three months) A\$'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	2,268	2,268
1.2 Payments for (a) exploration and evaluation	(106)	(106)
(b) development	(548)	(548)
(c) production	(703)	(703)
(d) administration	(1,100)	(1,100)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	130	130
Cash received from fixed forward gas swap	553	553
Accounting fees – relating to audit for the year ending 30 June 2007 and review of SEC registration documents	(512)	(512)
Net Operating Cash Flows	(5)	(5)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(9)	(9)
(c) other fixed assets	12	12
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	3	3
1.13 Total operating and investing cash flows (carried forward)	(2)	(2)
1.13 Total operating and investing cash flows (brought forward)	(2)	(2)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (costs associated with issue of shares)	-	-

ABN 25 009 069 005

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Net financing cash flows	-	-
Net increase (decrease) in cash held	(2)	(2)
1.20 Cash at beginning of quarter/year to date	3,986	3,986
1.21 Exchange rate adjustments to item 1.20	(130)	(130)
1.22 Cash at end of quarter	3,854	3,854

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 A\$'000
1.23 Aggregate amount of payments to the parties included in item 1.2	112,500
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 A\$'000	Amount used A\$'000
3.1 Loan facilities	22,512	22,512
3.2 Credit standby arrangements	-	-
Loan from Macquarie Bank Limited denominated in USD		

Estimated cash outflows for next quarter

	A\$'000
4.1 Exploration and evaluation	875
4.2 Development	3,834
Total	4,709

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 A\$'000	Previous quarter A\$'000
5.1 Cash on hand and at bank	1,632	2,149

5.2	Deposits at call	2,222	1,837
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		3,854	3,986

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			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

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			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	*Ordinary securities	192,073,833	192,073,833	
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>
		10,216,688	-	25c	31.12.2009
		8,500,000	-	45c	31.05.2011
		9,000,000	-		
		11,000,000	-		
		3,121,650	-	42c	31.05.2009
		3,000,000	-	45c	31.10.2009
7.8	Issued during quarter	-	-	-	-
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>				

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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 October 2007
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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.