



30 December 2010

ASX Announcement

SHARE TRADING POLICY

In accordance with Listing Rule 12.9 Samson Oil & Gas Limited provides a copy of the Company's Share Trading Policy as adopted by the Company's Board of Directors on 1 August 2008.

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

A handwritten signature in black ink, appearing to read "Denis Rakich", is written over a light blue horizontal line.

DENIS RAKICH
Company Secretary

SAMSON OIL & GAS LIMITED
POLICY ON INSIDER TRADING AND REPORTING

**As adopted by the Board of Directors on
August 1, 2008**

1. Introduction

United States federal securities laws seek to ensure that all investors in the shares of a publicly traded company have timely and equal access to Material Information (as defined below) concerning the company when making a decision to buy, hold or sell its securities. The purpose of this Policy on Insider Trading and Reporting is to define the rules and procedures applicable to the purchase and/or sale of Samson Securities (as defined below) by persons having access to Material Non-Public Information (as defined below) concerning Samson Oil & Gas Limited, including its subsidiaries (collectively, “Samson”). This Policy is intended to comply with the requirements of United States securities laws and the rules of the American Stock Exchange, on which Samson’s American Depository Receipts are currently traded.

This Policy covers all directors, officers and employees of Samson and its subsidiaries and their family members or other persons living in the same household. These persons are referred to in this Policy as “Covered Persons.”

This Policy applies to all transactions in ordinary shares of Samson, options or warrants to purchase such ordinary shares, American Depository Shares, and any other securities that Samson (or any of its subsidiaries) may issue. These ordinary shares and other securities are referred to in this Policy as “Samson Securities.” This Policy applies to all transactions in Samson Securities by Covered Persons and by any trust, corporation, partnership or other entity whose securities are beneficially owned by a Covered Person.

Certain rules under this Policy apply only to Samson Insiders. Samson Insiders are (i) the directors and officers of Samson, (ii) all other officers and senior managers of Samson and (iii) certain employees of Samson whom the Compliance Officer from time to time designates as Samson Insiders by signing and delivering to the affected employee a notice of designation as an Insider in the form attached to this Policy as Form A. Unless otherwise determined by the Board of Directors, the Chief Financial Officer of Samson Oil & Gas Limited shall serve as the Compliance Officer for the administration of this Policy.

2. Individual Responsibility

All of the Covered Persons, including Samson Insiders, may have access, incidentally or in the course of their work with or at Samson, to information about the financial and operating results and condition of Samson, or other plans of Samson, that is

not yet known by the public. It is the duty of each Covered Person not to use this privileged position for direct or indirect personal gain. Each Covered Person is responsible for understanding this Policy and following its guidelines.

The Compliance Officer will cause a copy of this Policy, and any amendment hereto, to be delivered to all Covered Persons promptly after the date of its adoption by the Board of Directors as well as to all new directors, officers and employees of Samson at the start of their employment or relationship with Samson. Upon first receiving a copy of the Policy or any Amended Policy, the recipient must sign an acknowledgement that he or she has read and understands the terms of the Policy. A form of Acknowledgement is attached to this Policy as Form B.

3. Prohibited Transactions

Since Samson's American Depositary Receipts are publicly traded and listed on the American Stock Exchange, Samson is generally required to make prompt disclosure of Material Information. The specific nature of this obligation may be affected by individual circumstances and Samson management will consult with

United States federal securities laws and regulations and this Policy prohibit any person, including Covered Persons and Samson Insiders, who is in possession of Material Non-Public Information concerning Samson from:

- purchasing and/or selling Samson Securities; and
- advising, "tipping" or otherwise assisting third parties trading in Samson Securities.

The penalties for violation of these securities laws and regulations can be severe both for the person concerned and for Samson. The penalties are described in Section 9 of this Policy.

4. Definitions

A. "Material Information" means:

- (i) information that is substantially likely to be viewed by a reasonable investor as significant in deciding whether to buy or sell Samson Securities; or
- (ii) information whose public disclosure would be expected to significantly alter the total mix of information in the marketplace about Samson.

It is important to note that, in the event of a dispute whether information is material, the U.S. courts will determine what is material after the fact, with the benefit of hindsight. While it is not possible to define all categories of Material Information, Samson regards information about the following matters as likely to

be material and, as a general rule, information about these matters should always be considered material.

- Financial and operating results, significant changes in financial and operating results and/or financial condition;
- Projections of future production, costs or financial performance;
- Significant increases or decreases in the amount of outstanding securities or indebtedness;
- The granting of options or payments or other compensation to directors or officers;
- Dividends or share splits;
- Significant changes in business operations;
- Significant changes in management or control;
- Major new contracts, or the loss of major contracts;
- Significant acquisitions or dispositions of assets;
- Significant changes in Samson’s estimated reserves of oil or gas;
- Significant litigation or governmental investigation or other governmental action;
- Changes or anticipated changes of Samson’s independent auditors; and
- Potential mergers or acquisitions.

This list is not exhaustive. For example, as an exploration company, whenever Samson has a significant interest in an oil or gas well that is being drilled, nonpublic information concerning the status of that well or the progress of the drilling might be presumed to be Material Information. On the other hand, if Samson makes timely public announcements of every important development concerning the well and the drilling, then the likelihood of a Covered Person holding non-public Material Information could be minimized, if not eliminated entirely. Generally speaking, Samson’s Compliance Officer or outside legal counsel should be consulted concerning any doubts about whether information constitutes Material Information.

- B. “Material Non-Public Information” means any Material Information that has not been publicly disclosed and is not available to the general public. Samson may

make public disclosure by issuing a press release through a major news service, making a public filing with the U.S. Securities and Exchange Commission or other regulatory agency, or otherwise making information widely available to the general public. Non-public information will be deemed to be public after two full trading days have passed following the date on which the information is disclosed publicly.

5. **Special Rules for Samson Insiders**

A. Blackout Period

In addition to the restriction on trading when in possession of Material Non-Public Information, Samson has decided to adopt Blackout Periods during which trading in Samson Securities by Samson Insiders is prohibited. The Blackout Periods are intended to help prevent inadvertent violations and avoid even the appearance of an improper transaction (which could result, for example, if a Samson Insider engaging in a trade is unaware of a pending material development).

With respect to a quarterly earnings release, Samson Insiders may not buy, sell or otherwise transfer Samson Securities during a Blackout Period beginning on each of March 31, September 30 and December 31, and ending after two full trading days have passed following the date the earnings release is issued. With respect to an annual earnings release, the Blackout Period begins on June 30 and ends after two full trading days have passed following the date the release is issued.

In addition, Samson will institute Blackout Periods as appropriate prior to or upon the occurrence of significant corporate acquisitions, divestitures, contract negotiations, asset impairments, or similar transactions or events that will generally result in a material change in Samson's business. Samson will evaluate potentially significant corporate events as they develop and will notify Samson Insiders when a Blackout Period commences and is terminated. Samson may impose a Blackout Period during the entire period of drilling of oil or gas wells in which Samson has a significant interest or may, depending on the circumstances, lift the Blackout Period for those times during the drilling that Samson Insiders do not, in Samson's judgment, possess any Non-Public Material Information.

B. Trades Outside Blackout Period: Pre-Clearance Procedure

Even though a Samson Insider may trade Samson Securities outside of a Blackout Period, pre-clearance must still be obtained from Samson's Compliance Officer to purchase, sell or otherwise transfer Samson Securities.

Pre-clearance requires the Samson Insider to deliver to the Compliance Officer a pre-clearance notification in substantially the form attached hereto as Form C, prior to initiating any transaction concerning Samson Securities. Pre-

clearance notices may be delivered by hand, fax or email and will be responded to promptly. Directors may obtain pre-clearance by telephone. If a pre-cleared transaction is not completed within 10 calendar days after receipt of pre-clearance, then the Samson Insider must seek a new pre-clearance. In addition, depending on the circumstances, the Compliance Officer may limit pre-clearance of a proposed transaction in Samson Securities to a shorter period of time.

The Compliance Officer will immediately inform the Samson Insider should it not be possible to pre-clear a transaction or should a Blackout Period be instituted during the 10 calendar day period for which the pre-clearance is effective.

C. Reporting Completed Trades

Samson Insiders who are Directors or executive officers subject to the reporting requirements Section 16 of the U.S. Securities Exchange Act of 1934 (“the Exchange Act”) must report promptly to the Compliance Officer and/or the Company’s legal counsel the completion of each transaction in Samson Securities, including the type and date of transaction, the type and number of Samson Securities involved, and the price at which each transaction was completed.

6. 10b5-1 Trading Plans

Covered Persons, including Samson Insiders, may purchase, sell or otherwise transfer Samson Securities pursuant to a trading plan or arrangement satisfying the requirements of Rule 10b5-1 under the Exchange Act and the requirements of this Policy (a “Trading Plan”). The Trading Plan must be documented, bona fide and previously established (at a time when the Covered Person did not possess Material Non-Public Information) and must specify the price, amount and date of trades or provide a formula or other mechanism to be followed.

Samson must pre-approve any Trading Plan, which may be evidenced by Samson’s signature on the Plan itself or by other written approval. Transactions by Samson Insiders pursuant to a preapproved Trading Plan may take place during Blackout Periods. Samson Insiders are not required to obtain pre-clearance of Trading Plan transactions, as would otherwise be required by Section 5B of this Policy.

Samson reserves the right to require that additional provisions be included in a Trading Plan with the objective of complying with Rule 10b5-1, but will not impose requirements regarding specific trades or trading instructions. Samson may make public disclosures regarding the existence or terms of a Trading Plan if Samson deems it desirable, and may establish procedures with third parties to ensure timely compliance with Section 16 requirements. Samson also reserves the right to require that transactions under a Trading Plan be suspended during periods when legal, contractual or regulatory restrictions could prohibit such transactions or make them undesirable. These might include periods during which Samson Insiders or other Covered Persons have agreed

with underwriters that they will not sell Samson Securities for specified periods before and after a public offering, or periods in proximity to a public offering during which U.S. Regulation M prohibits purchases by affiliates.

Those individuals who wish to adopt a Trading Plan are encouraged to consult with their financial, tax and legal advisors to help ensure that a Trading Plan meets their objectives.

7. Additional Prohibited Transactions

Covered Persons, including Samson Insiders, may not engage in any of the following activities with respect to Samson Securities at any time:

- A. Short sales (a sale of securities which are not owned by the seller at the time of the sale), including short sales against the box.
- B. Buying or selling puts or calls.
- C. Frequent trading (for example, daily or weekly) to take advantage of fluctuations in share price.

In addition, because purchasing Samson Securities on margin can raise potential problems under the U.S. securities laws, it is strongly suggested that Covered Persons consult with Samson's outside legal counsel before purchasing or selling Samson Securities in margin accounts.

8. Other Legal Obligations

The restrictions imposed on Covered Persons and Samson Insiders by this Policy are in addition to, and not a substitute for, the legal requirements with regard to Samson Securities that may otherwise apply to Covered Persons. In particular, Samson Insiders are subject to a number of such laws and regulations, such as the resale restrictions of Rule 144 of the U.S. Securities Act of 1933, as amended; the reporting, short-swing profit and prohibited transaction provisions under Section 16 of the Exchange Act; and the prohibition of Exchange Act Regulation M on purchases while Samson is distributing securities of the same class. In addition, since its ordinary shares are traded on the Australian Securities Exchange (the "ASX"), Covered Persons who trade ordinary shares or who engage in transactions involving any other Samson Securities in Australia or with Australian persons or entities would also be subject to the requirements of Australian law and ASX rules. Samson's Compliance Officer and its outside legal counsel are available to advise Covered Persons about any of these matters.

9. Potential Civil and Criminal Penalties

A. Penalties

- 1. Covered Persons. An individual found to be an insider trader or tipper may be subject to criminal liability of up to \$5,000,000 and/or a jail term

of up to 20 years as well as civil penalties of up to three times the profit gained or loss avoided.

2. Samson. If a court found that there had been illegal trading by Covered Persons and Samson had failed to take appropriate steps to prevent that activity, Samson would be subject to civil penalties of \$1,000,000 or more as well as criminal penalties of up to \$25,000,000.

B. Reporting of Violations

Any Covered Person who violates the prohibitions against insider trading or knows of a violation by any other person, must report the violation immediately to the Compliance Officer. Upon learning of any such violation, the Compliance Officer will determine whether Samson should publicly release any Material Non-Public Information, or whether Samson should report the violation to the appropriate governmental authorities.

10. Inquiries

Please direct all inquiries regarding any of the provisions or procedures of this Policy to the Compliance Officer, Robyn Lamont, telephone (303) 524-3360. In her absence, please contact Terry Barr, telephone (303) 296-3994. Samson's outside U.S. legal counsel is Lee Terry of Davis Graham & Stubbs LLP, telephone (303) 892-7484 and facsimile (303) 893-1379.

FORM A
Employees Designated Samson Insiders

The undersigned, being the Compliance Officer of Samson Oil & Gas Limited, execute this instrument to evidence her designation of the following employee(s) as Samson Insiders pursuant to Samson's Policy on Insider Trading and Reporting for the period set forth opposite his or her name below:

Date: _____

Name of Employee(s)

Position

Period(s)

By: _____

Name: _____

Title: [_____]

By: _____

Name: _____

Title: [_____]

FORM C
Pre-Clearance of Transactions in Securities of Samson Oil & Gas Limited

Samson Insider: _____
Print Name

Signature

Date: _____
Time: _____

Type of Transaction:

- _____ Purchase
_____ Sale
_____ Exercise Option (And Hold Shares)
_____ Exercise Option (And Sell Shares)
_____ Other

Securities Involved in Transaction:

Number of shares: _____
Number of shares represented by option: _____
Other (please explain): _____

Beneficial Ownership (if not applicable, please write "N/A")

Name of beneficial owner if other than yourself: _____
Relationship of beneficial owner to yourself: _____

THIS AUTHORIZATION IS VALID FOR ONLY 10 DAYS AFTER THE TIME OF APPROVAL OR UNTIL A BLACKOUT PERIOD BEGINS, WHICHEVER FIRST OCCURS.

Pre-Cleared by: _____
Name: _____
Date: _____
Time: _____