



SAMSON OIL & GAS OPERATIONAL ADVISORY

Denver 1700 hours January 12th, 2011, Perth 0700 hours January 13th, 2011

Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) advises on the following field operations:

ROOSEVELT PROJECT

Gretel II 12KA 3, Roosevelt County, MT (SSN 100%, subject to a 33.34% back-in option)

The DHS Rig 1 is rigged up on the Gretel II well site and is ready to commence drilling operations from the 9 5/8 inch casing shoe which had previously been set at 1,701 feet. A repair has been necessary to the top drive unit and this is expected to be completed within the next 24 to 48 hours and drilling operations are expected to start shortly thereafter.

The Gretel II 12 KA 3 well is Samson's second Bakken well in the Roosevelt Project.

Australia II 12KA 6, Roosevelt County, MT (SSN 100%, subject to a 33.34% back-in option)

As previously advised the Australia II well has been successfully drilled to a total measured depth of 14,972 feet.

The 4 ½ liner equipped with 15 external casing packers was then run to total depth and set in the 7 inch casing shoe. A retrievable bridge plug has been set such that the well is made safe.

Contract negotiations are being undertaken with two mainstream pressure pumping companies such that this well can be fracture stimulated in the first quarter.

HAWK SPRINGS PROJECT

Defender US33 #2-29H, Goshen County, WY (SSN 37.5% carried working interest)

The Defender US33 #2-29H work over rig is due to arrive on location on Friday January 13th and will commence a pump change out. This operation will be completed over the weekend and the well is expected to be pumping with the replaced pump Monday January 16th. As previously advised the pump has not been operating efficiently and therefore the new pump is expected to establish a rate that is diagnostic.

The Defender US33 #2-29H is the first Niobrara appraisal well in Samson's Hawk Springs project and is being fully carried by Samson's farmin partner.



NORTH STOCKYARD FIELD

Everett #1-15H, Williams County, ND (SSN 26% working interest)

Fracture stimulation operations have been completed with Stage 20 having been pumped. The stimulation job placed 1.6 million pounds of proppant in 20 stages. Currently a work over rig is onsite rigging up to drill out the 19 frac plugs and then the well will undertake a flow back operation.

The Everett #1-15H well is Samson's sixth Bakken well in the North Stockyard Field.

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 AMEX 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 246 million options exercisable at AUD 1.5 cents), which would be the equivalent of 99.8 million ADSs. Accordingly, based on the NYSE AMEX closing price of US\$2.25 per ADS on January 12, 2012, the Company has a current market capitalization of approximately US\$218.65 million. Correspondingly, based on the ASX closing price of A\$0.11 on January 12, 2012, the Company has a current market capitalization of A\$213.58 million. The options have been valued at their closing price of A\$0.092 on January 12, 2012 and translated to US\$ at the current exchange of 1.0296 for purposes of inclusion in the US\$ market capitalization calculation.

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

A handwritten signature in black ink that reads "Terry Barr".

For further information please contact, Terry Barr, CEO on
303 296 3994 (US office) or 970 389 5047 (US cell)

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", "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 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.

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