



## **SAMSON OIL & GAS OPERATIONAL ADVISORY**

*Denver 1700 hours January 23<sup>rd</sup>, 2011, Perth 0700 hours January 24<sup>th</sup>, 2011*

### **HAWK SPRINGS PROJECT**

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

Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) advises that the replacement pump has been installed in the Defender well and commenced pumping on January 17<sup>th</sup>. Pump rates have been between 400 to 500 barrels of fluid per day as shown in the following table:

	<b>Water (bbls)</b>	<b>Oil (bbls)</b>	<b>Total Fluid (bbls)</b>	<b>Oil Cut</b>
18-Jan	415	94	509	18.5%
19-Jan	384	128	512	25.0%
20-Jan	300	100	400	25.0%
21-Jan	341	113	454	24.9%
22-Jan	307	131	438	29.9%

The pump was down for 5 hours on January 20<sup>th</sup> to fix an electrical fault on the pump jack.

The oil cut over this 5 day period has increased to around 30%. The produced water thus far is largely frac fluid based on regular chemical sampling that is being undertaken and the total recovered load (frac fluid) is 47%.

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.



## ROOSEVELT PROJECT, ROOSEVELT COUNTY, MONTANA

### Gretel II 12KA 3 #1-30H (SSN 100%, subject to a 33.34% backin right)

The Gretel II vertical pilot hole was drilled to the core point of 8,724 feet and cored to a depth of 8,844 feet with 120 feet cored and 100% recovery.

The well was then drilled to a total depth of 8,925 feet and is preparing to be logged. The vertical pilot hole will then be plugged back and the 4,500 foot lateral will be drilled.

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\$2.21 per ADS on January 23, 2012 the Company has a current market capitalization of approximately US\$214.9 million. Correspondingly, based on the ASX closing price of A\$0.105 on January 23, 2012, the Company has a current market capitalization of A\$204.3 million. The options have been valued at their closing price of A\$0.089 on January 23, 2012 and translated to US\$ at the current exchange of 1.049 for purposes of inclusion in the US\$ market capitalization calculation.

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

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](http://www.sec.gov/edgar/searchedgar/webusers.htm).