



1 February 2011

BY EMAIL

Wade Baggott
Senior Advisor, Listings (Perth)
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Wade

SAMSON OIL AND GAS LIMITED ("COMPANY") - ASX SHARE PRICE QUERY

We refer to your letter dated 27 January 2011 and respond to each of your queries as follows:

1. **Does the Company consider the JV Information (or any part of it) contained in the Announcement to be material to the Company?**

Yes, the Company does consider the JV Information contained in the Announcement to be material to the Company.

2. **When did the Company become aware of the JV Information contained in the Announcement? Please include details of the relevant time and circumstances of the Company becoming aware of the JV Information.**

The Company received a general approach from Halliburton Energy Services, Inc (Halliburton) in April 2010. Halliburton enquired as to whether Samson would be interested in considering a joint venture with Halliburton.

The parties negotiated the terms and conditions of the joint venture over the subsequent nine months. However, the Company only executed the three party participation agreement with Halliburton on 25 January 2011 (**Binding Agreement**) at approximately 4 pm MST in Denver USA. Immediately after execution of the Binding Agreement, the Company made its announcement which was sent to the NYSE Amex and placed into the public domain via Business Wire later on the same day.

As the ASX was closed for the Australia Day public holiday, the announcement was not published on the ASX platform until the morning of 27 January 2011 (Australian EST).

3. **If the answer to any part of question 1 is "yes" and the Company became aware of the JV Information (or any part of it) referred to in the Announcement, prior to the time the Company released the Announcement, please advise the following:**

www.samsonoilandgas.com.au

Samson Oil & Gas USA

1726 Cole Blvd, Suite 210, Lakewood, Colorado 80401 Tel + 1 303 295 0344 Fax + 1 303 295 1961

Samson Oil & Gas Limited

Level 36, Exchange Plaza, 2 The Esplanade, Perth Western Australia 6000 PO Box 7654, Cloisters Square, Perth Western Australia 6850 Tel + 61 8 9220 9830 Fax + 61 8 9220 9820
ABN 23 009 069 005 ASX Code SSN



3.1 Please advise why the Company did not make an announcement at an earlier time or request a trading halt earlier.

Until the time of execution of the Binding Agreement, the Company considered that the JV Information fell within the exception to listing rule 3.1 contained in listing rule 3.1A in that:

- (a) a reasonable person would not have expected the JV Information to be disclosed;
- (b) the JV Information was confidential; and
- (c) the JV Information constituted an incomplete proposal.

As late as 24 January 2011 there was still considerable doubt as to whether the Binding Agreement would ever be entered into. The outstanding issues were resolved on 25 January 2011 enabling the parties to execute the Binding Agreement late on 25 January 2011.

3.2 Why was the JV Information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1?

As outlined in our response to question 3.1, the Company considered that the JV Information fell within the exception in listing rule 3.1A.

In addition, in late 2010 the Company had disclosed to the market that it was attempting to enter into a JV arrangement similar to that put in place by the Binding Agreement in various corporate presentations including:

- (a) presentation published on the ASX platform on 22 August 2010 contained the dot point under the topic Go Forward Strategy "*Farm down retained acres*";
- (b) presentation published on the ASX platform on 15 September 2010 addressed the Company's go forward strategy under the Niobrara (aka the Hawks Springs Project) included the two dot points "*Complete Sale (the Chesapeake Sale) and farm down retained acres*"; and
- (c) On 7 October 2010, Samson advised the market of a Director Strategy meeting that established a near term plan. Included in that release is the following statement: "*The company's preferred development strategy for the retained leasehold, referred to as the Hawk Springs project, is to farm down a small part of its retained interest to a strategic partner. Ongoing discussion with prospective strategic partners(s) continue to progress and as a result.....*"

4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the JV Information (or any part of it) contained in the Announcement to be material.

Not applicable.



SAMSON
OIL & GAS LIMITED

5. Please confirm that the Company is in compliance with listing rule 3.1.

We confirm that the Company is in compliance with listing rule 3.1.

Yours sincerely

For and on Behalf of the Board of
SAMSON OIL AND GAS LIMITED

DENIS RAKICH
Company Secretary



ASX Compliance Pty Limited
 ABN 26 087 780 489
 Level 8 Exchange Plaza
 2 The Esplanade
 PERTH WA 6000

GPO Box D187
 PERTH WA 6840

Telephone 61 8 9224 0000
 Facsimile 61 8 9221 2020
www.asx.com.au

27 January 2011

Mr. Denis Rakich
 Company Secretary
 Samson Oil and Gas Limited
 Level 36 Exchange Plaza
 2 The Esplanade
 PERTH WA 6000

By email

Dear Denis

Samson Oil and Gas Limited (the "Company")

We refer to the following:

1. The Company's announcement released to ASX at 9:34 AM AEDT on 27 January 2011 and titled "Samson Oil & Gas Announces Joint Venture for Hawk Springs Project" (the "Announcement"). The Announcement included amongst other things, the following:

"Samson Oil & Gas Limited (ASX: SSN, NYSE AMEX: SSN) advises that it has entered into a three party participation agreement with Halliburton Energy Services, Inc. and its existing private company partner for the evaluation and development of the Niobrara Formation and other conventional targets in the northern Denver-Julesburg Basin for part of Samson's Hawk Springs Project in Goshen County, Wyoming.

Under the agreement, Samson and its partner will be free carried through the drilling and completion of two wells with approximate 4,500' laterals and will be reimbursed for a portion of the cost of the North Platte 3-D seismic survey. Halliburton will acquire 25% equity in the farm-in area (a net 2,819 acres). The transaction has been structured such that the acquisition cost can be valued at a rate of \$3,275 per acre. Halliburton retains the option to not drill the second farm-in well; in which event its 25% equity would be reduced to half the project area. (a net 1,410 acres)."
 (the "JV Information")

2. The price query letter from ASX dated 14 January 2011 and the Company's response dated 14 January 2011 and released to the market at 1:13 PM EDST on 14 January 2011.

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive officer (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity".

Australian Securities Exchange

Australian Stock Exchange
 Sydney Futures Exchange

Australian Clearing House
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation
 Austraclear

Further we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Paragraph 18 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 A reasonable person would not expect the information to be disclosed.
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- 3.1A.3 One or more of the following applies.
 - It would be a breach of a law to disclose the information.
 - The information concerns an incomplete proposal or negotiation.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information is generated for the internal management purposes of the entity.
 - The information is a trade secret."

Finally, we would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 34 to 40 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"Confidential' in this context has the sense of 'secret'..." and loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the Announcement, the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company consider the JV Information (or any part of it) contained in the Announcement to be material to the Company?
2. When did the Company become aware of the JV Information contained in the Announcement? Please include details of the relevant time and circumstances of the Company becoming aware of the JV Information.
3. If the answer to any part of question 1 is "yes" and the Company became aware of the JV Information (or any part of it) referred to in the Announcement, prior to the time the Company released the Announcement, please advise the following:
 - 3.1 Please advise why the Company did not make an announcement at an earlier time or request a trading halt earlier.
 - 3.2 Why was the JV Information not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1?
4. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the JV Information (or any part of it) contained in the Announcement to be material.

5. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7A to release this letter and the Company's response to the market. Accordingly the Company's response should address each question separately and be in a format suitable for release to the market.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00pm (WST) on Tuesday 1 February 2011**.

Your response should be sent to ASX by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on (08) 9224 0023.

Yours sincerely

[sent electronically without signature]

Wade Baggott
Senior Adviser, Listings (Perth)