



SAMSON OIL & GAS TO RE-COMplete THE STATE GC#2

Denver 1700 hours March 4th, 2010

State GC # 2 (37% working interest)

Samson Oil & Gas Limited (ASX: SSN, NYSE AMEX: SSN) advises that preparations are underway to work over the State GC #2 well. This well is located in the Permian Basin in New Mexico. When this well was drilled in early 2008 its primary target was the Wolfcamp Formation. Electric well logs were recorded as part of the evaluation and identified pay in the Wolfcamp Formation as well as numerous pay zones within the secondary target, the Bone Spring Formation, which remained behind pipe above the primary objective.

The Wolfcamp Formation was completed with oil production averaging around 3 BOPD over the past 12 months. Given this low rate, the Operator is in the process of moving in a work over rig and intends to perforate a series of intervals within the Bone Spring Formation. The rig is expected to arrive Friday March 5th.

Four zones are planned to be perforated accessing approximately 110 feet of log derived net pay. Each of the four zones will be fracture stimulated and tested sequentially. It is intended that the four zones will be comingled.

The Bone Spring Formation is an established oil producing horizon in the area and as an example a well 2 ½ miles to the northwest of the State GC #2 well has produced 52,805 barrels of oil and 283,497,000 cubic feet of gas over a three year period from this horizon.

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 1,294 million ordinary shares issued and outstanding, which would be the equivalent of 64.7 million ADSs. Accordingly, based on the NYSE AMEX closing price of US\$0.45 per ADS on March 4th 2010 the company has a current market capitalization of approximately US\$ 29.0 million. Correspondingly, based on the ASX closing price of A\$0.025 on March 4th, 2010, the company has a current market capitalization of A\$ 32.3 million.

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

TERRY BARR
Managing Director

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

www.samsonoilandgas.com.au



Statements made in the presentation that is available on Samson's website 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 registration statement and report to the U.S. Securities and Exchange Commission on Form 20-F, as amended, a copy of which is available at www.sec.gov/edgar/searchedgar/webusers.htm.