



SAMSON
OIL & GAS LIMITED

SAMSON OIL & GAS ANNOUNCES HEDGING AND OPERATION PROGRAM

Denver 1800 hours April 5th, 2016, Perth 0800 hours April 6th, 2016

Hedging

In conjunction with the extension of Samson's current credit facility to fund the Foreman Butte acquisition, Samson has entered into new hedging arrangements. Approximately 75% of total current production including the acquisition has been hedged from May 2016 to April 2018. Additional hedges will be put in place as production increases. The counter party to the hedges is BP, Samson's previous hedge counter party.

The hedges, detailed below, were put in place on March 30, 2016. Samson has deferred premiums of \$0.5 million with respect to this hedge program. The net value, after deferred premiums of the hedge portfolio at April 4, 2016, was approximately \$0.8 million.

Collars

Product	Start Date	End Date	Volume (BO/Mmbtu)	Floor	Ceiling
WTI	1-May-16	30-Apr-18	147,462	41.50	63.00
Henry Hub	1-May-16	31-Oct-16	192,029	1.90	2.40
Henry Hub	1-Nov-16	31-Mar-17	134,088	2.60	3.35
Henry Hub	1-Apr-17	31-Oct-17	167,682	2.40	2.91
Henry Hub	1-Nov-17	30-Apr-18	127,030	2.80	3.60

Costless Swaps

Product	Start	End	Volume (BO)	Swap
WTI	1-May-16	31-Dec-16	113,925	41.20
WTI	1-Jan-17	31-Dec-17	141,255	44.09
WTI	1-Jan-18	30-Apr-18	39,720	45.55

The hedge program was designed to protect the acquisition price of the Foreman Butte project and has a floor of around \$41 per barrel.

Together with the Company's hedging advisors, Samson will continue to monitor the oil markets with a view to trading out of these hedge positions or reducing the deferred premiums as the market dictates

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Foreman Butte Project Operations Program

Samson has submitted the transfer of operator forms to the regulatory agencies in the states of Montana (MBOGC) and North Dakota (NDIC) for approval of the newly acquired assets. Following receipt of these approvals, Samson will embark on a development program that will bring 29 inactive wells that are expected to be economic even at current prices back to producing status. This program can be put into three different categories:

Round 1: Workover shut-in wells with mechanical problems:

Of the 29 inactive and currently economic wells acquired, 11 wells have been selected for the initial round of mechanical workovers. These are wells that have been shut-in for various mechanical reasons, including parted rod strings, a stuck pump, or a tubing leak. The investment to necessary to bring these wells back online is expected to be modest, estimated at between \$15,000 and \$25,000 per well. The expected first month's production from these wells is estimated to be around 200 BOPD from these 11 wells without any stimulation beyond that encompassed in the mechanical workovers, namely a regular acid stimulation.

The acid stimulation is aimed at cleaning the perforation tunnels and near well bore restrictions to maximize oil flow. An increase in production would be expected from this type of operation, however no additional uplift has been factored into the 200 BOPD production expected from the mechanical workovers.

Round 2: Workover shut-in horizontal wells with advanced stimulation potential:

There are 18 wells in this category, which have been identified based on their individual production history, the structural position of the well in the field, and the porosity trends across the field. These wells have been examined by our reserve auditor and have been assigned a 4 times uplift in production from the previous shut in rate shown in our current reserve report. This uplift was developed using data from immediately adjacent (but outside our project area) well bore treatments. The 18 wells could collectively add an additional 1,400 BOPD to the project in the first month following the treatment. The treatment for these wells is being designed by a leading oil service provider using state of the art reactive fluids and diversion material. Total expenditure associated with this operation is expected to be around \$100,000-\$150,000 per well.

These first two initial workover programs are expected to substantially increase the acquisition assets production rate.

Round 3: Proved undeveloped drilling

Samson has identified a total of 37 infill well locations that could be drilled. The majority of these 37 infill wells locations are extended laterals. Only 13 of these are included in our current reserve report due to capital constraints imposed on that estimate. These wells are expected to cost \$2.8 million and are economic in the current pricing environment. They are, however, a third ranked investment priority as the capital efficiency associated with the initial and second round workover programs is superior to drilling wells in the current price environment. All drilling locations are within the boundaries of the various fields acquired and are immediately adjacent to existing production.



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 MKT under the symbol "SSN". Each ADS represents 200 fully paid Ordinary Shares of Samson. Samson has a total of 2,837 million ordinary shares issued and outstanding (including 230 million options exercisable at AUD 3.8 cents), which would be the equivalent of 14.185 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$0.83 per ADS on April 4th, 2016, the Company has a current market capitalization of approximately US\$11.9 million (the options have been valued at an exchange rate of 0.7602). Correspondingly, based on the ASX closing price of A\$0.005 for ordinary shares and a closing price of A\$0.001 for the 2017 options, on April 4th, 2016, the Company has a current market capitalization of approximately A\$14.4 million.

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Statements made in this press 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 prospectus and prospectus supplement for its recent Rights Offering as well as the Company's report to the U.S. Securities and Exchange Commission on Form 10-K, which are available at www.sec.gov/edgar/searchedgar/webusers.htm.

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