



**SAMSON OIL & GAS LIMITED
(ABN 25 009 069 005)**

CIRCULAR TO SHAREHOLDERS

INCLUDING

**NOTICE OF MEETING TO BE HELD 14 JULY 2010
EXPLANATORY MEMORANDUM
PROXY FORM**

These documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

SAMSON OIL & GAS LIMITED
ABN 25 009 069 005

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SAMSON OIL & GAS LIMITED

ABN 25 009 069 005

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Samson Oil & Gas Limited will be held at the Conference Room, Level 8, Exchange Plaza, 2 The Esplanade, Perth, WA 6000 on Wednesday 14 July 2010 at 10.00am.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as ordinary resolutions.

Information on the proposals to which the resolutions relate is contained in the explanatory memorandum which accompanies and forms part of this Notice of Meeting (the "**Explanatory Memorandum**"). Words and expressions defined in the Explanatory Memorandum have the same meanings where used in this Notice of Meeting.

RESOLUTION 1 – RATIFICATION OF ALLOTMENT OF SHARES

To consider, and if thought fit to pass, the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue on 7 May 2010 of 123,529,412 fully paid ordinary shares in the Company at an issue price of 3.4 cents per share, to clients of Patersons Securities Limited on the terms described in the Explanatory Memorandum which accompanies the notice convening this meeting, be and is hereby ratified."

Note:

In accordance with Listing Rule 7.5.6, the Company will disregard any votes cast on resolution 1 by any person who participated in the issue and any of their associates.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 – ISSUE OF SHARES TO N.T. MACLACHLAN

To consider, and if thought fit to pass, the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and for all other purposes the Company approves the issue of 810,397 fully paid ordinary shares in the Company to Mr N T MacLachlan, a director of the Company, at a deemed issue price of 2.6 cents per share."

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) The shares referred to in resolution 2 will, from their date of allotment, rank pari passu in all respects with all other fully paid ordinary shares in the Company then on issue.
- (b) The shares will be issued fully paid up, in consideration of a 30% reduction for the period 1 October 2009 to 30 April 2010 in directors' fees, further details of which are set out in the Explanatory Memorandum. No funds will be raised from the issue.

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- (c) The shares will be issued within one month after the date of the general meeting.
- (d) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 2 by Mr MacLachlan or his associates will be disregarded.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 3 – ISSUE OF SHARES TO T.M. BARR

To consider, and if thought fit to pass, the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and for all other purposes, the Company approves the issue of 2,300,580 fully paid ordinary shares in the Company to Mr T Barr, a director of the Company, at a deemed issue price of 2.6 cents per share.”

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) The shares referred to in resolution 3 will, from their date of allotment, rank pari passu in all respects with all other fully paid ordinary shares in the Company then on issue.
- (b) The shares will be issued fully paid up in consideration of a 30% reduction for the period 1 October 2009 to 30 April 2010 in directors' fees, further details of which are set out in the Explanatory Memorandum. No funds will be raised from the issue.
- (c) The shares will be issued within one month after the date of the general meeting.
- (d) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 3 by Mr Barr or his associates will be disregarded.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 4 – ISSUE OF SHARES TO V. RUDENNO

To consider, and if thought fit to pass, the following resolution as an ordinary resolution:

“That for the purpose of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and for all other purposes, the Company approves the issue of 266,807 fully paid ordinary shares in the Company to Dr V Rudenno, a director of the Company, at a deemed issue price of 2.6 cents per share.”

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) The shares referred to in resolution 4 will, from their date of allotment, rank pari passu in all respects with all other fully paid ordinary shares in the Company then on issue.

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- (b) The shares will be issued fully paid up in consideration of a 30% reduction for the period 1 October 2009 to 30 April 2010 in directors' fees, further details of which are set out in the Explanatory Memorandum. No funds will be raised from the issue.
 - (c) The shares will be issued within one month after the date of the general meeting.
 - (d) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 4 by Dr Rudenno or his associates will be disregarded.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – ISSUE OF SHARES TO K. SKIPPER

To consider, and if thought fit to pass, the following resolution as an ordinary resolution:

"That for the purpose of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and for all other purposes, the Company approves the issue of 266,807 fully paid ordinary shares in the Company to Mr K Skipper, a director of the Company, at a deemed issue price of 2.6 cents per share."

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) The shares referred to in resolution 5 will, from their date of allotment, rank pari passu in all respects with all other fully paid ordinary shares in the Company then on issue.
- (b) The shares will be issued fully paid up in consideration of a 30% reduction in directors' fees for the period 1 October 2009 to 30 April 2010, further details of which are set out in the Explanatory Memorandum. No funds will be raised from the issue.
- (c) The shares will be issued within one month after the date of the general meeting.
- (d) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 5 by Mr Skipper or his associates will be disregarded.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: Level 36, Exchange Plaza
2 The Esplanade
Perth WA 6000

Facsimile Number: (08) 9220 9820

Postal Address: PO Box 7654
Cloisters Square
Perth WA 6850

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.38 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 10.00am on 12 July 2010 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

By Order of the Board



D I Rakich
Company Secretary
3 June 2010

SAMSON OIL & GAS LIMITED
ABN 25 009 069 005

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Samson in connection with the business to be transacted at the general meeting of the Company to be held on Wednesday 14 July 2010.

At that meeting, shareholders will be asked to pass resolutions:

- ratifying the allotment of 123,529,412 ordinary fully paid shares to clients of Patersons Securities Limited; and
- approving the issue of shares to Directors as consideration for the reduction of remuneration.

Details of these proposals are set out in this Explanatory Memorandum, which shareholders are urged to read carefully.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to shareholders in deciding whether or not to pass these resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

Act or Corporations Act	Corporations Act 2001 (Cth.)
A\$ or \$	Australian dollars
ASIC	Australian Securities and Investments Commission
ASX	Australian Stock Exchange Limited (ACN 008 624 691)
ASX Listing Rules or Listing Rules	The Official Listing Rules of the ASX, as amended from time to time
Board	The board of directors of the Company
Director	A director of the Company
General Meeting	The general meeting of the Company to be held on 14 July 2010
Notice of Meeting	The notice convening the General Meeting which accompanies this Explanatory Memorandum
Samson or Company	Samson Oil & Gas Limited (ABN 25 009 069 005)
Shares or Samson Shares	Fully paid ordinary shares in the Company

3. RESOLUTION 1 – RATIFICATION OF ALLOTMENT OF SHARES

On 7 May 2010, the Company issued 123,529,412 Shares at 3.4 cents per Share to clients of Patersons Securities Limited, pursuant to Section 708 of the Corporations Act.

The issue raised \$4.2 million (before expenses). These funds will be used for drilling programs on the Company's oil properties in the US and to provide general working capital.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its share capital in any 12 month period, without first obtaining shareholder approval. However, Listing Rule 7.4 allows a company to seek ratification by shareholders of an issue of securities which has been made without approval under Listing Rule 7.1, provided the issue did not breach Listing Rule 7.1.

As the placement the subject of Resolution 1 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, shareholder ratification of the placement is now sought pursuant to Listing Rule 7.4.

The effect of passing Resolution 1 will be to refresh part of the Company's 15% capacity under Listing Rule 7.1.

For the purposes of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- 1) The total number of Shares issued was 123,529,412.
- 2) The Shares were issued at a price of 3.4 cents per share.
- 3) The Shares rank equally in all respects with the Company's existing Shares.
- 4) The Shares were issued to clients of Patersons Securities Limited, who are unrelated to the Company.
- 5) The funds raised will be used for drilling programs on the Company's oil projects in the US and to provide general working capital.

4. RESOLUTIONS 2, 3, 4 & 5 – ISSUE OF SHARES TO RELATED PARTIES

On 29 April 2009 the Directors of Samson resolved to reduce directors' and officers' remuneration packages by 30% from 1 May 2009, as part of an effort to reduce the Company's overheads.

The Directors also resolved to issue Samson Shares as consideration for the reduction in the remuneration of directors and officers. Messrs N T MacLachlan, T M Barr, V Rudenno and K Skipper are Directors of the Company and are deemed under the Listing Rules to be related parties of Samson by virtue of being Directors of the Company.

On 18 November 2009, the Company in Annual General Meeting approved the issue of shares as consideration for the salary reduction for the period 1 May 2009 to 30 September 2009.

Shareholder approval is now required to issue shares to Directors as consideration for the salary reduction for the period 1 October 2009 to 30 April 2010.

The purpose of Resolutions 2, 3, 4 and 5 is to seek that approval.

The issue price of the Shares to be issued as consideration for the salary reduction is 2.6 cents per share, being the volume weighted average price of Samson Shares on the ASX for the period 1 October 2009 to 30 April 2010.

The effect of the 30% reduction in remuneration for the period 1 October 2009 to 30 April 2010 is set out in the table below.

Name	Reduced Remuneration	No of Samson Shares at 2.6 cents each
N T MacLachlan	\$21,070.32	810,397
T M Barr	\$59,815.08	2,300,580
V Rudenno	\$6,936.99	266,807
K Skipper	\$6,936.99	266,807

Shareholder approval for the issue of Shares to Mr MacLachlan, Mr Barr, Dr Rudenno and Mr Skipper is also required under section 208 of the Corporations Act.

Under section 208, subject to certain exceptions (none of which is applicable here), the Company cannot give a financial benefit to a related party without prior shareholder approval. Each Director is a "related party" of the Company for this purpose, whilst the issue of the Samson Shares constitutes a "financial benefit". Hence approval under section 208 is required.

The following information is provided to shareholders in accordance with section 219 of the Act to enable them to access whether or not it is in the Company's interests to pass resolutions 2, 3, 4 and 5:

- (a) The persons to whom the resolutions would permit a financial benefit to be given are Mr MacLachlan, Mr Barr, Dr Rudenno and Mr Skipper, each of whom is a director of the Company and a related party of the Company by virtue of section 228(2)(a) of the Act.
- (b) The nature of the financial benefit to be given is the issue of the Shares referred to in resolutions 2, 3, 4 and 5 respectively.
- (c) The aggregate value of the Samson Shares to be issued to each Director is shown in the above table.
- (d) Over the last 12 months, the highest recorded sale price of Samson Shares in trading on the ASX was \$0.045 (on 19 April 2010), and the lowest recorded sale price was \$0.01 (on 11 December 2009). The last recorded sale price of Samson Shares before lodgement of this Explanatory Memorandum with ASIC was \$0.034.
- (e) The Directors currently have the following relevant interests in Samson securities:

Name of Director	Samson Shares	Samson Options
T M Barr	7,372,482	4,512,960
N T MacLachlan	12,020,719	1,500,000
V Rudenno	3,638,813	800,000
K Skipper	138,813	500,000

- (f) If all of the Samson Shares the subject of resolutions 2, 3, 4 and 5 are issued, existing shareholders' interests in the Company would be diluted by approximately 0.25%, assuming no other Shares were issued (including by way of exercise of existing Options) in the meantime.
- (g) Although each of resolutions 2, 3, 4 and 5 is an independent resolution and not dependent on the passing of any of the other three resolutions, in the circumstances the Directors do not consider it appropriate to make a recommendation to shareholders about any of the resolutions – notwithstanding that each Director only has a personal interest in the resolution which relates to a proposed issue of Shares to him.
- (h) The Directors do not consider that there are material opportunity costs to the Company or benefits foregone by the Company in issuing the Shares the subject of resolutions 2, 3, 4 and 5.
- (i) The Directors are not aware of any adverse taxation consequences for the Company that will arise from the issue of Shares pursuant to resolutions 2, 3, 4 and 5.

- (j) There is no other information known to the directors of the Company that is reasonably required by shareholders in order to make a decision whether or not it is in the Company's interest to pass resolutions 2, 3, 4 and 5.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a proxy form for use by shareholders. All shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the General Meeting in person.



PROXY FORM

The Secretary
 Samson Oil & Gas Limited
 Level 36, Exchange Plaza
 2 The Esplanade
 PERTH WA 6000

I/We
 (Full Name – Block Letters)

of
 being a member of Samson Oil & Gas Limited hereby appoint

..... to exercise% of my/our voting rights
 (Name of 1st Proxy)

..... to exercise% of my/our voting rights
 (2nd Proxy - Optional)

or in his/her absence, the Chairman of the meeting as my/our proxy/proxies to vote on my/our behalf at the General Meeting of the Company to be held at 10.00am on Wednesday 14 July 2010 and at any adjournment thereof.

The Chairman of the meeting will act as your proxy if you do not appoint someone. It is the Chairman's intention to exercise undirected proxies in favour of the resolution.

If you do **not** wish to direct your proxy how to vote, please place a mark in the box opposite.
 By marking this box you acknowledge that if you have appointed the Chairman as your proxy, he may exercise the undirected proxy even if he has an interest in the outcome of the resolution and votes cast by him other than a proxy holder will be disregarded because of that interest.

You must either mark the boxes directing your proxy how to vote on the resolution or mark this box indicating that you do not wish to direct your proxy how to vote. Otherwise, this proxy form will be disregarded.

I/We understand that if I/we have not directed my/our how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Ratification of Allotment of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Issue of Shares to Mr NT MacLachlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Issue of Shares to Mr TM Barr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Shares to Dr V Rudenno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Shares to Mr K Skipper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated thisday of 2010.

.....
 Signature of Member

.....
 Signature of Joint Member

Or if a Company:
 THE COMMON SEAL OF)
 Was affixed in the presence of,)
 And the sealing is attested by:)

.....
 Secretary

.....
 Director

INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.

Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the registered office, Level 36, Exchange Plaza, 2 The Esplanade, Perth, or faxed to the Company (Fax No: (08) 9220 9820 and for overseas shareholders: (618) 9220 9820), not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the Common Seal of that company.