



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

*Denver 1700 hours May 17th, 2012, Perth 0700 hours May 18th, 2012*

Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) provides advice on its current projects.

### **HAWK SPRINGS PROJECT, GOSHEN COUNTY, WYOMING**

#### **Spirit of America US34 #2-29, (SSN 100% WI)**

The Spirit of America #2 well has been drilled to the intermediate casing point of 9,140 feet, 70 feet deeper than the point at which the first well was abandoned, prior to penetrating the two 3D seismically defined targets. The troublesome salt section that caused several stuck bottom hole assemblies in the initial well has been successfully drilled using a heavy weight, oil based mud system along with a very conservative drilling approach being applied to the salt section. The well bore has been assessed as "in excellent condition" after it was extensively conditioned having reached the intermediate casing point. The rig is currently running the seven inch casing string. Following the cementing of that string, the well will be drilled to an expected total depth of 10,750 feet. Drilling operations are expected to re-commence late Friday this week, following the completion of this casing operation.

#### **Defender US33 #2-29H, (SSN 37.5% WI)**

A jet pump was installed in the Defender US33 #2-29H and the well has produced daily oil rates between 15 and 236 BOPD (normalized basis assuming a full 24 hour up time). Discounting the early "flush production" the well has produced at an average rate of around 50 BOPD.

We are in the process of running bottom hole pressure gauges to optimize the jet pump operation which by design has several parameters (including the use of oil or water as the power fluid) which may be varied to achieve this optimization. This process will take a couple of weeks since each parameter change takes a day or two to evaluate.

### **ROOSEVELT PROJECT, ROOSEVELT COUNTY, MONTANA**

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

The work-over has been completed on Gretel II, all of the frac sleeves have been drilled; and the production tubing, rod pump and sucker rods have been installed. All of the surface equipment, tanks, beam pump, separator and heater-treater are on site and are expected to be installed in the next two weeks, after which production will be initiated.

#### **Australia II 12KA 6, #1-29H, (SSN 100%, subject to a 33.34% back-in right)**

The work-over rig has been moved onto the Australia II well so that the clean out string can be removed and the production string, pump and pump rods run. The surface facilities are largely complete with the beam pump, tanks, separator, and heater-treater all installed. Once the completion string is in place (expected Saturday this week), the well will be plumbed to the surface facilities, the various electrical controls will be installed and production operations will be initiated. This is expected to occur next week.

[www.samsonoilandgas.com.au](http://www.samsonoilandgas.com.au)

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During the work-over operations this week the first 12 hour shift was occupied attempting to kill the well with a 11.2 ppg brine fluid. This fluid density was insufficient and a 11.4 ppg fluid was required to overcome the reservoir pressure to enable the commencement of the work over. The reservoir pressure has exceeded our expectations. During the kill operations, 105 barrels of oil were recovered.

### **Abercrombie 1-10H (SSN WI 0.75%)**

The Abercrombie well has completed its flow back operations and oil rates of between 380 BOPD and 630 BOPD (normalized 24 hour rates) were recorded prior to that operation being concluded. The Abercrombie well was drilled as a 10,000 foot horizontal in the middle Bakken and its bottom hole location is within 1 mile of the bottom hole location of the Gretel II location

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 231 million options exercisable at AUD 1.5 cents), which would be the equivalent of 88.25 million ADSs. Accordingly, based on the NYSE AMEX closing price of US\$1.52 per ADS on May 17th, 2012 the Company has a current market capitalization of approximately US\$148 million. Correspondingly, based on the ASX closing price of A\$0.078 on May 17th, 2012, the Company has a current market capitalization of A\$151 million. The options have been valued at their closing price of A\$0.059 on May 17th, 2012 and translated to US\$ at the current exchange of 0.9958 for purposes of inclusion in the US\$ market capitalization calculation.

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

A handwritten signature in black ink that reads "Terry Barr".

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).