



## QUARTERLY REPORT *for the period ended 31 March 2007*

### HIGHLIGHTS

- Oil production up by 50% and gas production up by 25% compared to previous quarter.
- Revenues up by 4% compared to previous quarter.
- Significant production increase from a compressor upgrade in the Jonah Field.
- Two development wells scheduled for Jonah field in July 2007.
- Additional oil project acquired at South Goose Lake with an appraisal well to be drilled in June 2007.
- North Stockyard well completed successfully with a 4,800 foot horizontal, initial oil rate encouraging at 100 BOPD and acid fracture stimulation expected to bring that rate to 250 BOPD.
- Stage Coach East evaluation completed with a contingent reserve indicated at 58 Bcf recoverable, slated to be drilled in July 2007.
- Planning underway to drill the Sue Federal 32-2 a deep Frontier, Muddy and Baxter well in the Greens Canyon area.

### DRILLING PROGRAMME 2007

#### North Stockyard Project

A fracture stimulation of the Harstad 15-1H is expected to increase the current oil rate from 100 BOPD to 250 BOPD, which will be followed by two further development wells which would be expected to be drilled in late 2007.

#### Rock Springs West Project, Baxter Shale

The Sue Federal 32-2 well is planned for drilling in July 2007 to a depth of 15,000 feet to evaluate the combined Frontier Muddy and Baxter sections. The recent 9 mmcfpd flow rate announced from the most recent Questar well has pointed to the substantial significance of this reservoir section. Samson is currently finalizing the equity positions in this well and expects to maintain a 50% equity and as Operator will be able to control the development of this project.

#### Stage Coach East

The Stage Coach East well is planned for July 2007 and is targeting a 58 Bcf prospect adjacent to a well which intersected gas pay defined by sophisticated log analysis.

#### State GC Oil and Gas Field Extension

A Morrow Formation well supported by a 3D seismic amplitude anomaly is scheduled for second quarter of 2007. Following an expected farmout of this well Samson will retain a 65% equity position in the well.

#### South Goose Lake

The South Goose Lake well is expected to spud approximately June 1 2007. This well will target the Duperow Formation and evaluate the Nisku Formation. The well is drilling an amplitude anomaly adjacent to a well with oil recovery from the Duperow Formation.

**Jonah Field**

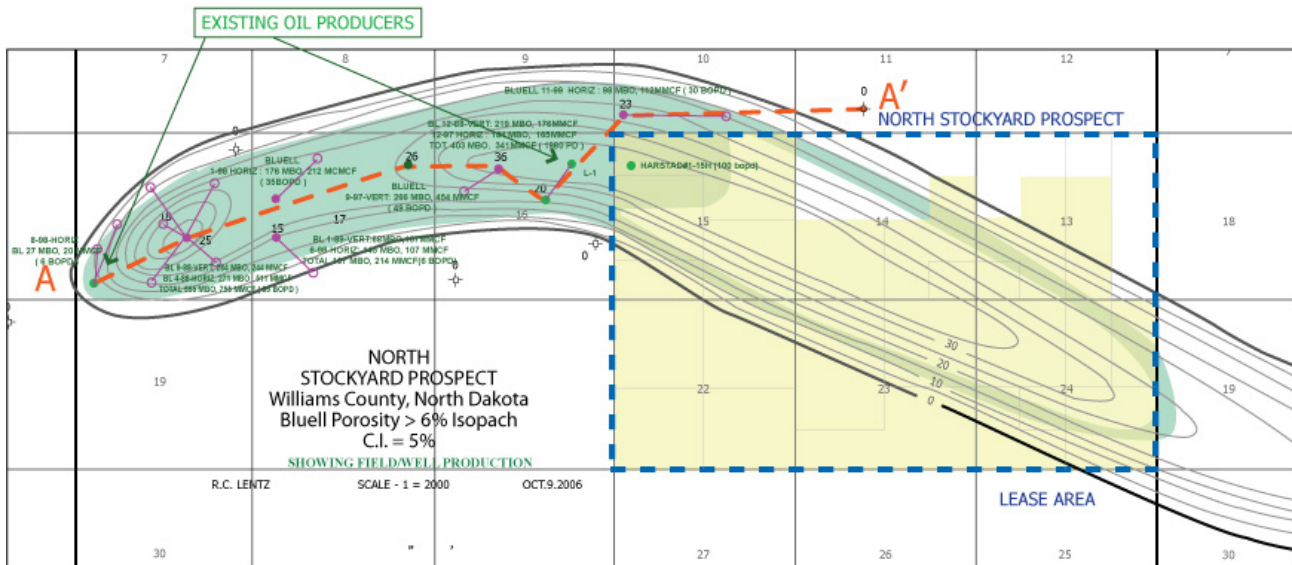
Two additional developments wells are being planned by the operator and will be drilled prior to the end of July.

**PROJECTS**

**North Stockyard Project – North Dakota, USA**

*Samson 34.5% Working Interest*

Samson has a 34.5% working interest in 3,303 acres adjacent to the North Stockyard Oil Field located in the Williston Basin in North Dakota.



The prospect has the ability to deliver 5 locations with each well being drilled as a horizontal intersection which is common in the adjacent fields. The 5 horizontal wells have potential to recover 5.4 million barrels of oil, of which Samson would have a net revenue interest of 1.7 million barrels. Each well in the program will be dependent on the successful completion of the initial and subsequent wells.

The Harstad#1-15H well has been completed and surface facilities have been constructed. The well is currently producing at 100 barrels of oil per day. The oil cut is slowly increasing as the drilling fluids introduced from the drilling process are removed from the reservoir. It is expected that an acid fracture stimulation will be undertaken and experience in this field suggests that such stimulation would increase the oil rate to between 200 to 300 BOPD as the stimulation connects the poorer quality reservoir to the well bore.

Following this stimulation and because the well reached its total depth in oil and gas shows at the toe of the horizontal section, two additional locations have been proven and are expected to be drilled during the remainder of 2007.

**Green River Basin Wyoming, USA**

The Green River Basin in Wyoming hosts a number of world class gas fields and has grown in importance as a major gas producing region within continental USA. Samson holds a significant tenure position in the Basin both in terms of conventional tight gas reservoirs and an emerging shale gas play located within the Baxter Shale. Samson holds a total of 40,000 net acres within this region.

### **Rock Springs West Project – Wyoming, USA**

#### **Samson 78% Working Interest**

The Sue Federal 32-2 well is planned to be drilled in July 2007. This well will target all three reservoirs in this field. The Frontier, Muddy and Baxter Shale will all be evaluated with this well.

The Frontier and Muddy Formations represent conventional gas targets, which for various mechanical reasons have never had a successful completion achieved within them. Despite the various mechanical problems the previous wells have provided a significant level of encouragement.

Recently there has been a significant increase in the indicative productive capacity of the Baxter Shale, with a recent Questar well reported to flow at an initial rate of 9 mmcfpd.

The Company's Green Canyon 29-2 well has been fracture stimulated and initial flow back rates of 100 mcfpd were observed. This rate whilst modest was in line with expectations because the treatment was over a 305 foot interval, compared to a total section thickness of 3,500 feet. The well has now been completed and the majority of the frac fluids can now be recovered over a period of approximately 6 months. The evaluation of this frac cannot be completed until such time as these fluids have been recovered.

### **Firehole Canyon and Browns Ranch– Wyoming, USA**

#### **Samson 100% Working Interest**

Existing seismic data has been acquired in the Browns Ranch area to determine the precise position of the fault that controls the up-dip termination of a trap at the Frontier and Muddy levels. Given the cost of drilling to these levels, it is currently envisaged that the most cost effective way to investigate the Greens Canyon, Firehole Canyon and Browns Ranch prospects is to drill the Browns Ranch area as this represents the shallowest position of these prospective sections. Reprocessing of this data is to be completed, which will be followed by mapping.

The Browns Ranch Project consists of 1,900 acres on trend with the 175 BCF South Baxter Field in the Green River Basin, Wyoming. The feasibility of this project was considerably enhanced by the drilling of SBU#22 on adjacent acreage, not owned by the Company, two miles to the north east which had initial production of 5mmcfpd. The SBU #22 well has produced 1.9 BCF over the last 18 months and has been successfully offset by two other wells. A well drilled by Davis Oil in the 1970's confirmed the presence in the prospect area of similar quality sand as found in the SBU #22 well. 10 potential locations exist on the acreage with potential for 17 bcf of gas net to Samson.

The Firehole Canyon Prospect consists of 12,000 acres in the Green River Basin area of Wyoming. This project was developed as a result of several years of extensive geologic mapping and research. The prospect has good reservoir development in both the Muddy and Frontier Formations which was confirmed in a well that had shows of gas in both the target formations. This well was drilled in the early 1960's when gas prices of 25 cents per mcf made field development uneconomic. The potential target formations are between 10,000 and 13,000 feet.

31 potential drill locations have been mapped with an estimated 53 BCF of gas net to Samson's interest.

### **Flaming Gorge – Wyoming, USA**

#### **Samson 100% Working Interest**

The Flaming Gorge Project consists of 6,400 acres located in the southwestern part of the Green River Basin in Wyoming.

A well three miles to the southwest of Samson's acreage, the Lone Star 1X flowed at calculated rates exceeding 1mmcfpd without stimulation. The proximity of this well to the Flaming Gorge acreage, indicates that the Baxter Shale section is gas productive and within the Flaming Gorge acreage and it has the advantage that it is just 20 miles west of the area which is being vigorously developed in the Baxter Shale by third parties.

### **Stage Coach East – Wyoming, USA**

#### ***Samson 100% Working Interest***

Samson has acquired one lease over 1,200 acres to the southeast of the Stage Coach Draw Gas Field in the Green River Basin in Wyoming. The Stage Coach Draw Field has produced 23 BCF of gas and 316,000 barrels of condensate from the Almond Formation. The acreage acquired is adjacent to the Stratos Federal #1 well. This well was partially funded by the US Department of Energy and there is considerable data available from the well. The Stratos Federal #1 was drilled to test deeper formations but intersected 20 feet of gas shows, good permeability and excellent porosity was measured by wire line logs in the Almond Formation. Recent mapping of this project area has determined both the trapping mechanism of the field and the prospect area and has determined that the prospect has the ability to deliver a recoverable contingent reserve of 58 Bcf.

The proposed drill location on the acquired acreage is only 500 metres east of the Stratos Federal #1 and is scheduled to be drilled in July 2007.

### **State GC Oil and Gas Field - New Mexico, USA**

#### ***Samson 27% Working Interest***

The State GC oil and gas field located in Lea County, New Mexico, was discovered in 1980 and covers approximately 600 acres. The field currently has one well that has produced 460,000 barrels (bbls) of oil and 0.7 BCF of gas. Samson has a 27% working interest in this field. Geophysical mapping of the area has led to a understanding of how this single well oil field is configured and where a step out well could be developed is being advanced.

### **State GC Oil and Gas Field Extension- New Mexico, USA**

#### ***Samson 100% Working Interest***

A non-exclusive 3D seismic grid previously shot by a geophysical contractor was acquired over the nine sections (640 acres each) adjacent to the State GC well, which is currently producing at around 60 BOPD from the Lower Leonard Formation. This 3D seismic grid has been reprocessed and interpreted using attribute analysis. As a result of this mapping, two Morrow Formation locations have been delineated in Section 24 west and Section 13 East. Samson holds 100% of both these sections and therefore will be offering farmouts to the industry to finance the drilling of these very attractive locations. The Morrow Formation was originally a secondary target in this area but the remapping and subsurface modeling has suggested that the Morrow Formation, which has produced gas recoveries of between 3 and 5 Bcf per well in the adjacent sections, will be the primary target.

The Section 24 west well will be the priority and a drilling rig is being sourced such that this well can be drilled in the second calendar quarter of 2007.

### **Jonah Field – Wyoming, USA**

#### ***Samson 21% Working Interest***

The Jonah Field has seen the installation of a compressor upgrade which consisted of increasing the horsepower from 1200 to 1800 HP and enlarging the throughput capacity. This upgrade has resulted in an increase in the gross production rate from the field of 2.2 MMSCFPD from 4.8 MMSCFPD to 7.0 MMSCFPD. The compression upgrade was necessary because of the additional development wells that have been bought on stream in the adjacent part of the field which has seen an accelerated infill development. These wells are not part of the portion of the Jonah Field in which Samson has an interest. The compression upgrade has resulted in lowering the inlet pressure to between 50 to 100 psi from a previous range of between 250 to 300 psi.

The installation of compression in tight gas reservoirs generally increases the recoverable gas in a field because it enlarges the drainage area of the wells within the field.

In addition to this additional production from the field, the operator has advised Samson that it intends to drill two development wells in the field prior to the end of July 2007. These wells will take the field to a 10 acre spacing in part of the field. To complete the approved 10 acre spacing three additional locations would be required to be drilled. The two development wells will increase the proved developed producing reserves in the field.

It is understood that the adjacent part of the field is being developed to a 5 acre spacing. This spacing is unusual for a gas reservoir and is due to the large vertical gas column that exists in the field.

The Jonah Field is located in the northern part of the Green River Basin and is one of the largest discoveries in recent decades in continental USA having produced in excess of 1.0 trillion cubic feet of gas since commencing production in 1992. Development of this field has resulted from the application of advanced fracture stimulation techniques. The field has undergone several iterations of development with some sections of the field currently being developed on a 10 acre well spacing. The current well spacing is around 20 acres.

The field produces from a series of stacked reservoirs within the Mesaverde and Lance Formations. The field is trapped between two faults forming a wedge shaped field.

#### **Look Out Wash Field – Wyoming, USA**

##### **Samson 18.2% Working Interest**

The Look Out Wash Field is located in the Washakie Basin which is part of the Greater Green River Basin and currently produces from 20 wells.

This field produces principally from The Almond Bar, which is a stratigraphically bound trap. Recent geologic mapping has suggested that this unit will be developed as a thick porous reservoir to the west of the existing well development.

The Operator has advised that two further development wells that were to be drilled in late 2007 have been delayed because of the need to comply with wildlife restrictions and will now be drilled in 2008.

#### **Amber Field SE – Oklahoma, USA**

##### **Samson 37.5% & 32.5% Working Interests**

The SE Amber Gas Field in Grady County, Oklahoma was discovered in 1970 and covers an area of approximately 6,000 acres. The field has been in continuous production and development since its discovery and has produced in excess of 73BCF of gas. Samson has an interest in 1,280 acres with 9 wells producing 3,700mcf daily (884mcf net to Samson). These are long-lived reserves with the original 1970 well showing a 55 year production life. Two development wells drilled in 2005 had initial production of 1.3 and 1.6mmcf per day respectively with each well expected to produce approximately 2 BCF.

#### **Hawk Springs Project – Wyoming, USA**

##### **Samson 50% Working Interest**

The Hawk Springs Project is a joint venture with Mountain Energy LLC and is located in the northern part of the Denver-Julesburg Basin in eastern Wyoming. The project covers 184,000 gross acres over two prospective formations.

The primary target in this area is the Niobrara Formation. This is a fractured chalk reservoir which produces in the Silo Field some 30 miles to the south of the Hawk Springs area. The Silo Field discovery was made in 1982 but it was not until 1992 when horizontal drilling was applied that significant recoveries were made and is expected to recover around 10 mmstb of oil.

#### **South Goose Lake Prospect - Williston Basin, Montana, USA**

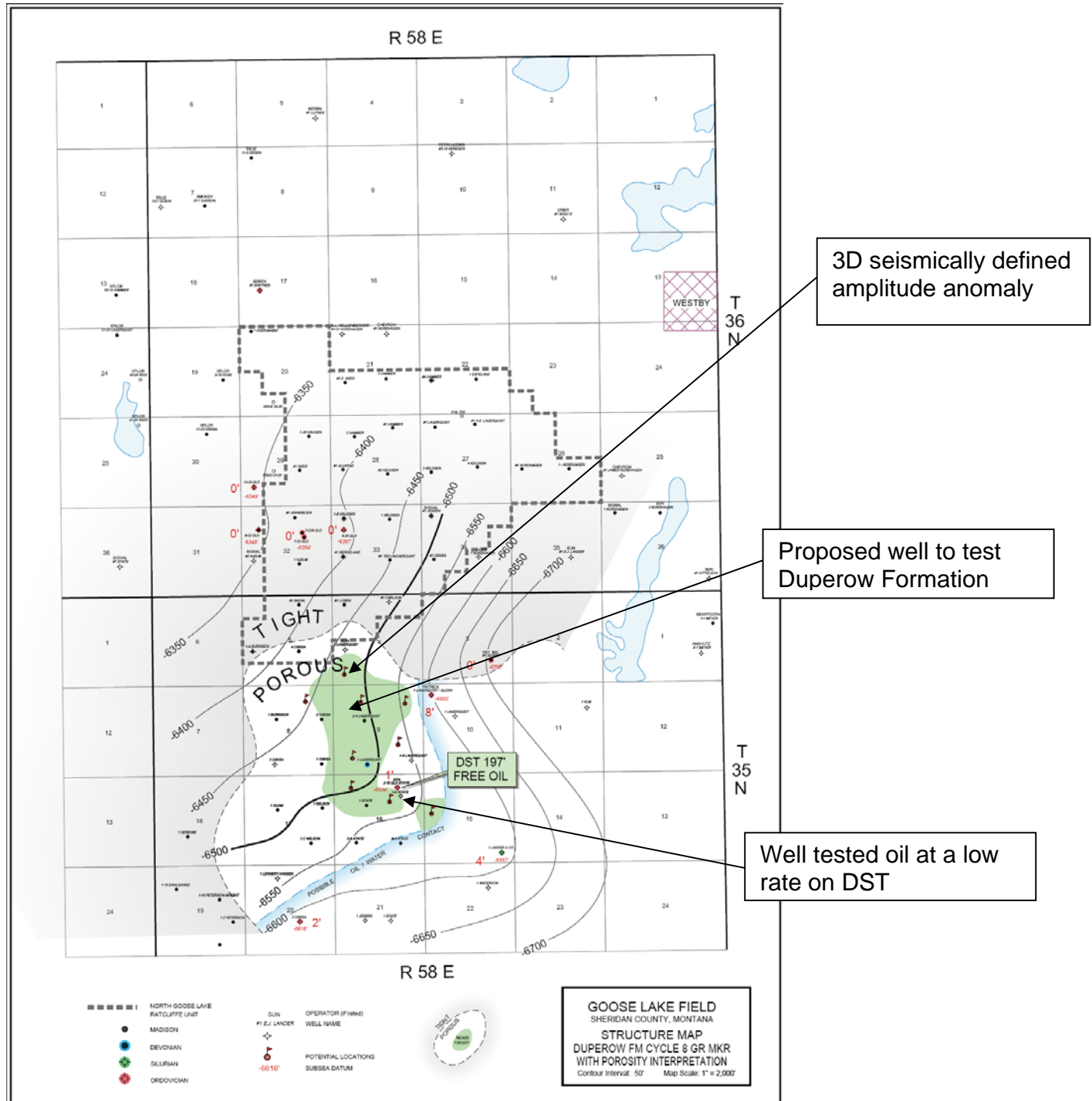
##### **Samson 25% Working Interest (18.375% NRI)**

Samson has acquired a 25% working interest in a prospect area of 2,480 acres. A well will be drilled in July/August 2007 to evaluate the Nisku and Duperow reservoirs. The Duperow Formation is the primary target and the project has been developed on the basis of a tested oil recovery and a 3D seismic grid. This data along with substantial well control has established an amplitude anomaly that is consistent with the oil recovery and well control, whilst the opportunity is exploratory is believed to be relatively low risk due to the 3D seismic and a close well control.

The target is expected to be intersected at around 8,700 feet comprising of a 15 foot thick zone of porosity compared to the 1 foot of pay that was developed in an adjacent well. The following contingent recoverable volumes are estimated from the primary objectives within the prospect area:

	Minimum, recoverable bbls	Maximum recoverable bbls
Nisku	200,000	1,000,000
Duperow	500,000	2,000,000
Red River	1,000,000	2,500,000
<b>Total</b>	<b>1,700,000</b>	<b>5,500,000</b>

The key elements of the prospect are outlined in the following map.



## PRODUCTION

Net production revenue received (before lease operating costs are accounted for) from hydrocarbon production for the March 2007 quarter and the previous quarter was as follows:

	<b>GAS A\$ *</b>	<b>GAS Mcf</b>	<b>OIL A\$ *</b>	<b>OIL Bbls</b>	<b>TOTAL A\$</b>
December 2006 Quarter	2,113,455	337,120	424,980	6,854	2,538,435
March 2007 Quarter	2,063,068	427,755	579,140	10,253	2,642,208

\* In some cases revenue has yet to be received and is therefore an estimate.

100% Samson volumes and sales reported. Taxes and handling and lease operating expenses are not included in this calculation.

Exchange Rate USD : AUD 0.77

## OTHER ACTIVITIES

### **Interests in Listed Companies**

Samson holds shares in a number of listed companies. These investments will continue to be realised during the coming quarters.

## FINANCIAL

### **Convertible Note Facility**

Cash movement during the quarter was increased by \$600,000 as two quarterly interests payments were made due to timing differences and does not represent any increase in the annual interest payment.

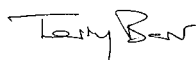
The Convertible note facility that is in place is denominated in US\$ and the amount outstanding is US\$20 million. The movement in the A\$ amount shown as drawdown, has changed from previous quarters because of the movement of the A\$/US\$ exchange rate.

### **Cash and Current Investments**

The Company's cash and current investments at 31 March 2007 were as follows:

	<b>A\$</b>
Cash at bank and on deposit	: 4,150,298
Current investments	: 551,000
<i>Shares in listed companies valued at market</i>	
<b>Total</b>	<u>4,701,298</u>

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



**TERRY BARR**  
Managing Director

30 April 2007

*Information contained in this report relating to hydrocarbon reserves was compiled by the Managing Director of Samson Oil & Gas Ltd., T M Barr a Geologist who holds an Associateship in Applied Geology and is a fellow of the Australian Institute of Mining and Metallurgy who has 30 years relevant experience in the oil & gas industry.*

**For further information please contact  
Denis Rakich, Company Secretary, on 08 9220 9830**

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Samson Oil & Gas Limited

ABN

25 009 069 005

Quarter ended ("current quarter")

31 March 2007

#### Consolidated statement of cash flows

	Current quarter A\$'000	Year to date (nine months) A\$'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	1,914	5,935
1.2 Payments for (a) exploration and evaluation	-	(470)
(b) development	(2,889)	(8,352)
(c) production	(959)	(1,744)
(d) administration	(240)	(999)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	36	111
1.5 Interest and other costs of finance paid	(1,203)	(1,840)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	198	(75)
Hedging	59	79
	(3,084)	(7,355)
<b>Net Operating Cash Flows</b>		
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	(1,070)
(b) equity investments	(74)	(856)
(c) other fixed assets	(63)	(167)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	(137)	(2,093)
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(3,221)	(9,448)
1.13 Total operating and investing cash flows (brought forward)	(3,221)	(9,448)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc.		
1.15 Proceeds from sale of forfeited shares		
1.16 Proceeds from borrowings		
1.17 Repayment of borrowings		
1.18 Dividends paid		
1.19 Other (costs associated with issue of shares)	-	(1,482)
	-	(1,482)
<b>Net financing cash flows</b>		

ABN 25 009 069 005

Level 36, Exchange Plaza, 2 The Esplanade, Perth WA 6000, PO Box 7654 Cloisters Square, Perth WA 6850  
Ph: +618 9220 9830 Fax: +618 9220 9820 Web: www.samsonoilandgas.com.au ASX Code: SSN



	<b>Net increase (decrease) in cash held</b>	(3,221)	(10,930)
1.20	Cash at beginning of quarter/year to date	7,475	15,628
1.21	Exchange rate adjustments to item 1.20	(103)	(547)
1.22	<b>Cash at end of quarter</b>	<b>4,151</b>	<b>4,151</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter A\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	100
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Monies paid to Directors for services.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

Add notes as necessary for an understanding of the position.

		Amount available A\$'000	Amount used A\$'000
3.1	Loan facilities	24,752	24,752
3.2	Credit standby arrangements	-	-
Loan from Macquarie Bank Limited denominated in USD			

**Estimated cash outflows for next quarter**

		A\$'000
4.1	Exploration and evaluation	-
4.2	Development	210
<b>Total</b>		<b>210</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter A\$'000	Previous quarter A\$'000
5.1	Cash on hand and at bank	149	686
5.2	Deposits at call	4,002	6,789

5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		4,151	7,475

#### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>*Ordinary securities</b>	192,073,833	192,073,833	
7.4	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs			

7.5	<b>*Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		10,216,688	-	25c	31.12.2009
		8,500,000	-	45c	31.05.2011
		9,000,000	-		
		11,000,000	-		
		3,121,650	-	42c	31.05.2009
		3,000,000	-	45c	31.10.2009
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2007  
Company Secretary

Print name: Denis Rakich

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.