SAMSON
OIL & GAS LIMITED

ABN 25 009 069 005

ANNUAL REPORT
30 June 2019

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CORPORATE DIRECTORY

Directors
P. Hill (Chairman)
T. Barr (Managing Director)
G. Channon
N. Ong

Secretary
N. Ong

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Stock Exchange
Australian Securities Exchange Limited
Code: SSN

OTC QB
Code: SSNYY

Australian Company Number
009 069 005

Australian Business Number
25 009 069 005

Presentation Currency
The financial statements are presented in US Dollars (2018: US Dollars)

DIRECTORS' REPORT

In accordance with a resolution of Directors, the Directors submit their report with respect to the results of the operations of Samson Oil & Gas Limited ("the Company") and its controlled entities ("the Consolidated Entity" or "Group") for the year ended 30 June 2019 and the state of its affairs at that time.

DIRECTORS

The names and details of the Directors of the Company in office during the whole financial year or any part of the financial year and until the date of this report, unless noted otherwise, are:

Mr Terence Maxwell Barr
Managing Director

Mr Barr is a petroleum geologist with 45 years' experience, including 11 years with Santos Limited. He is credited with the discovery of significant oil and gas reserves during his career. In recent years, Mr Barr has specialised in tight gas exploration, drilling and completion and is considered an expert in this field. This experience and expertise is invaluable given the exposure the Company has to tight gas opportunities in Wyoming and other parts of United States of America. Mr Barr was appointed managing director of the Company on 25 January 2005.

Mr Barr has not held any other directorships in the past three years.
Dr Peter Hill
Chairman

Dr Hill has over 45 years of experience in the international oil and natural gas industry. He commenced his career in 1972 and spent 22 years in senior positions at British Petroleum including Chief Geologist, Chief of Staff for BP Exploration, President of BP Venezuela and Regional Director for Central and South America. Dr Hill then worked as Vice President of Exploration at Ranger Oil Ltd. in England (1994-1995), Managing Director Exploration and Production at Deminex GMBH Oil in Germany (1995-1997), Technical Director/Chief Operating Officer at Hardy Oil & Gas plc (1998-2000), President and Chief Executive Officer at Harvest Natural Resources, Inc. (2000-2005), Director/Chairman at Austral Pacific Energy Ltd. (2006-2008), independent advisor to Palo Alto Investors (January 2008 to December 2009), Non-Executive Chairman at Toreador Resources Corporation (January 2009 to April 2011), Director of Midstates Petroleum Company, Inc. (April 2013 to March 2015), and interim President and Chief Executive Officer of Midstates Petroleum Company, Inc. (March 2014 to March 2015). Dr Hill has a B.Sc. (Honors) in Geology and a Ph.D. He has provided advisory and consultancy roles to hedge funds, banks, and companies involved in the upstream oil and gas sector. Held non-executive board positions, Chairman, and been involved in international negotiations at government level.

Dr Hill is the Chair of the Compensation Committee and a member of the Audit Committee.
Dr Hill was the Chief Executive Officer of Triangle Petroleum Corporation, a NYSE listed company from 2010 to 2012. Dr Hill was Chairman from 2012 to 2017. He became a Non-Executive Director of Nine Point Energy (a privately held company), which emerged from the bankruptcy of Triangle Petroleum corporation in March 2017.

Dr Hill was a Director of Midstates Petroleum Inc. (NYSE: MPO). He resigned during 2016.

Dr Hill was Interim Chief Executive Office of Pardus Oil and Gas (formerly Energy and Exploration Partners (a privately held company)) in 2016 and a Director from 2016 to November 2017, when the company was sold
He has held no other directorships in the past three years.

Mr Denis Rakich resigned July 23 2019
Executive Director
Mr Rakich is the Company Secretary of Samson and has served in that capacity for 27 years.

Mr Rakich is a fellow of CPA Australia, holds a Bachelor of Business from Edith Cowan University. Mr Rakich started his business career with Dresser Industries Inc, Australia as an Accountant. Mr Rakich has served as a Director and/ or Company Secretary on numerous ASX-listed public companies within the petroleum and minerals industries over a period of 30 years, including Resolute Resources Limited, Marymia Exploration NL, Reliance Mining Limited, Victoria Petroleum NL (now known as Senex Energy Limited), A-Cap Resources Limited and Ausgold Limited.

Mr Rakich is currently an executive director of Ausgold Limited (ASX: AUC), Ausgold Exploration Pty Ltd (privately held), Fortune Minerals Limited (privately held) and Elstree Nominees Pty Ltd (privately held).

Mr Greg Channon
Non Executive Director

Greg Channon is a geologist with 34 years of global oil and gas experience in a great variety of technical and leadership roles. He is currently the Executive Chairman of RL Energy.

During his career, Greg has worked with a range of E&P companies, including Delhi, Santos, Fletcher Challenge Energy, Shell, Swift Energy, BrightOil and Pathfinder. He has lived and worked in Australia, New Zealand, USA, Hong Kong, China and Africa. During his career, Greg has gained a vast range of diverse oil and gas expertise, including exploration, operations, development, production, economics, commercial negotiations, business development and IPO start-ups. He has sat on the Board of Directors of companies listed on the ASX, NYSE, TSX and HKSE.

He is also a Director of Ruby Lloyd Pty Ltd (private company) and a non-executive Director of Sacgasco Limited (ASX:SGC).

Mr Nicholas Ong
Non-Executive Director

Mr. Ong is the Company Secretary of Samson and has served in this capacity since July 22, 2019.Mr. Ong is the Managing Director of Minerva Corporate Pty Limited (“Minerva”). He is also a director of Tianmei Beverage Group Corp Ltd, Vonex Ltd, Helios Energy Ltd, Black Star Petroleum Ltd, Arrow Minerals Ltd, White Cliff Minerals Ltd, and CoAssets Limited, and acts as company secretary for White Cliff Minerals Ltd and Love Group Ltd. Mr. Ong also acts as non-executive chairman of Black Star Petroleum Ltd. From 2011 to 2016, Mr. Ong was a commercial director at Excelsior Gold Ltd., a public exploration and mining firm.

Mr. Ong is a member of the Governance Institute of Australia and holds a Master of Business Administration from the University of Western Australia and a Bachelor of Commerce from Murdoch University. He also holds graduate diplomas of Applied Finance and Investments and Applied Corporate Governance from the Securities Institute of Australia and the Governance Institute of Australia, respectively. Mr. Ong was a principal adviser at the Australian Securities Exchange in Perth (“ASX”). While at the ASX, Mr. Ong oversaw the listing of over 100 companies to the official list of the ASX.

COMPANY SECRETARY

Mr. Nicholas Ong

Mr Ong is a Company Secretary with extensive corporate experience within the petroleum services, petroleum and mineral production and exploration industries. Mr Ong is responsible for the corporate management of Samson Oil & Gas Limited and the maintenance of the Company’s ASX listing.

DIRECTORS' SHAREHOLDINGS

At the date of this report, the interests of the Directors in shares and share options in the Company are:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
T.M. Barr	2,484,097	6,000,000
P. Hill	556,120	3,000,000
G. Channon	510,500	2,400,000
N. Ong	-	-
D. Rakich*	171,740	2,400,000

***** Number of shares and options held as at the date of resignation July 23 2019

PRINCIPAL ACTIVITIES

The principal activities during the year for Samson Oil & Gas Limited (the "Company" or "Consolidated Entity") were oil and gas exploration, development and production in the United States of America. In June 2018, the Consolidated Entity signed a Purchase and Sale Agreement ("PSA") for the sale of the majority of the Foreman Butte project for $40 million. The effective date of the transaction was 1 January 2018. As part of the deal the Consolidated Entity was to retain a 15% working interest in the Home Run field, a smaller field located within the Foreman Butte project area. The transaction was due to close on 15 October 2018, however, the buyer failed to close and the PSA expired unexecuted.

Samson will as part of its ongoing activities evaluate opportunities to sell its existing assets.

OPERATING AND FINANCIAL REVIEW

Financial Results and Highlights

The result for the financial year ended 30 June 2019 after provision for income tax was a loss attributable to members of the parent of $8.08 million (2018: loss $5.86 million). Oil and gas revenues were $12.66 million (2018: $10.06 million) and lease operating expenses were $12.34 million (2018: $6.53 million). General and Administrative costs decreased from $4.23 million for the financial year 30 June 2018 to $2.81 million for the financial year 30 June 2019.

On 09 April 2019 Samson Oil and Gas, USA, Inc., our wholly owned subsidiary, entered into a credit agreement with AEP I FINCO LLC ("Lender") (the "Credit Agreement") providing for a $33.5 million term loan. The proceeds of the Credit Agreement were used to retire the Company's previous credit facility of $23.9 million, repay outstanding creditors, royalty and working interest owners and provide working capital to pursue its infill development drilling program. In conjunction with the closing of the Credit Agreement, the Company paid $1.4 million in deferred borrowing costs.

The Credit Agreement is secured by certain of the Company's oil and gas properties and has a 5-year term with a maturity date on April 9, 2024. Interest on the Credit Facility accrues at a rate equal to LIBOR plus a margin of 10.5% and is payable on the last day of each interest period. At June 30, 2019, we were in violation of certain financial covenants, therefore, we have classified the total amount outstanding under our debt facility of $33.5 million as a current liability.

The infill development drilling program is designed to drill horizontal laterals from the existing well bores. The ability to drill out of an existing wellbore has made the economics of these development wells attractive, given the ability to use surface facilities associated with the existing well. Over the next nine months, we expect to drill a total of eight lateral wells within the Home Run Field (the “Home Run Field Drill Program”), which is the largest (by area) of the oil fields in Samson’s portfolio. The Company has in its portfolio a total of 26 Contingent resource locations that management expects will provide an excellent growth platform. The Credit Agreement is expected to provide sufficient working capital to initiate and maintain the planned development drilling program. Due to our recent breaches of the Credit Agreement, however, the Lender may declare an event of default and foreclose on some or all of our assets and/or accelerate the full amount of the $33.5 million loan plus all accrued and unpaid interest, prepayment penalties, fees and other lender costs and expenses, depleting our working capital such that we would be unable to maintain the planned development drilling program.

Going concern

For the year ended 30 June 2019, the Consolidated Entity incurred a net loss of $8.1 million and cash out flows from operating and investing activities of $5.3 million and $1.5 million respectively. As at that date, the Consolidated Entity had net current liabilities and net liabilities of $38.6 million and $9.8 million respectively. The Consolidated Entity’s ability to continue as a going concern is dependent on the divestment of assets resulting in proceeds not less than the Consolidated Entity’s obligation to AEP I FINCO LLC or re-negotiation of its Credit Agreement.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The Directors are currently negotiating with a prospective party to divest its oil & gas assets resulting in proceeds not less than the Consolidated Entity’s obligation to AEP I FINCO LLC. The Directors are confident they will be able to successfully recognise amounts in excess of the carrying value of oil & gas assets, as a result of their ultimate divestment, or alternatively through the successful development of the Foreman Butte project should the Directors successfully re-negotiate the Consolidated Entity’s debt and receive additional working capital

Development Activities

Infill Development

The development drilling program is designed to drill two 5,000 ft. horizontal laterals from the existing Gonzales #1-8H well bore. This well has 5 ½ inch casing set horizontally at 9,711 ft. MD within the objective Ratcliffe Formation. The existing development consists of a single 5,300 ft. lateral drilled within a single 640-acre spacing unit. The two new well bores will be directionally drilled to access the balance of the 640-acre spacing unit.

The first well in the infill development program was the Gonzales #1-8H well and this well achieved a measured total depth of 11,736 feet and the lateral length of 2,062 feet within the Ratcliff reservoir. The lateral length was less than planned, however, represented an opportunity to test the oil productivity capacity of the reservoir at this location.

The well has been put on pump since 13 June 2019 and before being shut in for a top side mechanical repair on 9 September 2019 has recovered 17,000 bbls of produced fluid, with 600 bbls of oil. The produced fluid early in this recovery had a density of 1.13, a significant fresh water influence representing the drilling fluid that was injected during the drilling process. The density has increased to a current density of 1.6 Indicating that the produced fluid is approaching the 1.7 density that represents formation water.

The reservoir numerical model that was completed prior to drilling the well indicates that with a reduced effective lateral length of around 6890 feet in the target zone the model would suggest that 22 BOPD would represent an adequate performance. The well has demonstrated the ability to perform at this level, and it is expected that once that performance is maintained then the lateral length would be extended.

Developed Properties

Foreman Butte Project – Williston Basin, North Dakota and Montana
Various working interests

This project consists of 131 wells (both operated and non-operated) across a number of fields in Montana and North Dakota. The wells are conventional wells drilled as early as 1980 to as recently as 2010.

The Home Run Field (aka as the Foreman Butte Field) is the largest area oil field in our portfolio. It was developed on a 640-acre spacing pattern and our engineering and geologic analyses have determined that only 3.2% of the original oil in place has been recovered to date. Given that oil fields typically recover up to around 20% of their oil in place there would appear to be significant undeveloped oil to be recovered from this field.

This has been confirmed through the use of a 3-dimensional numerical simulation of the reservoir volume, and the expected production curve for these wells has been developed from the resulting numerical model.

The current reservoir pressure has also been established using a field wide fluid level study, and the initial development wells will be located in areas of demonstrated higher pressure.

Currently we have 26 Ratcliffe Contingent resource locations identified and we have a lateral well expected to be drilled to test an undeveloped reservoir in the Mission Canyon Formation of the Mississippian Madison Group. Although we can make no assurances of the results of this drilling, we are optimistic about its prospects. It is possible that this lateral could prove up a new oil field with the potential for many additional well locations (up to 20 vertical wells or 8 drill-out laterals), A 3,500 acre 4-way structural closure has already been mapped from the abundance of existing well control in the area.

Production Activities

Average net barrel of oil equivalent (“BOE”) production per day (“BOEPD”) for the financial year ended 30 June 2019 was 629 BOEPD, an increase of 114 BOEPD or 22%. Current 30 day production rate (as at 31 August 2019), is averaging 1,101 BOPD (on a gross Operated basis) and approximately 780 BODP net to Samson. This increase from June quarter is due to weather improvements which brought wells, previously shut in due to weather conditions, back on line.

Prior 12-month net sales volumes by quarter:

Production	Q3 2018	Q4 2018	Q1 2019	Q2 019	Total
OIL, BO	54,779	63,618	46,258	59,135	223,790
GAS, MCF	11,941	10,583	5,213	7,882	35,619
BOE	56,769	65,381	47,127	60,449	229,726
BOEPD	671	711	524	664	629

Reserves

	As at 30 June 2019			
Category	NET OIL MBBLS	NET GAS MMCF	NET BOE MBBLS	NPV $_{10}$ MILLION - $
PDP	2,930	915	3,083	47.6

Contingent Resources	NET OIL MBBLS	NET GAS MMCF	NET BOE MBBLS	NPV $_{10}$ $ MILLION
1C - Non-producing	102	141	126	1.4
1C - Undeveloped	2,682	2,236	3,055	44.8
Total contingent resources	2,784	2,377	3,181	46.2

Total proved plus contingent resources	**5,714**	**3,292**	**6,264**	**93.8**

* Contingent Resources are potentially recoverable volumes associated with a development plan that targets discovered volumes but is not (yet) commercial, as defined below.

To be considered as "commercial", there must be a firm intention to proceed with the project in a reasonable time frame (typically 5 years), and such intention must be based upon all of the following criteria:

- A reasonable assessment of the future economics of the development project meeting defined investment and operating criteria;
- A reasonable expectation that there will be a market for all or at least the expected sales quantities of production required to justify development;
- Evidence that the necessary production and transportation facilities are available or can be made available; and
- Evidence that legal, contractual, environmental and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated.

Given our current financial condition there is no assurance that we will have the necessary financial resources available to meet the defined investment and operating criteria, noted above, in order to execute the development plan necessary to categorize them as proven reserves.

Notes to Reserves and Resources Estimates
NET BOE MBBLS is thousand barrels of oil equivalent
BOE is calculated using a heating value of gas and converted as 1 BOE equals 6 MCF
PDP is Proved Developed Producing Reserves
1C – Non-Producing is Contingent Developed Non-Producing Resources
1C - Undeveloped is Contingent Undeveloped Resources
NPV_{10} is Net Present Value at 10% discount rate

Oil prices are based on 30 June 2019, NYMEX West Texas Intermediate prices and are adjusted for quality, transportation fees and market differentials. Gas prices are based on 30 June 2019 NYMEX Henry Hub prices and are adjusted for energy content, transportation fees and market differentials. All prices, before adjustments, are shown in the following table:

Period Ending	Oil/BBL - $	Gas/MCF - $
31 December 2019	52.27	3.24
31 December 2020	50.46	3.41
31 December 2021	48.41	3.45
31 December 2022	47.81	3.47
31 December 2023	47.90	3.54
Thereafter	48.32	3.64

The PDP reserve estimates and forecasts of future production rates are based on historical performance and analogy data. If no production decline trend has been established, future production rates and decline curves are based on analogous wells. If a decline curve is established, this trend is used as the basis for estimating future production rates.

The 1C-Undeveloped resources are dominated by the locations within the Home Run Field and two new laterals are planned to be drilled from an existing well bore within the core area. The 1C-Undeveloped reserve estimate has been developed using the wealth of technical data available from this field, that has established the current reservoir pressure, the field limit, the original oil in place volume and matching the observed reservoir performance to the rock properties. These analyses have established a theoretical flow model for a single 1C-Undeveloped location which has then been applied to each of the separate locations taking into account the performance of the "parent well" This treatment therefore delivers a production performance from these wells which is linked to the rock properties which are not uniform across the field area.

The reserve estimates utilize historical operating costs of the wells and leases, subject to the report, and are held constant for the life of a well. Development costs are based on authorizations for expenditure for the proposed work or actual costs for similar projects. Abandonment costs are assumed to be offset by the salvage value as all of these projects are located onshore.

The estimated reserves quoted are based on, and fairly represent, information and supporting documentation prepared by Benjamin Johnson, an employee of Netherland Sewell & Associates Inc, an independent petroleum engineering consulting firm based on the definitions and disclosures guidelines set forth in the 2007 Petroleum Resource Management System approved by the Society of Petroleum Engineers. The reserves included in this release were estimated using deterministic methods and presented as incremental quantities.

The reference point used in the reserve estimates is the sales point, and the reserves and their value are wholly attributable to the Consolidated Entity's economic interest, net of royalties, operating and development costs, and production and ad valorem taxes.

All PDP reserves are held by production.

DIVIDENDS
No dividend was paid or recommended for payment during the year (2018: $Nil).

SHARE OPTIONS
As at the date of this report, there were 3,145,000 (2018: 3,145,000) unissued ordinary shares under option. All option exercise prices are denominated in Australian Dollars unless noted otherwise.

In November 2016, the Company issued 4,800,000 options to Directors and employees of the Company. These options have an exercise price of $0.007 cents per share and an expiry date of 15 November 2026. They vested on 17 November 2017.

In November 2016, the company issued 2,720,000 options to Directors and employees of the Company. These options have an exercise price of $0.0055 cents per share and an expiry date of 15 November 2026. The remaining options vested on 17 November 2017. In August 2017, an employee resigned prior to the vesting date therefore 550,000 options have been cancelled.

Shares issued as a result of the exercise of options

During the year, no options were exercised (2018: Nil).

Remuneration Report (Audited)

The remuneration report is set out under the following headings:

A Key management personnel disclosed in this report
B Principles used to determine the nature and amount of remuneration
C Details of remuneration
D Service agreements
E Equity instruments held by key management personnel
F Loans to key management personnel
G Other transactions and balances with key management personnel
H Company performance

The information provided in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001.*

A Key management personnel disclosed in this report

For the purposes of this report, Key Management Personnel (KMP) of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Parent Company.

For the purposes of this report, the term "executive" encompasses the Chief Executive Officer, Company Secretary, Chief Financial Officer, Vice President – Exploration and Vice President - Engineering. There are no further employees employed by either the Company or its subsidiaries who meet the definition of executive, therefore only the five executives detailed above are included in this report. During the year and as at the date of this report, unless stated otherwise, the key management personnel were:

Terry Barr	Managing Director
Peter Hill	Non-executive Director, Chairman
Greg Channon	Non-executive Director
Nicholas Ong	Company Secretary, Non-Executive Director appointed July 23 2019
Tristan R. Farel	Chief Financial Officer
Mark Ulmer	Chief Operating Officer
Denis Rakich	Company Secretary, Executive Director, resigned July 23 2019
Janna Blanter	Former Chief Financial Officer appointed March 1 2018, resigned September 30, 2019
Robyn Lamont	Former Chief Financial Officer resigned February 28, 2019
Tristan Farel	Chief Financial Officer appointed October 1 2019

B Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The performance of the Company depends upon the quality of its Directors and executives. To be successful and maximise shareholder wealth, the Company must attract, motivate and retain highly skilled Directors and executives.

Remuneration packages applicable to the executive Directors, senior executives and non-executive Directors are established with due regard to:

- Performance against set goals
- Ability to attract and retain qualified and experienced Directors and senior executives.

The Company has formed a Compensation Committee. The current members of the Compensation Committee are Dr Hill and Mr Channon. The Compensation Committee is responsible for determining and reviewing compensation arrangements for Directors and executives. The Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Executive Remuneration

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Align the interests of executives with those of shareholders;
- Link reward with strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Base pay for executives is reviewed on the contract renewal date to ensure the base pay is set to reflect the market for a comparable role. There are no guaranteed base pay increases included in any executives' contracts.

Remuneration consists of fixed remuneration and remuneration incentives in the form of options issued in the Company.

The level of fixed remuneration is reviewed annually by the Board having due regard to performance against goals set for the year and relevant comparative information. The Board has access to external advice independent of management if required. No external advice was sought during the years ended 30 June 2019 and 30 June 2018.

Effective 1 October 2017, all Executives took 25% pay cuts to their base salary in order to assist with cashflow for the Company.

Non-executive Director Remuneration
Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently of the other non-executive Directors. The Chair is not present at any discussions relating to determination of his own remuneration.

Effective 1 October 2017, all Directors took 25% pay cuts to their Directors Fees in order to assist with cashflow for the Company.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between Directors as agreed. The latest determination was at the Annual General Meeting held on 18 November 2010 when shareholders approved an aggregate remuneration of A$500,000 per annum. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

Non-executive Directors are encouraged by the Board to hold shares in the Company (purchased by Directors on market). It is considered good governance for Directors to have a stake in the Company on whose Board they sit.

Remuneration Incentives
The Company does not have a policy in place limiting the Directors exposure to risk in relation to the Company's options.

The remuneration of non-executive Directors for the year ended 30 June 2019 and 30 June 2018 is detailed in Table 1 and Table 2 of this report.

Remuneration Incentives
Directors' remuneration is not linked to either long term or short term incentives. The Board feels that the expiry date and exercise price of the options issued to the Directors in the current and prior years are sufficient to align the goals of the Directors and executives with those of the shareholders to maximise shareholder wealth. There are no performance criteria or service conditions attached to options issued to Directors.

Vesting conditions are attached to options that are issued to executives and employees.

Refer to KMP compensation table 1 for share based payments to Directors during the year ended 30 June 2019 and 30 June 2018.

Bonus plan for calendar year ended 31 December 2018
The Compensation Committee agreed not to put a bonus plan in place for the calendar year ended 31 December 2018.

Bonus plan for calendar year ended 31 December 2019
The Compensation Committee agreed not to put a bonus plan in place for the calendar year ended 31 December 2019.

Voting and comments made at the company's 2017 Annual General Meeting ('AGM')
At the 2018 AGM, 85.1% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018.

C Details of Remuneration
Amounts of remuneration

Details of remuneration of the Directors and executives of the Company and Consolidated Entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations are set out in the following tables.

Table 1: Key Management Personnel compensation for the year ended 30 June 2019

	Short Term		Post Employment	Share-based Payments		Total	Total Performance Related
	Salary & Fees	Non-monetary	Super - annuation	Options	Ordinary Shares		
	$	$	$	$	$	$	%
Directors							
T. Barr	300,000	-	18,000	-	-	318,000	- %
P. Hill	77,962	-	-	-	-	77,962	- %
G. Channon	32,214	-	-	-	-	32,214	- %
N. Ong	-	-	-	-	-	-	- %
D. Rakich (former director)	34,719	-	-	-	-	34,719	- %
	444,895	-	18,000	-	-	462,895	
Executives							
M. Ulmer	286,000	-	18,000	-	-	304,000	- %
T. Farel	-	-	-	-	-	-	- %
J. Blanter (former CFO)	40,000	-	3,000	-	-	43,000	- %
R. Lamont (former CFO)	116,000	-	18,216	-	-	134,216	- %
	442,000	-	39,216	-	-	481,216	
	886,895	-	57,216	-	-	944,111	

Table 2: Key Management Personnel compensation for the years ended 30 June 2018

	Short Term		Post Employment	Share-based Payments		Total	Total Performance Related
	Salary & Fees	Non-monetary	Super - annuation	Options	Ordinary Shares		
	$	$	$	$	$	$	%
Directors							
T. Barr	325,000	-	18,000	65,995	-	408,995	16%
P. Hill	85,313	-	-	32,997	-	118,310	28%
G. Channon	52,815	-	-	26,188	-	79,003	33%
D. Rakich	88,850	-	8,548	26,188	-	123,586	21%
	551,978	-	26,548	151,368	-	729,894	
Executives							
R. Lamont (former CFO)	234,999	-	19,375	40,697	-	295,071	14%
D. Ninke	247,331		17,314	38,497		303,142	13%
M. Ulmer	308,749	-	18,000	52,796	-	379,545	14%
	791,079	-	54,689	131,990	-	977,758	
	1,343,057	-	81,237	283,358	-	1,707,652	

Table 3 The proportion of remuneration linked to performance and the fixed proportion are as follows Still needed?

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2018	2018
Directors						
T.Barr	100%	84%	-%	16%	-%	-%
P. Hill	100%	72%	-%	28%	-%	-%
G. Channon	100%	67%	-%	33%	-%	-%
D. Rakich	100%	79%	-%	21%	-%	-%
Executives						
R. Lamont	100%	86%	-%	14%	-%	-%
D. Ninke	100%	87%	-%	13%	-%	-%
M. Ulmer	100%	86%	-%	14%	-%	-%

D Service Agreements

It is the Board's policy that employment contracts are only entered into with the managing director and senior executives. As such contracts have been entered into for Mr. Barr, Mr. Ulmer, Ms. Blanter and Ms Lamont. Details of these contracts are included below.

Mr. Barr – Chief Executive Officer

Effective 1 January 2011, Mr Barr has been retained by the Company to act as the Company's President, Managing Director and Chief Executive officer for a period of three years with an option to extend the contract for an additional three years at the mutual agreement of both the Company and the employee. In January 2014, his contract was extended for an additional 2 years. Mr Barr signed a new contract effective 31 December 2015 this contract has a two year term. As of 1 January 2016, the contract allows for total compensation of $418,000 (cash and non-cash benefits). Mr Barr's contract was renewed for an additional two years on 31 December 2017.

Mr. Farel – Chief Financial Officer

Effective 1 October, 2019 Mr. Tristan Farel, 49, was appointed to the position of Chief Financial Officer of the Company and Samson USA. Mr. Farel has 18 years of accounting and reporting experience, holding various executive and senior management positions with both public and private companies in the United States, Canada, and Australia. Mr. Farel has experience in the areas of financial analysis, SEC reporting, International reporting, due diligence and integration in connection with mergers and acquisitions and consolidations, purchase accounting, scheduling and organizing external audits, tax scheduling, and developing capital and operating budgets. Mr. Farel also worked for five years in public accounting as an auditor. Mr. Farel has held the positions of Chief Financial Officer of PetroShale, Inc. from 2013 to 2014, Chief Financial Officer of New Frontier Energy, Inc. from 2010 to 2016, and Chief Financial Officer of Arete Industries, Inc. from 2015 to 2019. Mr. Farel has also held the positions of Financial Reporting Manager for Resolute Energy Corporation (2006-2010) and Audit Manager for Hein & Associates (2001-2006).

Mr. Farel has a Bachelor of Science in Business Administration, with an emphasis in Accounting, from the University of Colorado at Boulder, and has been active in the Council of Petroleum Accountants Society, the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

As at October 1 2019, Mr Farel's contract allows for total compensation of $240,000 (cash and non-cash benefits). Mr Farel does not hold any shares or options of the company.

Mr Ulmer – –Chief Operating Officer

Effective 1 April 2016, Mr Ulmer has been retained by the Company to act as the Chief Opearting Officer. Mr Ulmer signed a contract effective 1 January 2017 for this position for a period of three years. This contract was renewed for a period of 12 months until April 2020. As of 1 January 2017, the contract allows for total compensation of $398,000 (cash and non-cash benefits).

Ms. Blanter – former Chief Financial Officer

Effective 1 March 2019, Ms Blanter has been retained by the Company to act as the Chief Financial Officer. Ms Blanter signed a contract effective 1 March 2019 for this position for a period of three years. As of 1 March

2019, the contract allows for total compensation of $240,000 (cash and non-cash benefits). Ms. Blanter resigned effective 30 September 2019.

Ms. Lamont – former Chief Financial Officer
Effective 1 January 2011, Ms. Lamont has been retained by the Company to act as the Vice President – Finance and Chief Financial Officer for a period of three years with an option to extend the contract for an additional three years at the mutual agreement of both the Company and the employee. In January 2014, Ms Lamont's contract was extended for an additional three years. A new three year contract was signed with Ms Lamont, effective 1 January 2017. As of 1 January 2017, the contract allows for total compensation of $308,000 (cash and non-cash benefits). Ms. Lamont resigned effective 28 February 2019.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

E Equity instruments held by key management personnel

(i) Option holdings of key management personnel
(ii) Shares issued on exercise of options
(iii) Shareholding of key management personnel

(i) Option holdings of key management personnel

30 June 2019	Balance at beginning of period 1 July 2018	Exercised during the year	Expired during the year	Granted as compensation	Other	Balance at end of period 30 June 2019	Options vested at 30 June 2018
Directors							
T. Barr	6,000,000	-	-	-	-	6,000,000	6,000,000
D. Rakich (former secretary)*	2,400,000	-	-	-	-	2,400,000	2,400,000
P. Hill	3,000,000	-	-	-	-	3,000,000	3,000,000
G. Channon	2,400,000	-	-	-	-	2,400,000	2,400,000
N. Ong	-	-	-	-	-	-	-
Executives							
R. Lamont (former CFO)*	3,700,000	-	-	-	-	3,700,000	3,700,000
D. Ninke	3,500,000	-	-	-	-	3,500,000	3,500,000
M. Ulmer	4,800,000	-	-	-	-	4,800,000	4,800,000
Total	**25,800,000**	**-**	**-**	**-**	**-**	**25,800,000**	**25,800,000**

*Number of shares as at the date of resignation

(ii) Shares issued on exercise of options

No directors or executive options were exercised during the year ended 30 June 2019 (2018: nil).

(iii) Shareholdings of key management personnel

30 June 2019	Balance at beginning of period 1 July 2018	Granted as compensation	On exercise of options	Net change other	Balance at end of period 30 June 2019
Directors					
T. Barr	2,484,097	-	-	-	2,484,097
D. Rakich (former secretary)*	171,740	-	-	-	171,740
P. Hill	556,120	-	-	-	556,120
G. Channon	510,500	-	-	-	510,500
N. Ong	-	-	-	-	-
Executives					
R. Lamont (former CFO)*	826,118	-	-	-	826,118
D. Ninke	871,620	-	-	-	871,620
M. Ulmer	4,226,420	-	-	-	4,226,420
	9,646,614	**-**	**-**	**-**	**9,646,614**

*Number of options as at the date of resignation

Notes:
All equity transactions with key management personnel other than those arising from the exercise of compensation options have been entered into under terms and conditions no more favourable than those the Consolidated Entity would have adopted if dealing at arm's length. In the tables above "Net Change Other" represents shares held by the Company as Treasury stock to pay for the taxes payable on the shares issued. Net Change Other for M. Ulmer relates to shares purchased by him in on market transactions.

F Loans to key management personnel

No loans have been granted to key management personnel during the current or prior year.

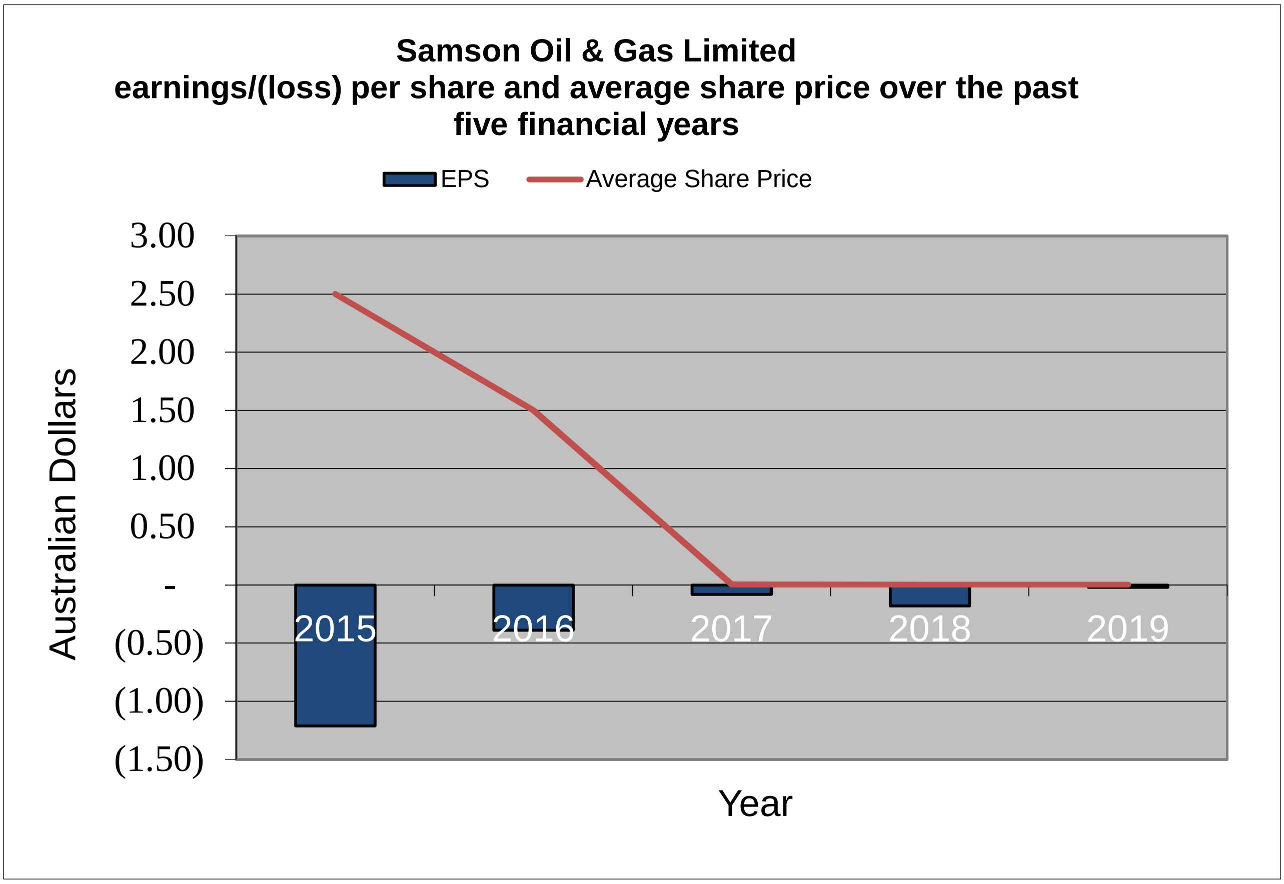
G Other transactions and balances with key management personnel

There were no transactions with key management personnel or their related parties during the current or prior year other than those mentioned above.

H Company Performance

The Company's performance is reflected in the movement in the Company's earnings/(loss) per share (EPS) over time. The graph below shows Samson Oil & Gas Limited's basic EPS history for the past five years, including the current period as well as the average share price quoted from the ASX.

EPS for all years presented have been measured based on the net (loss)/profit as calculated by the application of Australian Accounting Standards.



This concludes the remuneration report, which has been audited

CORPORATE STRUCTURE

Samson Oil & Gas Limited is a Company limited by shares that is incorporated and domiciled in Australia.

EMPLOYEES

The Consolidated Entity employed 5 employees at 30 June 2019 (2018: 8 employees).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The likely developments of the Consolidated Entity during the next financial year involve the ongoing principal activities of oil and gas exploration, development and production in the United States of America.

The Consolidated Entity plans to continue to pursue the review and appraisal of possible producing and exploration targets in the United States of America.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the changes mentioned above in the operating review or below in significant events after balance sheet date, there has not been any matter or circumstance that has occurred during the year or that has arisen since the end of the financial year that has significantly affected, or may significantly affect:

- the operations;
- the results of those operations;
- or the state of affairs of the Consolidated Entity in subsequent financial years.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Consolidated Entity has various permits and licenses to operate in different states within the United States of America.

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

There have been no significant known breaches of the Consolidated Entity's licence or permit conditions during the year ended 30 June 2019.

On 04 September 2019 the Consolidated Entity received an administrative action brought by the Commission under North Dakota Century Code Chapters 38-08 and 28-32 ("NDIC). The notice makes claim to the status of certain shut-in wells and other location items operated by Samson. Samson submitted its formal response in September 2019, and has met with the NDIC concerning this matter and has presented the Company's plan to address the administrative action. No final resolution or settlement has been entered into as of the filing of this report and the Company cannot reasonably estimate the amount of any potential penalties or fees that may be assessed against the Company at June 30, 2019, therefore, no accrual for potential contingent liabilities have been included in the Company's financial statements.

DIRECTORS' MEETINGS

The numbers of meetings of the Company's board of Directors and of the Audit Committee held during the year ended 30 June 2019, and the numbers of meetings attended by each director were:

	Full meetings of Directors		Audit Committee Meetings		Compensation Committee	
	Meetings attended	**No. of Meetings held while in office**	**Meetings attended**	**No. of Meetings held while in office**	**Meetings attended**	**No. of Meetings held while in office**
T.M. Barr	12	12	*	*	*	*
D. Rakich	12	12	*	*	-	-
P. Hill	12	12	1	1	-	-
G. Channon	12	12	1	1	-	-
N. Ong**	-	-	-	-	-	-

***** Not a member of the applicable committee
******Appointed as a non-executive director after year end

INDEMNIFICATION AND INSURANCE OF DIRECTORS

During the financial year, the Consolidated Entity incurred a premium of $30,000 (2018: $105,000) to insure Directors and officers of the Consolidated Entity.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Consolidated Entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of any information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to insurance against legal costs and those relating to other liabilities.

INDEMINFICATION AND INSURANCE OF AUDITORS

The terms of engagement of Samson's external auditor includes an indemnity in favour of the external auditor. This indemnity is in accordance with RSM Australia Partner's standard Terms of Business and is conditional upon RSM Australia Partner's acting as external auditor. Samson has not otherwise indemnified or agreed to indemnify the external auditors of Samson at any time during the financial year.

CORPORATE GOVERNANCE

The Directors of Samson Oil & Gas Limited aspire to maintain the standards of corporate governance appropriate to the size of the Company. The Company's corporate governance statement is contained within the next section of this report.

AUDIT COMMITTEE

The members of the Audit Committee during the year were Dr Peter Hill and Mr Greg Channon.

See detail under Directors Meetings for details of Audit Committee meetings attended by the Directors.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 04 September 2019 the Consolidated Entity received an administrative action brought by the Commission under North Dakota Century Code Chapters 38-08 and 28-32 ("NDIC). The notice makes claim to the status of certain shut-in wells and other location items operated by Samson. Samson submitted its formal response in September 2019, and has met with the NDIC concerning this matter and has presented the Company's plan to address the administrative action. No final resolution or settlement has been entered into as of the filing of this report and the Company cannot reasonably estimate the amount of any potential penalties or fees that may be assessed against the Company at June 30, 2019, therefore, no accrual for potential contingent liabilities have been included in the Company's financial statements.

On 13 September 2019 the Group signed a non-binding term sheet with a prospective party to divest its oil and gas assets or to divest 100% of the outstanding shares of the Company.

The Directors are not aware of any matters or circumstances not otherwise dealt with in this report that have significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

No non-audit services were provided by RSM Australia Partners (the Company's auditors for the year ended 30 June 2019) during the current year.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors.

Terence M. Barr
Director

Denver, Colorado
29 October 2019

RSM Australia Partners

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GPO Box R1253 Perth WA 6844
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F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Samson Oil & Gas Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 29 October 2019

J A KOMNINOS
Partner

CORPORATE GOVERNANCE STATEMENT

Samson Oil & Gas Limited ("the Company") and the board are committed to achieving and demonstrating the highest standards of Corporate Governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Consolidated Entity in this statement.

A description of the Consolidated Entity's main corporate governance practice is set out below. All these practices, unless stated otherwise, were in place for the entire year. They comply with the 4th Edition February 2019 ASX *Corporate Governance Principles and Recommendations.*

Principle 1 – Lay solid foundations for management and oversight.

The relationship between the board and senior management is critical to the Consolidated Entity's long-term success. The Directors are responsible to the shareholders for the performance of the Consolidated Entity in both the short and longer term and seek to balance often competing objectives in the best interests of the Consolidated Entity as a whole. Their focus is to enhance the interests of the shareholders and other key stakeholders and to ensure the Consolidated Entity is properly managed.

The responsibilities of the Board include:

- providing leadership and setting the strategic objectives of the entity;
- appointing the Chairman of the Board;
- appointing and when necessary replacing the CEO;
- overseeing management's implementation of the entity's strategic objectives and its performance generally;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the entity's accounting and corporate reporting systems, including the external audit;
- overseeing the entity's process for making timely and balanced disclosure of all material information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the entity's securities;
- ensuring that the entity has in place an appropriate risk management framework;
- challenging management, when required, and holding it to account;
- satisfying itself that the entity's remuneration policies are aligned with the purpose, values, strategic objectives and risk appetite; and
- monitoring the effectiveness of the entity's governance practices.

The senior executive team is responsible for implanting the Board's strategy and objectives within the risk framework established by the Board. It is also responsible for providing the Board with accurate, timely and clear information in order to enable the Board to perform its responsibilities as outlined above. This is not limited to information about the financial performance of the entity, but also its compliance with material legal and regulatory requirements and any conduct that is materially inconsistent with the values or code of conduct of the entity.

The Board Charter, available on the Company's website, recognizes and acknowledges that the Board acts on behalf of the shareholders and is accountable to the shareholders. The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

All members of the Board, and in particular non-executive Directors, are entitled to seek independent professional advice, at expense to the entity, when such advice is necessary to allow the Directors to discharge their responsibilities as Directors.

The Company Secretary of the Consolidated Entity plays an important role in supporting the effectiveness of the Board and its Committees. The role of the Company Secretary includes:

- advising the Board and its committees on governance matters;

- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and despatch of board and committee papers;
- ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- helping to organise and facilitate the induction and professional development of the directors.

The company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

Although the process has not been formalised, the Board of Directors regularly reviews its performance, the performance of senior executives and the entity's performance against goals periodically set. The most recent review happened in April 2015.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.

The Board is responsible for the removal and appointment of the Company Secretary.

The Board had not formalised a Diversity Policy due to the size of the Company, however the Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company operates a strictly non-discriminatory employment policy under which employees are recruited and promoted on the basis of merit alone without regard to gender, age, race, cultural background or ethnicity.

As a matter of record, the Consolidated Group currently employs one woman full-time out of a total staff of 5.

Principle 2 – Structure the Board to be effective and add value

The board operates in accordance with the broad principles set out in its charter which is available from the corporate governance information section of the company's website at www.samsonoilandgas.com. The charter details the board's composition and responsibilities.

Board composition

The charter states:

- The board is to be comprised of both executive and non-executive Directors with a majority of non-executive Directors. Non-executive Directors bring a fresh perspective to the board's consideration to strategic, risk and performance matters;
- In recognition of the importance of independent views and the board's role in supervising the activities of management, the Chair must be independent of management and all Directors are required to exercise independent judgement and review and constructively challenge the performance of management;
- The Chair is elected by the full board and is required to meet regularly with the Managing Director;
- The Company is to maintain a mix of Directors on the board from different backgrounds with complementary skills and experience.

The board seeks to ensure that:

- At any point in time, its membership represents an appropriate balance between Directors with experience and knowledge of the Consolidated Entity and Directors with an external or fresh perspective;
- The size of the board is conducive to effective discussion and efficient decision-making.

Directors' Independence

The board has adopted specific principles in relation to Directors' independence. These state that when determining independence, a director must be a non-executive and the board should consider whether the director:

- Is a substantial shareholder of the Company or an officer or, otherwise associated directly with, a substantial shareholder of the Company;
- Is or has been employed in an executive capacity by the Company or any other Consolidated Entity member within three years before commencing to serve on the board;
- Within the last year has been a principal of a material professional adviser or material consultant to the Company or any other Consolidated Entity member, or an employee materially associated with the service provided;
- Is a material supplier or customer of the Company or any other Consolidated Entity member, or an officer or otherwise associated directly or indirectly with a material supplier or customer;
- Has a material contractual relationship with the Company or a controlled entity other than as director of the Consolidated Entity;
- Is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's independent exercise of their judgement.

"Materiality" for these purposes is determined on a qualitative basis. A transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the director's performance.

Recent thinking on corporate governance has introduced the view that a director's independence may be perceived to be impacted by lengthy service on the board. To avoid any potential concerns, the board has determined that a director will not be deemed independent if he or she has served on the board of the Company for more than ten years. The board continues to monitor developments on this issue.

The board assess independence each year. To enable this process, the Directors must provide all information to the Chief Financial Officer that may be relevant to the assessment.

Board members

Details of the members of the board, their experience, expertise, qualifications, term of office and their independent status are set out in the Directors report under the heading "Directors". At the date of signing the Directors' report, there is one executive director and three non-executive Directors. All non-executive Directors are deemed to be independent.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, international business and customer relationship. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board.

Although not formally documented, the Board feels that it has the appropriate mix of skills and diversity to appropriately perform its duties and obligations.

New directors undertake an induction program coordinated by the Company Secretary that briefs and informs the director on all relevant aspects of the company's operations and background. A director development program is also available to ensure that directors can enhance their skills and remain abreast of important developments.

Term of office

The Company's Constitution specifies that all non-executive Directors appointed during the year, automatically retire at the next annual general meeting ("AGM") and are eligible for re-election at that general meeting. Any director that has been appointed during the year and is subject to automatic retirement at the AGM is not taken into account in the automatic retirement of one third of the Directors as detail below.

At each AGM:

(a) one third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not:

- (i) appointed, and required to retire, as detailed above; or
- (ii) the Managing Director; or
- (iii) Directors only because they are Alternates; and

(b) any Director who would, if that Director remained in office until the next AGM, have held that office for more than 3 years must retire from office and is eligible for re-election.

Chair and Chief Executive Officer

The Chair is responsible for leading the board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the board's relationship with the Company's senior executives. In accepting the position, the Chair has acknowledged that it will require a significant time commitment and has confirmed that other positions would not hinder his effective performance in the role of Chair.

The CEO is responsible for implementing the Consolidated Entity's strategies and policies. The board charter specifies that these are separate roles to be undertaken by separate people. The CEO role is performed by the Managing Director.

Commitment

The board held 12 meetings (including those held by circulating resolution) during the year. The number of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2019, and the number of meetings attended by each director is disclosed on page 16.

It is the Company's practice to allow its non-executive Directors to accept appointments outside the Company with prior written approval of the board. No appointments of this nature were requested during the year.

Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they will have and continue to have the time available to discharge their responsibilities to the Company.

Board committees

The board has established an Audit Committee to assist in the execution of the supervision of the audit by the Board. Effective 28 July 2011, the Board also formed a Compensation Committee to assist the Board in its responsibility in relation to the compensation of the Consolidated Entity's executive officers and Directors.

Audit Committee

The Audit Committee consists entirely of independent Directors. Mr Channon and Dr Hill are the current members of the Audit Committee and have been since their appointment to the Board on 27 January 2016. Both are deemed to be independent Directors. The Audit Committee operates in accordance with a formal written charter, a copy of which is available on the Company's website. This committee oversees, reviews and acts on reports to the board on various auditing and accounting matters, selects the independent auditors and oversees the scope of annual audits, fees to be paid to the independent auditors, the performance of the independent auditors and our accounting practices. In addition, the Audit Committee oversees the Company's compliance programs relating to legal and regulatory requirements.

It is the board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes. This also includes the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information.

Nomination Committee

The Company has a Nomination Committee; however, the Board as a whole review the qualifications of any new board member and approve new appointments due to the size of the Board and the Company's operations.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

Code of Conduct

The Company has developed a Code of Conduct ("the Code") which has been fully endorsed by the board and applies to all Directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Consolidated Entity's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all Company employees will:

- Act in the best interests of the Consolidated Entity;
- Act honestly and with high standards or personal integrity;
- Comply with the laws and regulations that apply to the Consolidated Entity and its operations;
- Not knowingly participate in any illegal or unethical activity;
- Not enter into any arrangement or participate in any activity that would conflict with the entity's best interests or that would be likely to negatively affect the entity's reputation;
- Not take advantage of the property or information of the Consolidated Entity or its customers for personal gain or to cause detriment to the Consolidated Entity or its customers; and
- Not take advantage of their position or the opportunities arising therefrom for personal gain.

The Consolidated Entity also has an Insider Trading Policy which outlines the appropriate times for the purchase and sale of the Company's securities by Directors and employees. The purchase and sale of Company securities by Directors and employees is only permitted during non-black out periods. Black-out periods are defined in the Company's Insider Trading Policy. Any transactions undertaken must be notified to the CEO or CFO prior to being entered into.

The Code and the Company's trading policy is discussed with each new employee. Further training is periodically provided and all employees are asked to sign an annual declaration confirming their compliance with the Code and trading policy.

The Code requires employees who are aware of unethical practices with the Consolidated Entity or breaches of the Company's trading policy to report these using the Company's whistleblower program.

The Directors are satisfied that the Consolidated Entity has complied with its policies on ethical standards, including trading in securities.

A copy of the Code and the Insider Trading Policy are available on the Company's website.

Principle 4 – Safeguard integrity of corporate reports

Audit Committee

The Audit Committee consists entirely of independent Directors. Mr Channon and Dr Hill are the current members of the Audit Committee and have been since their appointment to the Board on 27 January 2016. Both are deemed to be independent Directors.

Details of these Directors' qualifications and attendance at Audit Committee meetings are set out in the Directors report on pages 2, 3, 16 and 23.

All members of the Audit Committee are financially literate and have an appropriate understanding of the oil and gas industry. Dr Hill is deemed to be the financial expert.

The Audit Committee operates in accordance with a charter which is available on the Company's website. The main responsibilities of the committee are to review and make recommendations to the Board in relation to:

- The adequacy of the Consolidated Entity's corporate reporting processes;
- Whether the Consolidated Entity's financial statements reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Consolidated Entity;
- The appropriateness of the accounting judgements or choices exercised by management in preparing the Consolidated Entity financial statements;
- The appointment or removal of the external auditor;
- The rotation of the audit engagement partner;
- The scope and adequacy of the external audit;
- The independence and performance of the external auditor; and
- Any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor.

Prior to approving the Consolidated Entity's financial statements for a financial period, the Audit Committee receives a declaration from the CEO and CFO that, in their opinion, the financial records of the Consolidated Entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity. The CEO and CFO also certify that the opinion has been formed on the basis of sound systems of risk management and internal control which is operating effectively.

In fulfilling its responsibilities, the Audit Committee:

- receives regular reports from management and the external auditors;
- meets with external auditors at least twice a year, or more frequently if necessary;
- reviews the processes the CEO and CFO have in place to support their certifications to the board;
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- is given the opportunity to meet with external auditors without the presence of management if required; and
- provides the external auditors with a clear line of communication at any time to either the audit committee or the Chair of the board.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The Company and Audit Committee's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

The external audit was put to tender in 2014 and RSM Australia Partner's was appointed external auditors in November 2014.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' report and in note 21 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Audit Committee.

The external auditor will attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5 - Make timely and balanced disclosures

The Company recognises the importance of ensuring its continuous disclosure requirements are met, and maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company

Secretary immediately in the first instance. The Company Secretary is required to consult with the CEO in relation to matters brought to his or her attention for potential announcement.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange ("ASX"). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All announcements and presentations made by the Consolidated Entity, are prepared by management and reviewed and authorised by the Board prior to being released. The authorisation process in place seeks to ensure that announcements made are factual, complete, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6 – Respect the rights of security holders

The Consolidated Entity actively seeks to provide its security holder appropriate information and facilities to allow them to exercise their rights as security holders effectively. This includes:

- giving security holders ready access to information about the Consolidated Entity and its governance;
- communicating openly and honestly with security holders; and
- encouraging and facilitating their participation in meetings of security holders.

Detailed information with respect to the Directors and Executives of the Consolidated Entity is included on the Consolidated Entity's website: www.samsonoilandgas.com. The following information is also available on the Consolidated Entity's website:

- Audit Committee Charter
- Compensation Committee Charter
- Corporate Governance and Nominating Committee Charter
- Code of Ethics
- Insider Trading Policy

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Consolidated Entity's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements may be viewed and downloaded from its website: www.samsonoilandgas.com or the ASX website: asx.com.au under ASX code "SSN". The Company also maintains an email list for the distribution of the Company's announcements via email to disseminate information in a more timely manner.

The Consolidated Entity also welcomes communication and feedback from its security holders. The Consolidated Entity's website contains information in order to enable security holders to contact the Directors or Management via email, phone or mail. The Consolidated Entity also makes time available at the Annual General Meeting for questions from security holders and will hold meetings with security holders at other times as necessary.

From 30 June 2009, shareholders could elect whether or not they wished to receive a hard copy of the Annual Report. A copy of the Annual Report is sent to all shareholders who elected to receive one. All shareholders receive the Notice of Meeting for the Company's Annual General Meeting.

Principle 7- Recognise and manage risk

The board, through the Audit Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. A separate Risk Committee has not been established. The Company believes that the regular communication between senior management and the board ensures that risks are identified and dealt with, when appropriate, in a timely manner.

The Board and the Audit Committee are responsible for:

- The adequacy of the Consolidated Entity's processes for managing risk; and
- The response of the Consolidated Entity for incidents involving fraud or other break down of the Consolidated Entity's internal controls.

Each year, the Board performs a review of the Consolidated Entity's fraud risk environment and makes any recommendations necessary to management to decrease fraud risk. No recommendations were made during the current years review.

Considerable importance is placed on maintaining a strong control environment. There is an organisational structure with clearly drawn lines of accountability and delegation of authority. Adherence to the Code of Conduct is required at all times and the board actively promotes a culture of quality and integrity.

The Consolidated Entity has outsourced its internal audit function to an accounting firm in the United States unrelated to its external auditors. This internal audit function assists the Consolidated Entity with its internal controls by bringing a systematic, disciplined approach to evaluating and continually improving the effectiveness of its risk management and internal control processes.

Environmental Risk System

The Company recognises the importance of environmental risk management and is committed to the highest level of sound environmental management. The Company has established best practice environmental policies for those fields that it operates and seeks to ensure the operators of its non-operated properties operate in an environmentally sound manner.

Principle 8 – Remunerate fairly and responsibly

A Compensation Committee was formed on 28 July 2011. The Compensation Committee Charter can be found on the Consolidated Entity's website. The Compensation Committee is chaired by an independent director.

The Compensation Committee is responsible for determining and reviewing compensation arrangements for the Directors. Further detail in relation to the Company's remuneration policies can be found in the Remuneration Report included within the Directors' Report.

Members of the senior executive team sign a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

Further information on Directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' report under the heading "Remuneration report".

The board also assumes responsibility for overseeing management succession planning.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Consolidated Entity 2019	2018
Revenue			
Oil Sales		12,391,536	9,931,065
Gas Sales		257,895	118,783
Other Liquids		13,434	8,871
Total sales of oil and gas	3(a)	**12,662,865**	**10,058,719**
Cost of Sales			
Lease Operating Expense		(9,417,016)	(5,422,486)
Workover		(2,924,853)	(1,069,610)
Depletion, depreciation and amortization	3(d)	(2,726,747)	(869,925)
Total cost of sales		**(15,068,616)**	**(7,362,021)**
Gross profit/(loss) profit		**(2,405,751)**	**2,696,698**
Other income	3(a)	**1,369,934**	**186,518**
Expenses			
General and administrative expense	3(b)	(2,807,342)	(4,226,038)
Finance Costs	3(c)	(4,329,595)	(1,955,985)
Exploration and evaluation expenditures	3(e)	(73,016)	(325,304)
Gain/(loss) on derivative instruments	3(f)	457,216	(2,722,166)
Abandonment costs		(156,809)	(128,862)
Provision for doubtful accounts		(175,000)	(75,000)
Loss before income tax		**(8,120,363)**	**(6,550,139)**
Income tax benefit	4	47,944	732,056
Loss after income tax		**(8,072,419)**	**(5,818,083)**
Net loss for the year attributable to the owners of Samson Oil & Gas Limited		**(8,072,419)**	**(5,818,083)**
Other comprehensive gain/(loss)		-	-
Items that may be classified to profit and loss			
Currency translation differences		(11,152)	(45,461)
Total comprehensive loss for the year attributable to the owners of Samson Oil & Gas Limited		**(8,083,571)**	**(5,863,544)**
Basic and diluted common shares outstanding	22	328,300,044	328,300,044
Basic and diluted loss per common share	22	(2.46)	(1.79)

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	Note	2019	2018
Current Assets			
Cash and Cash Equivalents	6	685,737	1,376,676
Restricted cash	6	2,088,750	-
Trade and other receivables	7	1,982,123	1,759,390
Oil inventory	8	-	219,288
Prepayments		-	137,341
Total Current Assets		**4,756,610**	**3,492,695**
Non Current Assets			
Restricted cash	6	450,000	450,000
Trade and other receivables	7	109,722	134,645
Derivative instruments	23	365,542	-
Plant and equipment	9	174,931	242,821
Oil and gas properties	11	30,174,859	31,313,504
Deferred tax asset	4	780,000	732,056
Net property, plant and equipment		**32,055,054**	**32,873,026**
TOTAL ASSETS		**36,811,664**	**36,365,721**
Current Liabilities			
Trade and other payables	12	9,421,402	9,730,906
Provisions for restoration	14	274,404	-
Derivative instruments	23	150,703	1,210,795
Current portion of borrowings	13	33,500,000	23,867,558
Total Current Liabilities		**43,346,509**	**34,809,259**
Non Current Liabilities			
Provisions for restoration	14	3,304,987	3,312,723
Total Non Current Liabilities		**3,304,987**	**3,312,723**
Total Liabilities		**46,651,496**	**38,121,982**
Net Liabilities		**(9,839,832)**	**(1,756,261)**
Shareholders Equity			
Contributed equity	15	99,643,104	99,643,104
Accumulated losses	16	(116,499,504)	(108,427,085)
Reserves	15	7,016,568	7,027,720
Total Shareholders Equity		**(9,839,832)**	**(1,756,261)**
TOTAL LIABILITIES AND SHAREHOLDERS		**36,811,664**	**36,365,721**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	2019	2018
Cash Flows from Operating Activities:			
Receipts from customers		16,922,860	16,417,447
Cash paid for commodity derivative instruments		(968,418)	(1,625,866)
Payments to suppliers and employees		(14,691,556)	(8,003,096)
Payments to working and royalty interest owners, net		(4,890,586)	(4,479,150)
Dividends and Interest received		11,353	229
Cash interest payments		(2,236,011)	(1,350,391)
Payments of abandonment costs		(452,091)	(216,884)
Proceeds from forfieture of escrow account from Eagle		1,010,000	-
Net cash (used) / from operating activities	19	(5,294,449)	742,289
Cash Flows from Investing Activities:			
Proceeds from sale of oil and gas properties		120,000	105,396
Payments for oil and gas properties		(1,588,102)	(414,466)
Payments for exploration and evaluation, net		(73,016)	(54,226)
Payments for furniture and fittings		-	(31,379)
Net cash flows (used) / from investing activites		(1,541,118)	(394,675)
Cash Flows from Financing Activities:			
Proceeds from borrowings		33,561,706	450,000
Repayments of borrowings		(23,929,264)	(35,000)
Payments for costs associated with borrowings		(1,390,565)	-
Net cash from/(used) used in financing activities		8,241,877	415,000
Net increase (decrease) in cash and equivalents		1,406,310	762,614
Cash and equivalents, beginning of period		1,376,676	628,778
Effect of exchange rate changes on cash and		(8,499)	(14,716)
Cash and equivalents, end of period		2,774,487	1,376,676

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent					
CONSOLIDATED	***Contributed Equity***	***Accumulated Losses***	***Foreign Currency Translation Reserve***	***Equity Reserve***	***Share Based Payments Reserve***	***Total Equity***
	$	***$***	***$***	***$***	***$***	***$***
Balance at 1 July 2017	**99,643,104**	**(102,609,002)**	**1,989,799**	**(1,097,780)**	**5,828,859**	**3,754,980**
Loss after income tax	-	(5,818,083)	-	-	-	**(5,818,083)**
Other comprehensive loss, net of tax	-	-	(45,461)	-	-	**(45,461)**
Total comprehensive expense for the year	-	(5,818,083)	(45,461)	-	-	(5,863,544)
Transactions with owners in their capacity as owners:						
Share based payment	-	-	-	-	352,303	352,303
Balance at 30 June 2018	**99,643,104**	**(108,427,085)**	**1,944,338**	**(1,097,780)**	**6,181,162**	**(1,756,261)**
Balance at 1 July 2018	**99,643,104**	**(108,427,085)**	**1,944,338**	**(1,097,780)**	**6,181,162**	**(1,756,261)**
Loss after income tax	-	(8,072,419)	-	-	-	**(8,072,419)**
Other comprehensive loss, net of tax	-	-	(11,152)	-	-	**(11,152)**
Total comprehensive expense for the year	-	(8,072,419)	(11,152)	-	-	**(8,083,571)**
Transactions with owners in their capacity as owners:						
Share based payment	-	-	-	-	-	-
Balance at 30 June 2019	**99,643,104**	**(116,499,504)**	**1,933,186**	**(1,097,780)**	**6,181,162**	**(9,839,832)**

The above statement of Consolidated Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. CORPORATE INFORMATION

The financial statements of the Consolidated Entity for the fiscal year ended as at 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 28 October 2019. The financial statements include the financial statements for the Consolidated Entity comprised of Samson Oil & Gas Limited and its subsidiaries, referred to hereafter as the Consolidated Entity.

Samson Oil & Gas Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. Samson also trades an American Depository Share ("ADS") on OTC QB under the symbol "SSNYY".

The nature of the operations and principal activities of the Consolidated Entity are described in Note 18 Segment Reporting.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001.*

Going concern

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, for the year ended 30 June 2019, the Group incurred a net loss of $8.08 million and cash out flows from operating and investing activities of $5.3 million and $1.5 million respectively. As at that date, the Group had net current liabilities and net liabilities of $38.6 million and $9.8 million respectively. The Group's ability to continue as a going concern is dependent on the divestment of assets resulting in proceeds not less than the Group's obligation to AEP I FINCO LLC or re-negotiation of its Credit Agreement.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The Directors are currently negotiating with a prospective party to divest its oil & gas assets resulting in proceeds not less than the Group's obligation to AEP I FINCO LLC. The Directors are confident they will be able to successfully recognise amounts in excess of the carrying value of oil & gas assets, as a result of their ultimate divestment, or alternatively through the successful development of the Foreman Butte project should the Directors successfully re-negotiate the Group's debt and receive additional working capital.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Historical cost convention
These financial statements have been prepared under the historical cost convention, except for derivative instruments, which have been measured at fair value.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed at e) below.

a) Compliance Statement

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB).

b) New and amended accounting standards and interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption.

c) New standards and interpretation not yet adopted by the Consolidated Entity

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. The Consolidated Entity's assessment of the impact of the new standards and interpretations are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity has made an assessment and determined that the impact of this standard will not be material to the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

d) Principles of Consolidation

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Samson Oil & Gas Limited ("parent entity" or "Company") as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Consolidated Entity (refer to Note 2 (bb)).

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

Non-controlling interests not held by the Consolidated Entity are allocated their share of net profit after tax in the profit and loss and are presented within equity in the Consolidated Balance Sheet, separately from parent shareholders' equity.

The Consolidated Entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Consolidated Entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Samson Oil & Gas Limited.

When the Consolidated Entity ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Consolidated Entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

e) Significant accounting judgments, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies
Management has identified the critical accounting policies set out below for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions may materially affect financial results of the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Exploration and evaluation
The Consolidated Entity's accounting policy for exploration and evaluation is set out in Note 2 (q). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditures under our policy, we conclude that we are unlikely to recover the expenditures by future exploitation or sale, then the relevant capitalised amounts

will be written off to the profit and loss.

When assessing whether deferred exploration expenditure should be carried forward from the prior year the Consolidated Entity reviews each project on an individual basis, taking into account, but not limited, to the ongoing activity in relation to that field, including any new agreements or contracts entered into during the year and the Consolidated Entity's near future plans for the field or prospect.

The Consolidated Entity believes that exploration expenditures are incurred with the intent of making further investment decisions and are not directly related to the revenue producing activities of the Consolidated Entity and are therefore more appropriately presented as investing activities.

Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Allowance for expected credit loss

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset specific discount rates. For oil and gas properties, expected future cash flow estimation is based on proved and probable reserves, future production profiles, commodity prices and costs. The estimates of future cash flows are made as at each balance sheet date, using the price estimates from the forward curve as at that date.

Restoration obligations

The Consolidated Entity estimates the future removal costs of oil and gas wells and production facilities at the time of installation of the assets. In most instances, the removal of assets will occur many years into the future. This requires judgmental assumptions regarding removal data, future environmental legislation, and the extent of reclamation activities required, the engineering methodology for estimating future cost, future removal technologies in determining the removal cost, and liability specific discount rates to determine the present value of these cash flows. For more detail regarding the policy in respect of the provision for restoration refer to Note 2 (v). The discount rate used to determine the present value of the cash flows was 13.43% (2018:13.43%).

Reserves estimates

Estimates of recoverable quantities of proven and probable reserves, that are used to review the carrying value of oil and gas properties, include assumptions regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used by the Consolidated Entity to estimate reserves may change from period to period. Changes in reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in estimated future cash flows. Reserves are integral to the amount of depreciation, depletion, amortisation and impairment charged to the profit and loss.

The impairment expense, relating to oil and gas properties recognized in the Consolidated Statement of Comprehensive Income is $nil (2018: $nil).

Reserve estimates are prepared by internal engineers and external independent third parties in accordance with guidelines prepared by the Society of Petroleum Engineers. The reserve estimates as at 30 June 2019 were prepared by Netherland, Sewell and Associates, Inc, independent reserve engineers. The reserve estimates as at 30 June 2018 were prepared internally by a practitioner with 22 years of industry experience in geologic and engineering review and analysis and a Bachelor of Science in Geological Engineering from Colorado School of Mines. Additionally, the Chief Executive Officer, Terry Barr, is responsible for overseeing the preparation of the Company's reserves report. The CEO is a petroleum geologist who holds an Associateship in Applied Geology and has over 45 years of relevant experience in the oil and gas industry.

Units of production method of depreciation and amortisation
The Consolidated Entity applies the units of production method for depreciation of its oil and gas properties and assets based on hydrocarbons produced. These calculations require the use of estimates and assumptions. Significant judgment is required in assessing the available reserves and future production associated with the assets to be depreciated under this method. Factors that must be considered in determining reserves and future production are the Company's history of exploiting reserves and the relevant time frames, markets and future developments. When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets. It is impracticable to quantify the effect of these changes in these estimates and assumptions in future periods. The reassessment of rates occurs at 31 December and 30 June each year and is performed consistently from period to period.

f) Revenue Recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Group recognizes revenue from the sale of oil, natural gas and natural gas liquids in the period that the performance obligations are satisfied. The Group's performance obligations are primarily comprised of the delivery of oil, natural gas, or NGLs at a delivery point. Each barrel of oil, MMBtu of natural gas, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer through delivery of oil, natural gas and natural gas liquids.

The Group 's contracts with customers typically require payment for oil, natural gas and natural gas liquids sales within one to two months following the calendar month of delivery. The sales of oil, natural gas and natural gas liquids typically include variable consideration that is based on pricing tied to local indices adjusted for fees and differentials and the quality of volumes delivered. At the end of each month when the performance obligation is satisfied, the variable consideration can be reasonably estimated based on published commodity price indexes and metered production volumes and amounts due from customers are accrued in trade and other receivables on the consolidated statement of financial position. Variances between the Group 's estimated revenue and actual payments are recorded as information becomes available. These variances have not historically been material.

Gas imbalances occur when the Group sells more or less than its entitled ownership percentage of total gas production. Any amount received in excess of the Group 's share is treated as a liability. If the Group receives less than its entitled share, the underproduction is recorded as a receivable.

Interest income
Interest income is recognised using the effective interest method. When a receivable is impaired, the Consolidated Entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Other income
Revenue is recognised when the Consolidated Entity's right to receive the payment is established.

g) Borrowing Costs

Borrowing costs, including interest, directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated as amortised cost with any difference between cost and redemption being recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings on an effective interest basis. The Group capitalised eligible borrowing costs as at 30 June 2019 of $1.4 million. All other borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Consolidated Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Consolidated Entity will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit and loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

h) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Cash and cash equivalents exclude restricted cash.

i) Restricted cash

The Consolidated Entity may from time to time be required to place funds with third parties as bonds for environmental restoration. These bonds are carried as non-current receivables when the release of cash is not expected to occur within twelve months. The bonds are represented by cash and are valued as cash.

In accordance with the terms of our Credit Agreement, the Consolidated Entity is required to have a Capital Reserve Amount equal to $1.0 million and a Debt Service Reserve Amount equal to approximately $1.1 million. These amounts are carried on the balance sheet as Restricted Cash-

Required reserve amounts.

j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30-90 days. They are presented as current assets unless collection is not expected for more than 12 months from reporting date.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

k) Prepayments

Prepayments relate to certain goods and services whereby the payment has been made and the resultant benefit is derived over future periods.

l) Foreign currency translation

(i) Functional and presentation currency
The functional currency of Samson Oil & Gas Limited is Australian Dollars. The functional currency of Samson Oil & Gas USA, Inc and Samson Oil and Gas USA Montana, Inc is United States Dollars. The presentation currency of the Consolidated Entity is United States Dollars.

(ii)Transaction and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(*iii) Translation of Consolidated Entity functional currency to presentation currency*
The results and financial position of entities within the Consolidated Entity entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expense for each profit and loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on transaction dates, in which case income and expenses are translated at the dates of the transactions);
- Equity is translated at the historical exchange rate that approximates the rate in effect at the date of the transaction; and

- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in profit and loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

m) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax rates and laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

o) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major overhaul is performed its cost is recognised in the carrying amount of plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation expense is estimated over the useful life of the assets as follows:

Furniture and fittings – over two to five years using the straight-line method
Computer equipment – over two to five years using the straight-line method
Motor vehicles – over three to five years using the straight-line method

Lease and well equipment – over the life of the reserve (usually 3-25 years) – approximated using the units of production method.

Plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Refer Note 2 (s) for the Consolidated Entity's policy in relation to Impairment of Non-Financial Assets.

Derecognition and disposal
Plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

p) Oil and gas properties

Oil and gas properties include capitalised project expenditure and development expenditure.

The Consolidated Entity uses the units of production method to amortise costs carried forward in relation to its oil and gas properties. For this approach, the calculations are based on proved and probable reserves as determined by our reserve determination.

Impairment on the carrying value of oil and gas properties is based on proved and probable reserves and is assessed on a field by field basis.

q) Exploration and evaluation assets

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. The successful efforts method requires all exploration and evaluation expenditure to be expensed in the period in which it is incurred, except the costs of wells and the costs of acquiring interests in new exploration assets, which are capitalised as intangible exploration and evaluation assets. The costs of wells that have been initially capitalised pending the results of the well, are reviewed at the completion of the well when well results are known and transferred to oil and gas properties or expensed as appropriate.

An area of interest refers to an individual geographical area where the presence of oil or a natural gas field is considered favourable or has been proved to exist, and in most cases will comprise an individual oil or gas field. This means all exploration and evaluation costs, including general permit activity, geological and geophysical costs are expensed as incurred except where:

- the expenditure or asset acquired relates to an exploration discovery, that at balance date, the assessment of whether or not an economically recoverable reserve is not yet complete and active and significant operations in relation to the area of interest is continuing; or
- it is expected that the expenditure or asset acquired will be recouped through successful exploitation, or alternatively, by its sale.

Exploration costs are classified as cash flows from investing activities in the cash flow statement.

Exploration and evaluation assets are assessed for impairment when facts and circumstances indicate that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When assessing for impairment consideration is given to but not limited to the following:

- the period for which the Consolidated Entity has the right to explore
- planned and budgeted future exploration expenditure
- activities incurred during the year, and
- activities planned for future periods.

r) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

s) Impairment of non-financial assets

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. Impairment losses relating to continuing operations are recognised in profit and loss.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

t)Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

u) Provisions

Provisions for legal claims and make good obligations are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item including in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

v) Restoration costs

The Consolidated Entity records the present value of the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The nature of restoration activities includes the removal of facilities, abandonment of wells and rehabilitation of affected areas.

Typically, the obligation arises when the asset is installed at the production location. When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related oil and gas properties. Over time, the liability is increased for the change in present value based on a risk adjusted pre-tax discount rate appropriate to the risks inherent in the liability. The unwinding of the discount is recorded as an accretion charge within finance costs. The carrying amount capitalised in oil and gas properties is depreciated over the useful life of the related asset.

Each year, the Consolidated Entity reviews the estimated restoration costs and the estimated period in which the obligation is likely to occur to ensure that they are appropriate. The Consolidated Entity also reviews the discount rate to ensure it is still appropriate. If changing any of these variables results in a decrease in the liability the difference is recorded against the corresponding asset, which is included in oil and gas properties in the balance sheet.

Costs incurred that relate to an existing condition caused by past operations, and that do not have a future economic benefit, are expensed.

w) Employee leave benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave
The liability for long service is measured as the fair value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturities and currencies that match, as closely as possible, the estimated future cash outflows. The liability for long service leave is presented in current payables.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

x) Share-based payment transactions

Equity settled transactions:
The Consolidated Entity provides benefits to employees (including senior executives) of the Consolidated Entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Samson Oil & Gas Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period, if any, in which the performance and/or services conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

At each subsequent reporting date until vesting, the cumulative charge to profit and loss is the product of:

i. The grant date fair value of the award;
ii. The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
iii. The expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and the new award are treated as they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of the outstanding options is reflected as additional share dilution in the computation of earnings per share.

The expense for share based payments in relation to Directors and executives is recognised in the parent entity.

y) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any member of the Consolidated Entity purchases the Company's equity instruments, for example as a result of a share buy-back or share based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Samson Oil & Gas Limited. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable of the owners of Samson Oil & Gas Limited.

z) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The result attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares;
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (Note 22).

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

aa) Joint Operations

Joint arrangements
Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Consolidated Entity has joint operations. The Consolidated Entity recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 25.

bb) Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the different is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

cc) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker "CODM". The CODM, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Board of Directors.

dd) Derivative Financial Instruments

The Company utilizes swap and collar option contracts to hedge the effect of price changes on a portion of its future oil and natural gas production. The objective of the Company's hedging activities and the use of derivative financial instruments is to achieve more predictable cash flows. While the use of these derivative instruments limits the downside risk of adverse price movements, they also may limit future revenues from favorable price movements. The Company may, from time to time, opportunistically restructure existing derivative contracts or enter into new transactions to effectively modify the terms of current contracts in order to improve the pricing parameters in existing contracts or realize the current value of the Company's existing positions. The Company may use the proceeds from such transactions to secure additional contracts for periods in which the Company believes it has additional unmitigated commodity price risk.

The use of derivatives involves the risk that the counterparties to such instruments will be unable to meet the financial terms of such contracts. The Company's derivative contracts are with a single multinational entity with no history of default with the Company. The derivative contracts may be terminated by a non-defaulting party in the event of default by one of the parties to the agreement. Previously, collateral under the revolving credit facility supported the Company's collateral obligations under the Company's derivative contracts. Therefore, the Company is not required to post additional collateral when the Company is in a derivative liability position.

The Company has elected not to apply hedge accounting to any of its derivative transactions and, consequently, the Company recognizes mark-to-market gains and losses in earnings currently, rather than deferring such amounts in accumulated other comprehensive income for those commodity derivatives that would qualify as cash flow hedges.

ee) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowing are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Deferred transaction costs are expensed to the profit and loss over the period of the borrowings using the effective interest rate.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

ff) Parent entity financial information

The financial information for the parent entity, Samson Oil & Gas Limited, disclosed in Note 29 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint operations entities
Investments in subsidiaries, associates and joint operations entities are accounted for at cost in the financial statements of Samson Oil & Gas Limited.

The Consolidated Entity does not meet the definition of a Group for the purposes of Tax Consolidation therefore there are no tax sharing or funding agreements in place.

gg) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting cycle; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

hh) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of principal market, the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs use in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

NOTE 3. REVENUE AND EXPENSES

Revenue and expenses	Consolidated Entity 2019 $	Consolidated Entity 2018 $
a) Revenue from contracts with customers		
Sale of oil and gas		
Oil sales	12,391,536	9,931,065
Gas sales	257,895	118,783
Other liquids	13,434	8,871
Total revenue	**12,662,865**	**10,058,719**

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Other Income		
Interest income	1,993	229
Sale of oil and gas assets	120,000	105,396
Other	1,247,941	80,893
Total other income	**1,369,934**	**186,518**

For the years ended 30 June 2019 and 2018, all revenue was recognized when the good were transferred at a point in time

Sale of oil and gas assets during the year ended 30 June 2019 relates to the sale of small non operated interests in properties in Wyoming. The carrying value of the Wyoming properties as at 30 June 2019 was nil.

b) General and Administration	**Consolidated Entity 2019 $**	**Consolidated Entity 2018 $**
Employee Benefits		
Salary and employee benefits	(585,370)	(2,171,854)
Other General and Administration		
Consultants' fees	(151,064)	(123,797)
Lease payments	(209,517)	(214,650)
Legal costs	(267,531)	(384,596)
Assurance, accounting and taxation advice	(448,584)	(441,243)
Travel and accommodation	(24,894)	(56,166)
Filing and listing fees	(24,233)	(15,433)
Penalties and late charges	(426,199)	-
Insurance	(205,705)	(230,220)
Investor and public relations	(136,961)	(108,602)
Printing, postage and stationery	(41,962)	(71,675)
Other	(285,322)	(407,802)
Total other general and administration expenses	(2,221,972)	(2,054,184)
Total general and administration expenses	**(2,807,342)**	**(4,226,038)**

c) Finance costs	**Consolidated Entity 2019 $**	**Consolidated Entity 2018 $**
Interest expense	(2,347,108)	(1,275,537)
Amortisation of borrowing costs	(1,390,565)	-
Unwinding of discount associated with restoration obligation	(561,950)	(240,014)
Borrowing costs	(29,972)	(440,434)
Total finance costs	**(4,329,595)**	**(1,955,985)**

	Consolidated Entity 2019 $	**Consolidated Entity 2018 $**
d) Depreciation and amortisation		
Included in cost of sales:		
Depreciation on lease and well equipment	(112,299)	(37,246)
Depletion of oil and gas properties	(2,614,448)	(832,679)
Subtotal included in cost of sales	**(2,726,747)**	**(869,925)**
Included in general and administrative		
Depreciation of furniture and fittings	(29,897)	(84,636)
Total depreciation and amortisation	**(2,756,644)**	**(954,561)**

	Consolidated Entity	
	2019	2018
	$	$
e) Exploration and evaluation expense		
General exploration expense	(73,016)	(54,226)
Deferred exploration expenditure written off	-	(271,078)
Dry hole costs	-	-
Total exploration and evaluation expense	**(73,016)**	**(325,304)**

	Consolidated Entity	
	2019	2018
	$	$
f) Derivative instruments		
Realised income recognised in relation to derivative instruments	(968,418)	(1,775,727)
Unrealised (expense)/income recognised in relation to the movement in the fair value of derivative instruments	1,425,634	946,438
Total derivative instruments income/(expense)	**457,216**	**2,722,166**

NOTE 4. INCOME TAXES

	Consolidated Entity	
	2019	2018
	$	$
The major components of income tax benefit are:		
Profit and Loss		
Current income tax	(200)	732,056
Deferred income tax	48,144	-
Aggregate income tax expense	**47,944**	**732,056**
Numerical reconciliation of income tax expense and tax at statutory		
Loss before income tax	**(8,120,363)**	**(6,550,139)**
At the Australian statutory income tax rate of 27.5% (2017: 27.5%)	2,233,100	1,801,288
Expenditure not allowable for income tax purposes	(66,206)	(190,616)
Change in deferred tax rate	(302,298)	(11,069,839)
Effect of US tax rate differential	(307,092)	980
Deferred tax assets not brought to account as realisation is not considered probable	(2,358,219)	10,365,026
Adjustment for deferred tax of prior periods	490,924	(174,783)
Others	357,735	-
Aggregate income tax benefit	**47,944**	**732,056**

Consolidated	**Balance Sheet**		**Profit and Loss**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Deferred Income Tax				
Deferred income tax at 30 June relates to the				
Deferred tax liabilities	-	-	-	-
Gross deferred tax liabilities	-	-	-	-

	Balance Sheet		**Profit and Loss**	
	2018	**2018**	**2019**	**2018**
Deferred tax assets	**$**	**$**	**$**	**$**
Tax losses	26,451,000	23,674,591	2,776,409	(10,939,307)
Oil and gas properties	(1,310,000)	(1,474,976)	164,976	1,178,732
Debt issuance costs	312,000		312,000	
Other	76,000	922,778	(846,778)	127,605
Alternative minimum tax credit	780,000	780,444	(444)	-
Deferred tax assets not brought to account as	(25,529,000)	(23,170,781)	(2,358,219)	10,365,026
Net deferred tax recognised in the balance sheet	**780,000**	**732,056**	**47,944**	**732,056**

The Consolidated Entity has tax losses carried forward arising in Australia of $17.4 million (2018: $15.5 million). The benefit of these losses of $4.8 million (2018: $4.3 million) will only be obtained in future years if:

i. the Consolidated Entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deduction for the losses to be realised; and
ii. the Consolidated Entity has complied and continues to comply with the conditions for deductibility imposed by law; and
iii. no changes in tax legislation adversely affect the Consolidated Entity in realising the benefit from deduction for the losses.

The Consolidated Entity has Federal net operating tax losses in the United States of approximately $94.1 million (2018: $84.9 million). Future years are limited to an estimated $403,194 per year as a result of a change in ownership of the one of the subsidiaries which occurred in January 2005. Net operating losses generated after this ownership change are not limited due to any known ownership changes. If not utilised, the tax net operating losses will expire during the period from 2020 to 2038. NOL's generated in 2019 do not expire and can be carried forward indefinitely.

In addition to the above mentioned Federal carried forward losses in the United States, the Consolidated Entity also has approximately $52.9 million (2018: $49.2 million) of State carried forward tax losses, with expiry dates between July 2019 and June 2034. A deferred income tax asset in relation to these losses has not been recognised as realisation of the benefit is not regarded as probable.

The deferred tax benefit the Consolidated Entity will ultimately realise is dependent both upon the loss recoupment legislation in the United States and taxable income at the time recoupment.

The Consolidated Entity does not meet the definition of a group for the purposes of applying tax consolidation.

NOTE 5. DIVIDENDS

No dividends have been declared during the year (2018: $Nil).

The balance of the franking account at the end of the year was nil (2018:$Nil).

NOTE 6. CASH, RESTRICTED CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2019	**2018**
CURRENT	**$**	**$**
Cash at bank and on hand *(i)*	685,737	1,376,676
Restricted cash at bank on hand *(i)*	2,088,750	-
	2,774,487	1,376,676
NON CURRENT		
Restricted cash - operating bonds *(ii)*	450,000	450,000

Notes:

(i) Cash at bank earns interest at floating interest rates based on daily bank deposit rates.

(ii) The balance relates to several insurance bonds issued by Zurich American which are required by various state and federal agencies for operators. In prior years, the Company paid an annual fee to Zurich for the insurance premiums, however, following the decline of oil prices, Zurich moved toward requesting cash collateral for the bonds.

Cash at bank earns interest at floating interest rates based on daily bank deposit rates.

a) Risk exposure

The Consolidated Entity's exposure to interest rate risk is discussed in note 27. The maximum exposure to credit risk at the reporting date is the carrying amount of cash mentioned above.

NOTE 7. TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2019	**2018**
	$	**$**
CURRENT		
Trade receivables *(i)*	1,538,451	1,002,796
Allowance for expected credit loss	(250,000)	(75,000)
Receivable – joint operation partners *(ii)*	693,672	831,594
	1,982,123	**1,759,390**
NON-CURRENT		
Trade receivables	109,722	134,645
	109,722	**134,645**

Notes:

(i) *These receivables relate to the sale of oil and gas. They are non-interest bearing, unsecured and are generally on 30-90 day terms.*

(ii) *These receivables relate to monies to be recovered from joint operation partners who participate in wells that Samson is the operator of. These funds are non-interest bearing and unsecured.*

a) Foreign exchange and interest rate risk - current receivables

Information about the Consolidated Entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 27.

b) Fair value and credit risk – current receivables

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. All receivables are unsecured. Refer to Note 27 for more information on the risk management policy of the Consolidated Entity and the credit quality of trade receivables.

An expected credit loss of $175,000 (2018: $75,000) has been raised in relation to receivables that may not be received. In some instances, revenue has been withheld from working interest partners to cover receivables owed. No right of offset exists according to the joint operating agreements, which govern the joint operations.

Movements in the allowance for expected credit losses (2018: provision for impairment of receivables) are as follows:

	Consolidated	
	2019	**2018**
	$'000	**$'000**
Opening balance	75,000	-
Additional provisions recognised	175,000	75,000
Closing balance	250,000	75,000

NOTE 8. OIL INVENTORY

	Consolidated Entity	
	2019	**2018**
	$	**$**
CURRENT		
Oil inventory	-	219,288

Crude oil, products and merchandise inventories are carried at the lower of current market value or cost (generally determined under the last-in, first-out method - LIFO). Inventory costs include expenditures and other charges (including DD&A) directly and indirectly incurred in bringing the inventory to its existing condition and location. Selling expenses and general and administrative expenses are reported as period costs and excluded from inventory cost.

NOTE 9. PLANT & EQUIPMENT

	Consolidated Entity	
	2019	**2018**
NON-CURRENT	**$**	**$**
Office Equipment		
Cost	930,172	1,017,878
Accumulated depreciation	(755,241)	(775,057)
	174,931	242,821
Balance as at 1 July	242,821	296,078
Additions	-	31,379
Disposals *(i)*	(37,993)	-
Depreciation charge for the year	(29,897)	(84,636)
Balance as at 30 June	174,931	242,821

Notes:

(i) *Disposals are net of accumulated depreciation and amortisation*

NOTE 10. EXPLORATION AND EVALUATION ASSETS

	Consolidated Entity	
	2019	**2018**
NON-CURRENT	**$**	**$**
Balance as at 1 July	-	271,078
Expenditure capitalised	-	54,226
Expenditure written off	-	(325,304)
Balance as at 30 June	-	-

The expenditure written off during the prior year relate to the previously capitalised costs associated with the Cane Creek project in Utah. The option previously held over this property expired in November 2017, unexercised and as such, was expensed in the current year.

The recoverability of the carrying value of deferred exploration and evaluation expenditure is dependent on the successful exploitation, or alternatively sale, of the respective areas of interest.

NOTE 11. OIL AND GAS PROPERTIES

	Consolidated Entity	
	2019	**2018**
NON-CURRENT	**$**	**$**
Oil and Gas Properties	46,705,452	45,117,350
Accumulated depletion	(8,832,065)	(6,105,318)
Accumulated impairment	(7,698,528)	(7,698,528)
	30,174,859	31,313,504
Proved developed producing properties		
Balance as at 1 July	31,313,504	32,106,508
Additions	1,588,102	76,921
Disposals	-	-
Depreciation charge	(2,726,747)	(869,925)
Balance at 30 June	**30,174,859**	**31,313,504**

Impairment of oil and gas properties

At 30 June 2019, the Consolidated Entity reviewed the carrying value of its oil and gas properties for impairment. An independent review by the Consolidated Entity's reserve engineers, Netherland Sewell and Associates Inc was performed to assess the recoverable amount based on the net present value of the Consolidated Entity's assets on a field by field basis (by cash generating unit). The factors used to determine net present value include, but are not limited to, recent sales prices of comparable properties, the present value of future cash flows, net of estimated operating and development costs using estimates of reserves, future commodity pricing, future production estimates, anticipated capital expenditures and various discount rates commensurate with the risk associated with realizing the projected cash flows. The discount rate used to assess the recoverable amount (based on the fair value less cost of disposal) was 10% (2018: 12%). The fair value less cost of disposal has been based on the expected useful lives of the respective fields.

NOTE 12. TRADE AND OTHER PAYABLES

	Consolidated Entity	
CURRENT	**2019**	**2018**
	$	**$**
Trade payables (i)	6,696,765	6,027,148
Revenue payable (ii)	2,514,745	3,341,833
Interest payable (iii)	-	111,099
Other payables (iv)	209,892	250,826
Total Trade and Other Payables	**9,421,402**	**9,730,906**

Notes:

i) *Trade payables are non-interest bearing and normally settled on 30-day terms.*

ii) *Revenue payable is revenue received by the Company as operator of a property, payable to other revenue and royalty interest owners. Revenue payable is non-interest bearing and is typically settled on 45-60 days terms unless deemed otherwise.*

iii) *Interest payable for the prior fiscal year was interest and other expenses recognised with respect to the Mutual of Omaha credit facility. Interest is generally paid every month.*

iv) *Other payables include accruals for annual leave. The entire obligation is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement.*

NOTE 13. BORROWINGS

	Consolidated Entity	
Current	**2019**	**2018**
	$	**$**
Credit Agreement *(i)*	33,500,000	23,867,558
	33,500,000	**23,867,558**

Notes:

(i) *Fair values are not materially different to their carrying amounts*

On 09 April 2019, the Consolidated Entity closed a $33.5 million refinancing with AEP I FINCO LLC, as administrative agent, and certain other financial institutions (the "Credit Agreement"). The proceeds of the Credit Agreement were used to retire the Consolidated Entity's previous credit facility of $$23.9 million, repay outstanding creditors, royalty and working interest owners and provide working capital to pursue its infill development drilling program. In conjunction with the closing of the Credit Agreement, the Consolidated Entity paid $1.4 million in deferred borrowing costs.

The Credit Agreement is secured by certain of the Consolidated Entity's oil and gas properties and has a 5-year term with a maturity date on 09 April 2024. Interest on the Credit Facility accrues at a rate equal to LIBOR plus a margin of 10.5% and is payable on the last day of each interest period.

Under the Credit Facility, the Consolidated Entity is required to maintain the following financial ratios:

- a maximum Leverage Ratio, consisting of Consolidated Total Debt to Consolidated EBITDAX (as defined in the Credit Agreement) not to; (i) exceed 4.75 to 1.00 as of the last day of Fiscal Quarter (as defined in the Credit Facility) ending 30 June 2019, (ii) exceed 4.00 to 1.00 as of the last day of any Fiscal Quarter beginning after 30 June 2019, but ending on or before 31 March 2020; (iii) for Fiscal Quarters ending 30 June 2020, and 30 September 2020, to exceed 3.50 to 1.00, and (iv) for all Fiscal Quarters thereafter, exceed 3.00 to 1.00;
- a minimum Current Ratio, consisting of consolidated current assets (as defined in the Credit Agreement) to consolidated current liabilities (as defined in the Credit Agreement), of not less than 1.0 to 1.0 as of the last day of any Fiscal Quarter;
- an Asset Coverage Ratio, consisting of Modified Proved NPV (as defined in the Credit Agreement) to Consolidated Total Debt, beginning with Fiscal Quarter ending 30 June 2019, (i) to be less than 1.75 to 1.0, (ii) for the Fiscal Quarter ending 30 September 2019 through to the Fiscal Quarter ending on or before 30 June 2021, to be less than 2.00 to 1.00, and (ii) for all Fiscal Quarters thereafter, to be les than 2.50 to 1.00;
- an Asset Coverage Ratio (PDP), consisting of Modified Proved NPV for PDP to Consolidated Total Debt, during any Fiscal Quarter ending on or before 30 June, 2019, to be less than 0.80 to 1.00, (ii) for the Fiscal Quarter ending on 30 September, 2019, to be less than 1.10 to 1.00, (iii) for the Fiscal Quarters ending on 31 December, 2019 and 31 March, 2020, to be less than 1.15 to 1.00, (iv) for the Fiscal Quarter ending on 30 June, 2020, to be less than 1.25 to 1.00, (v) for the Fiscal Quarters ending on 30 September, 2020, 31 December, 2020, and 31 March, 2021, to be less than 1.50 to 1.00, and (vi) for all Fiscal Quarters thereafter, to be less than 1.75 to 1.00;
- a Fixed Charge Coverage Ratio, consisting of Consolidated EBITDAX for the Fiscal Quarter just ended, plus unrestricted cash and cash equivalents on the last day of the preceding Fiscal Quarter to Consolidated Fixed Charges (as defined in the Credit Facility) for the Fiscal Quarters ending 30 June, 2019 and 30 September, 2019, to be less than 1.35 to 1.00, and (ii) for all Fiscal Quarters thereafter, to be less than 1.40 to 1.00; and
- the Consolidated Entity shall not make Capital Expenditures (as defined in the Credit Agreement) in any fiscal Quarter, beginning with the fiscal Quarter ended 30 June 2019, that would cause the aggregate amount of all Capital Expenditures in such Fiscal Quarter to exceed by more than (i) 10% the amount of Capital Expenditures for such Fiscal Quarter set forth on the then current and Approved Acquisition and Development Plan (defined in the Credit Agreement), or (ii) 10% the amount of the Capital Expenditures set forth in the then-current and Acquisition and Development Plan in the aggregate.

As at 30 June 2019, the Group was not in compliance with certain financial covenants under the Credit Agreement, therefore, the total outstanding amount of the Credit Agreement $33.5 million has been categorised as a current liability and the Group has fully amortised the $1.4 million of deferred borrowing costs as a charge to finance costs in the statement of comprehensive income.

As of the date of this report, the breach was not remediated and the Group is not in compliance with certain financial covenants under the Credit Agreement.

NOTE 14. PROVISIONS

	Consolidated Entity	
	2019	**2018**
CURRENT	**$**	**$**
Provision for restoration	274,404	-

NON CURRENT	**2019 $**	**2018 $**
Provision for restoration	3,304,987	3,312,723

A provision for restoration is recognised in relation to the oil and gas activities for costs such as reclamation, plugging wells and other costs associated with the restoration of oil and gas properties. Estimates of the restoration obligations are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. In determining the restoration provision, the entity has assumed no significant changes will occur in the relevant government legislation in relation to the restoration of such oil and gas properties in the future.

	Consolidated Entity	
	2019	**2018**
	$	**$**
Provision for Restoration		
Balance at 1 July	3,312,723	3,362,204
Work performed	(295,282)	(216,884)
Disposition of properties	-	(73,011)
Unwinding of discount – continuing	561,950	240,414
Balance as at 30 June	**3,579,391**	**3,312,723**

NOTE 15. CONTRIBUTED EQUITY AND RESERVES

(a) Issued and paid up capital

Contributed Equity	**Consolidated Entity**	
	2019	**2018**
	$	**$**
328,300,044 ordinary fully paid shares including shares to be issued (2018 – 328,300,044 ordinary fully paid shares including shares to be issued)	99,643,104	99,643,104

Movements in contributed equity for the year	**2019**		**2018**	
	No. of	**$**	**No. of**	**$**
Opening balance	328,306,044	99,643,104	328,300,044	99,643,104
Capital Raising	-	-	-	-
Shares issued upon exercise of options	-	-	-	-
Shares issued as share based payments	-	-	-	-
Transaction costs incurred	-	-	-	-
Shares on issue at balance date	328,300,044	99,643,104	328,300,044	99,643,104
Shares to be issued as part of Kestrel	6,500	-	6,500	-
Closing Balance	**328,306,544**	**99,643,104**	**328,306,544**	**99,643,104**

Notes:

(i) *These shares were issued to Kestrel shareholders throughout 2008 as part of the offer to non-US resident shareholders whereby they received five Samson shares for every one Kestrel share held. The Samson share price on the date the acceptance of the offer was received was deemed to be the fair value of the share. As at balance date acceptances had been received for 6,500 (2018:6,500) shares*

which have not yet been issued. These shares will be issued upon the presentation of Kestrel Share Certificates by the owner of the shares.

(b) Share Options

All references to exercise price and deemed value of options are in Australian Dollars.

As at the date of this report, there were 31,450,000 (2018: 31,450,000) unissued ordinary shares under option. All option exercise prices are denominated in Australian Dollars unless noted otherwise.

(c) Terms and Conditions of Contributed Equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

There is no current on-market share buy-backs

(d) Reserves

	Consolidated Entity	
Reserves	**2019**	**2018**
	$	**$**
Foreign currency translation reserve	1,933,186	1,944,338
Equity reserve	(1,097,780)	(1,097,780)
Share based payments reserve	6,181,162	6,181,162
Total Reserves	7,016,568	7,027,720

Nature and purpose of reserves

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange rate differences arising from the translation of financial statements of the Parent Entity with a functional currency that differs to the presentation currency of the Consolidated Entity.

Share Based Payments Reserve
This reserve is used to record the value of share-based payments granted.

Equity Reserve
This reserve is used to recognise the difference between the consideration paid and book value of minority interests acquired.

	Consolidated Entity	
Movement in Reserves	**2019**	**2018**
	$	**$**
Foreign currency translation reserve		
Balance 1 July	1,944,338	1,989,799
Currency translation differences	(11,152)	(45,461)
Balance at 30 June	1,933,186	1,944,338
Share based payments reserve		
Balance 1 July	6,181,162	5,828,859
Share based payments expense	-	352,303
Balance at 30 June	6,181,162	6,181,162

NOTE 16. ACCUMULATED LOSSES

	Consolidated Entity 2019 $	2018 $
Balance previously reported at the beginning of the year	(108,427,085)	(102,609,002)
Net Loss attributable to members, after income tax from continuing	(8,072,419)	(5,818,083)
Balance at the end of the year	(116,499,504)	(108,427,085)

NOTE 17. COMMITMENTS

(a) Exploration commitments

The mineral leases in the exploration prospects in the US have primary terms ranging from three years to ten years and generally have no specific capital expenditure requirements. However, mineral leases that are not successfully drilled and included within a spacing unit for a producing well within the primary term will expire at the end of the primary term unless re-leased. The Consolidated Entity has various mineral lease payments due throughout the year. During the fiscal year ended 30 June 2019, the Consolidated Entity made payments of $48,924 (2018: $nil).

(b) Capital Commitments

The Group is committed to fund development drilling in the Home Run Field of up to approximately $4.5 million through fiscal year 2020.

The following tables summarize the development drilling not provided for in the consolidated statement of financial position:

As at 30 June 2019	**$**
Gonzales 3-9-8-5H	**556,000**
Gonzales 4-9-8-5H	**556,000**
Nettles 3-10-15-14H	**556,000**
Sosa 1-27-34-35	**556,000**
Sosa 2-27-34-35	**556,000**
Banks 2-1-18H	**556,000**
Maris 3-16-21-22H	**556,000**
Maris 4-16-15-22H	**556,000**
	4,448,000

(c) Operating lease commitments

The Parent and its subsidiaries have entered into operating leases for the lease of its office space in Denver, Colorado.
Future minimum rentals payable under non-cancellable leases as at 30 June are as follows:

	Consolidated Entity 2019 $	2018 $
Minimum lease payments		
- not later than one year	103,616	123,873
- later than one year and not later than five years	116,027	268,102

Aggregate lease expenditure contracted for at balance date	**219,643**	**391,975**

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

NOTE 18. SEGMENT REPORTING

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of operating segments, has been identified as the Board of Directors.

The group operates primarily in one business segment being oil and gas exploration, development and production in the United States of America.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The following table presents revenue and loss information regarding geographic segments for the year ended 30 June 2019 and 30 June 2018 as presented to the Board of Directors.

	United States of America - Continuing Operations		**Other segments**		**Consolidated**	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**	**$**	**$**
Segment revenue from external customers	12,662,627	10,058,719	238	217	12,662,865	10,058,936
Segment result before depreciation, depletion, amortisation, impairment and deferred taxes	(4,583,876)	(5,094,111)	(604,843)	(501,465)	(5,188,719)	(5,595,576)
Depreciation, depletion and amortisation	(2,756,644)	(954,563)	-	-	(2,756,644)	(954,563)
Impairment	(175,000)	-	-	-	(175,000)	-
Income tax benefits	47,944	732,056	-	-	47,944	732,056
Total segment result	(7,467,576)	(5,316,618)	(604,843)	(501,465)	(8,072,419)	(5,818,083)
Total segment assets	38,400,072	36,297,495	110,748	68,226	38,510,820	36,365,721
Total segment liabilities	(46,555,700)	(38,002,794)	(107,954)	(119,188)	(46,663,654)	(38,121,982)

All revenue from the United States of America segment is from customers based in the United States of America.

Other Segments revenue relates principally to interest income earned on cash balances in Australia.

NOTE 19. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated Entity	
	2019	**2018**
	$	**$**
(a) Reconciliation of the net loss after tax to the net cash flows from operations		
Net loss after tax	(8,072,419)	(5,818,083)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,756,644	954,561
Unwinding of discount associated with restoration obligation	561,950	240,414
Exploration expenditures written off	-	325,304
Net (gain)loss on fair value movement of derivatives	(1,425,634)	946,438
Amortisation of borrowing costs	1,390,565	440,434
Share based payments		352,303
Profit on sale of assets	(120,000)	(105,396)
Settlement of provisions for restoration	(295,282)	(289,895)
Expected credit losses	175,000	75,000
Direct write-off of accounts receivable	22,346	
Exploration payments categorised as investing activities	-	54,212
Deferred income tax benefit	(47,944)	(732,056)
Provision for doubtful debts		
Changes in operating assets and liabilities:		
Changes in receivables	(248,244)	(365,294)
Change in oil inventory	219,288	-
Change in prepayments	137,341	1,766
Changes in payables	(348,060)	4,662,581
Net cash flows used in operating activities	(5,294,449)	742,289

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the current and previous reporting date.

NOTE 20. RELATED PARTY DISCLOSURES

(a) Ultimate parent

Samson Oil & Gas Limited is the ultimate parent company.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Samson Oil & Gas Limited and the following subsidiaries:

		Equity Interest		Investment	
Name	**Country of Incorporation**	**2019 %**	**2018 %**	**2019 $**	**2018 $**
Samson Oil & Gas USA Inc	United States	100	100	41,751,018	42,409,616
Samson Oil and Gas Montana USA, Inc (100% owned subsidiary of Samson Oil & Gas USA Inc)	United States	100	100	34,549,939	34,451,454
				76,300,957	76,861,070

(c) Key management personnel compensation

	Consolidated Entity	
	2019 $	**2018 $**
Short term	886,895	1,626,415
Post-employment	57,216	81,237
	944,111	**1,707,652**

(d) Transactions with related parties
There were no related party transactions during the current and previous reporting date.

(e) Receivable from and payable to related parties
There were no receivables or payables due to related parties during the current and previous reporting date.

(f) Loans to/from related parties
There were no loans to/from related parties during the current and previous reporting date

NOTE 21. AUDITORS' REMUNERATION

	Consolidated Entity	
	2019 $	**2018 $**
Amounts paid or payable to RSM Australia Partners for:		
audit or review of the financial report	71,000	72,500
	71,000	**72,500**
Amounts paid or payable to Moss Adams:		
an audit or review of the reporting	154,000	160,050
	154,000	**160,050**

NOTE 22. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net result for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net result attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	Consolidated Entity	
	2019	**2018**
	$	**$**
Net loss for the year attributable to owners of Samson Oil & Gas Limited from continuing operations (used in calculating basic and diluted loss per share)	(8,072,419)	(5,818,083)
	Number of Shares	
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	**2019**	**2018**
	328,300,044	328,300,044
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Bonus element for rights issue	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**328,300,044**	**328,300,044**

At the end of the current year there were 31,450,000 (2018: 31,450,000) potential ordinary shares on issue. These potential ordinary shares are not dilutive for 30 June 2019 or 2018 as applicable.

There have been no transactions involving ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

NOTE 23. FINANCIAL INSTRUMENTS

a) Guarantees

The parent entity and its subsidiaries have provided a guarantee with respect to the Credit Agreement provided to Samson Oil and Gas USA, Inc. for the entire outstanding balance in favour of the Administrative Agent for the benefit of the Lenders.

b) Derivative Instruments

The Group enters into derivative contracts, primarily collars, swaps and option contracts, to hedge future crude oil and natural gas production in order to mitigate the risk of market price fluctuations. All derivative instruments are recorded on the balance sheet at fair value. All of the Group's derivative counterparties are Lenders under the Credit Agreement. The Group has elected not to apply hedge accounting to any of its derivative transactions and consequently, the Group recognizes mark-to-market gains and losses in earnings currently, rather than deferring such amounts in other comprehensive income for those commodity derivatives that qualify as cash flow hedges.

At 30 June 2019, the Group's commodity derivative contracts consisted of collars and fixed price swaps, which are described below:

Collar	Collars contain a fixed floor price (put) and fixed ceiling price (call). If the market price exceeds the call strike price or falls below the put strike price, the Group receives the fixed price and pays the market price. If the market price is between the call and the put strike price, no payments are due from either party.
Fixed price swap	The Group receives a fixed price for the contract and receives or pays a floating market price to the counterparty over a specified period for a contracted volume.

All of the Group's derivative contracts are with the same counterparty and are shown on a net basis on the Balance Sheet. The Group's counterparty is a Lender under the Credit facility, as such, no additional collateral is required by the counterparty.

c) Fair value measurement

Fair value is defined as the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Group utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Group classifies fair value balances based on the observability of those inputs. IFRS 13 - Fair Value Measurement establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy are as follows:

Level 1—Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2—Pricing inputs are other than quoted prices in active markets included in level 1, but are either directly or indirectly observable as of the reported date and for substantially the full term of the instrument. Inputs may include quoted prices for similar assets and liabilities. Level 2 includes those financial instruments that are valued using models or other valuation methodologies.

Level 3—Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

As at 30 June 2019 and 2018, the fair value of the Consolidated Entity's derivative instruments was as follows:

	Consolidated Fair Value at 30 June 2019				
	Level 1	**Level 2**	**Level 3**	**Netting (i)**	**Total**
Current Assets					
Derivative instruments	-	16,889	-	(16,889)	-

Non-Current Assets					
Derivative instruments	-	377,845	-	(12,303)	365,542
Current Liability					
Derivative instruments	-	167,591	-	(16,889)	150,702
Non-Current Liability					
Derivative instruments	-	12,303	-	(12,303)	-

	Consolidated Fair Value at 30 June 2018				
	Level 1	**Level 2**	**Level 3**	**Netting (1)**	**Total**
Current Assets					
Derivative instruments	-	4,218	-	(4,218)	-
Non-Current Assets					
Derivative instruments	-	-	-	-	-
Current Liability					
Derivative instruments	-	1,215,013	-	(4,218)	1,210,795
Non-Current Liability					
Derivative instruments	-	-	-	-	-

Note:

(i) Financial assets and liabilities are offset and the net amount reported in the balance sheet where the Consolidated Entity currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/ receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated.

d) Valuation techniques for fair value measurements categorised as level 2

Commodity Derivative Contracts

The Group's commodity derivative instruments consisted of collars and swap contracts for oil. The Group values the derivative contracts using industry standard models, based on an income approach, which considers various assumptions including quoted forward prices and contractual prices for the underlying commodities, time value and volatility factors, as well as other relevant economic measures. Substantially all of the assumptions can be observed throughout the full term of the contracts, can be derived from observable data or are supportable by observable levels at which transactions are executed in the marketplace and are therefore designated as level 2 within the fair value hierarchy. The discount rates used in the assumptions include consideration of non-performance risk. The Group accounts for its commodity derivatives at fair value on a recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

NOTE 24. CONTINGENCIES

The Group is involved in various legal proceedings in the ordinary course of business. The Group recognises a contingent liability when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. While the outcome of these lawsuits and claims cannot be predicted with certainty, it is the opinion of the Group's management that as of the date of this report, it is not probable that these claims and litigation involving the Group will have a material adverse impact on the Group. Accordingly, no material amounts for loss contingencies associated with litigation, claims or assessments have been accrued at 30 June 2019.

At the date of signing this report, the Group is not aware of any other contingent assets or liabilities that should be recognized or disclosed.

NOTE 25. INTEREST IN JOINTLY CONTROLLED OPERATIONS

The Consolidated Entity has an interest in the following joint operations whose principal activities are oil and gas exploration and production.

		Working Interest Held	
Project/Property Name	**Location**	**%**	**%**
Exploration		**2019**	**2018**
Roosevelt *	United States of America	66.00	66.00

* leases expired or wells plugged and abandoned

Production			
Big Hand	United States of America	4.00	4.00
Bird Canyon	United States of America	16.00	16.00
Jalmat	United States of America	60.00	60.00
LA Ward	United States of America	3.00	3.00
Neta	United States of America	13.00	13.00
Powder River Basin	United States of America	18.00	18.00
Scribner	United States of America	28.00	28.00
Wagensen	United States of America	8.00	8.00
Foreman Butte	United States of America	1-100	1-100

Oil and gas properties, net of depreciation, depletion, amortisation and impairment held as jointly controlled assets as at 30 June 2019, was $30,174,859 (2018: $31,313,504).

NOTE 26. EVENTS SUBSEQUENT TO BALANCE DATE

On 04 September 2019 the Consolidated Entity received an administrative action brought by the Commission under North Dakota Century Code Chapters 38-08 and 28-32 ("NDIC). The notice makes claim to the status of certain shut-in wells and other location items operated by Samson. Samson submitted its formal response in September 2019 and has met with the NDIC concerning this matter and has presented the Group's plan to address the administrative action. No final resolution or settlement has been entered into as of the filing of this report and the Consolidated Entity cannot reasonably estimate the amount of any potential penalties or fees that may be assessed against the Consolidated Entity at June 30, 2019, therefore, no accrual for potential contingent liabilities have been included in the Consolidated Entity's financial statements.

On 13 September 2019 the Group signed a non-binding term sheet with a prospective party to divest its oil and gas assets or to divest 100% of the outstanding shares of the Company.

The Directors are not aware of any matters or circumstances not otherwise dealt with in this report that have significantly or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the subsequent financial years.

NOTE 27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's principal financial assets and financial liabilities comprise receivables, payables, derivative instruments and cash.

The Consolidated Entity manages its exposure to key financial risk in accordance with the Board's financial risk management strategy. The objective of the strategy is to support the delivery of the Consolidated Entity's financial targets whilst protecting future financial security.

The Consolidated Entity may enter into derivative transactions, principally, oil and gas price fixed forward swaps and collars, to manage the price risk arising from the Consolidated Entity's operations. These derivatives have not previously qualified for hedge accounting.

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, foreign currency risk, credit risk, price risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring levels of exposure to foreign currency and price risk and assessments of market forecasts for foreign exchange and commodity prices. Ageing analysis and monitoring of specific debtors are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the executive management group, specifically the Chief Executive Officer and Chief Financial Officer, under the authority of the Board. The Board reviews and approves policies and strategies for managing each of the risks identified below.

Risk Exposures and Responses

Capital Management
When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Consolidated Entity funds its activities through capital raisings and debt funding, where appropriate. The Consolidated Entity is not subject to any externally imposed capital requirements.

Interest rate risk
Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Consolidated Entity has $33.5 million in borrowings which is subject to a floating interest rate. $33.5 million has an interest rate of LIBOR plus 10.5%. The Consolidated Entity does not have any derivative instruments in place to protect the Consolidated Entity from movements in this interest rate. While this rate is subject to change, it has moved in a range from around 12.25% to 12.31% in the past twelve months.

Interest rate sensitivity analysis
At 30 June 2019 if interest rates had moved, as illustrated in the table below (estimated from historical movements), with all other variables held constant, the impact would be:

Year ended 30 June	**2019**	**2018**
	$	**$**
Effect on loss before tax – increase(decrease)		
- increase in interest rates + 3.5% (350 basis points)	1,172,500	835,364

- decrease in interest rates - 1% (100 basis points)	(335,000)	(238,676)

The Consolidated Entity's cash assets are exposed to minimal interest rate risk. The Consolidated Entity's cash accounts are primarily held in low or no interest rate accounts. Interest revenue is not a significant income item for the Consolidated Entity and the Consolidated Entity does not rely on the cash generated from interest income.

	Consolidated Entity	
	2019	**2018**
	$	**$**
Cash exposed to Australian interest rates	33,380	3,147
Cash exposed to United States of America interest rates	2,741,107	1,373,529
	2,774,487	**1,376,676**

Foreign Currency Risk
As a result of significant operations in the United States, the Consolidated Entity's financial statements are not affected significantly by movements in the US$/A$ exchange rates.

The majority of the transactions (both revenue and expenses) of the United States subsidiaries are denominated in US dollars.

The Consolidated Entity does not have any foreign currency cash flow hedges.

At balance date, the Consolidated Entity had the following exposure to A$ foreign currency that is not designated in cash flow hedges:

	Consolidated Entity	
	2019	**2018**
	$	**$**
Financial Assets		
Cash and cash equivalents	33,380	3,147
Trade and other receivables	22,275	63,052
Financial Liabilities		
Trade and other payables	(107,954)	(119,188)
Net Exposure	**(52,299)**	**(52,989)**

The impact of the foreign exchange on the Consolidated Entity relates to the value of assets, net of liabilities that are held in the Consolidated Entity which are held in the Parent Entity, which has a functional currency of Australian Dollars. As at 30 June 2019 and 30 June 2018, the movement in the US$/A$ exchange rates would not have a material impact to the Consolidated Entity's financial position.

For the Consolidated Entity, the change in foreign exchange rate does not have any impact on the profit and loss of the entity as the impact of the foreign exchange movements is recorded in the foreign exchange reserve.

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Commodity price risk exposure and management
The Board reviews oil and natural gas hedging on a monthly basis. Reports providing detailed analysis of the Consolidated Entity's hedging activity are monitored against its policy. The Consolidated Entity currently sells its oil on market using NYMEX West Texas Intermediate ("WTI") market spot rates reduced for basis differentials in the basin from which the Consolidated Entity produces. Gas is sold using Henry Hub ("HH") market spot prices. As required by the Consolidated Entity 's Credit Agreement, it hedges at least 85% of its reasonably projected oil & gas production from its reserves classified as "Proved Developed Producing Reserves" ("PDP") for months 1 to 36 from the Closing Date of the Credit Agreement and 80% of the reasonably projected production from the PDP reserves for months 37-60. The Consolidated Entity has not elected to utilise hedge accounting treatment, therefore, changes in fair value are recognised in the statement of profit or loss.

As at Balance Date, the Consolidated Entity has the following derivative contracts in place:

		Price per Bbl – WTI			Estimated
		Floor	Ceiling	Swap	Fair Value$
Year	Units (Bbl)	$	$	$	$
Crude Oil Derivatives					
2019	109,000	N/A	N/A	55.75 – 58.10	(118,762)
2020	200,000	N/A	N/A	55.39 – 57.05	38,418
2021	182,000	N/A	N/A	54.03 – 55.70	118,142
2022	163,000	N/A	N/A	53.15 – 55.70	134,254
2023	39,000	N/A	N/A	53.46 – 55.70	20,802
	693,000	N/A	N/A		192,854

		Price per Mcf – Henry Hub			Estimated
	Units (Bbl)	Floor	Ceiling	Swap	Fair Value$
Year		$	$	$	$
Natural Gas Derivatives					
2019	30,000	$ 2.60	$ 2.80	$ -	6,875
2020	63,900	$ 2.60	$ 2.80	$ -	7,709
2021	57,600	$ 2.60	$ 2.80	$ -	5,122
2022	51,300	$ 2.60	$ 2.80	$ -	3,676
2023	11,700	$ 2.60	$ 2.80	$ -	(1,397)
	214,500				21,985

At 30 June 2019 if the price of oil natural gas had moved, as illustrated in the table below (estimated from historical movements, with all other variable held constant, the impact would be:

Consolidated	**Pre tax result**		**Other Equity (pre tax)**	
	Increase (Decrease)		**Increase (Decrease)**	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Oil				
Oil price + 10%	1,239,154	993,107	-	-
Oil price – 20%	(2,478,307)	(1,986,213)	-	-
Natural gas price + 10%	25,790	340,797	-	-
Natural gas price - 20%	(51,579)	(743,233)	-	-

Credit Risk

The Consolidated Entity manages its credit risk through constantly monitoring its credit exposure, to ensure it is acceptable.

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Consolidated Entity trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Consolidated Entity's policy to securitise its trade and other receivables.

The Consolidated Entity holds its cash with large well respected banks, with no history of default and therefore its credit exposure to cash is minimal. The minimum credit rating of the Consolidated Entity's bank is Prime-1 as determined by Moody's Rating Agency.

Receivables balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant.

Whilst a small number of debtors account for a large percentage of the Consolidated Entity's receivable balance, the Board does not consider this a significant risk to the Consolidated Entity as the debtors are all creditworthy with no history of default. As at the date of this report, the Consolidated Entity has receivables of $257,042 which are past their due date and the Consolidated Entity has recorded an expected credit loss of $175,000 in relation to its receivables.

Liquidity Risk
The Consolidated Entity's objective is to fund future development through cash flow from operations, equity and debt, where appropriate. It is the Consolidated Entity's policy to review the cash flow forecasts regularly to ensure that the Consolidated Entity can meet its obligations when they fall due.

The table below reflects all contractual repayments and interest resulting from recognised financial liabilities, including derivative instruments as of 30 June 2019. For derivative financial instruments the market value is presented, whereas for the other obligations the undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial liabilities without fixed amounts or timing are based on the conditions existing at 30 June 2019.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

The Consolidated Entity monitors rolling forecasts of liquidity reserve on the basis of expected cash flow.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2019	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	9,421,402	-	-	-	-

Interest-bearing - variable rate						
Debt	13.25%	33,500,000	-	-	-	-
Total non-derivatives		42,921,402	-	-	-	-
Derivatives						
Collars, swaps and option contracts net settled		150,703	-	-	-	-
Total derivatives		150,703	-	-	-	-

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2018	%	$	$	$	$	$
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	9,880,395	-	-	-	-
Interest-bearing - variable rate						
Bank loans	6.25%	23,867,558	-	-	-	-
Total non-derivatives		33,747,953	-	-	-	-
Derivatives						
Collars, swaps and option contracts net settled		1,210,795	-	-	-	-
Total derivatives		1,210,795	-	-	-	-

At balance date, the Consolidated Entity has $nil in unused credit facility available for draw down (2018: $nil million).

Fair Value
The methods for estimating fair value and the fair value of the financial assets and liabilities are outlined in the relevant notes to the financial statements.

The carrying amount of trade receivables and payables approximates their fair value. Derivatives are carried at their fair value on the balance sheet. All financial assets and liabilities are held as level 2 (quoted prices in active markets for identical assets or liabilities) in the fair value measurement hierarchy.

NOTE 28. SHARE BASED PAYMENT PLANS

The Consolidated Entity provides benefits to employees (including senior executives) of the Consolidated Entity in the form of share based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

In 2015, the Consolidated Entity filed a Form S-8 with the Securities and Exchange Commission. The Form S-8 is a registration statement used by U.S. public companies to register securities to be offered pursuant to employee benefit plans; in this case the ordinary shares issuable and reserved for issuance underlying the options which may be issued pursuant to the Samson Oil & Gas Limited Stock Option Plan were registered.

All references to inputs in this note are in Australian Dollars as they refer to Australian listed securities, unless noted otherwise.

Options issued to Directors and Employees
No options were issued during fiscal years 30 June 2019 and 30 June 2018.

During the year ended 30 June 2017, 48,000,000 options were issued to Directors and employees with a value of $0.0037 per option. The options have an exercise price of $0.007 cents and an expiry date of 15 November 2026. A Black-Scholes option pricing model was used to value the options.

The following table sets out other information on the options issued to Directors and employees

Grant Date	17 November 2016
Vesting period	1 year
Time to expiry	10 years
Total cost	$134,902
Share based payment expense required for the year ended 30 June 2018	$52,378

During the year ended 30 June 2017, 272,000,000 options were issued to Directors and employees with a value of $0.0038 per option. The options have an exercise price of $0.0055 cents and an expiry date of 15 November 2026. 5,500,000 options were cancelled after the employee resigned prior to the vesting date of the options. A Black-Scholes option pricing model was used to value the options.

The following table sets out other information on the options issued to Directors and employees:

Grant Date	17 November 2016
Vesting period	1 year
Time to expiry	10 years
Total cost	$754,366
Share based payment expense required for the year ended 30 June 2018	$299,925

Share issued to Directors and Employees
In November 2017, the Company issued 67,005,600 ordinary shares to Directors and employees in lieu of cash salary not paid during the period from 1 September 2015 to 31 August 2016. From this share issue 15,256,600 shares were withheld in order to pay the tax liability in the United Sates for the United States based employees and Directors. The share based payment expense after accounting for the shares withheld was $159,506.

At year end there were 31,450,000 (2018: 31,450,000) options outstanding that had been granted to employees, Directors and other service providers. The weighted average exercise price was 0.57 cents per option.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2019 is 7.5 years (2018: 8.5 years).

The range of exercise prices for options outstanding at the end of the year was 0.5 and 0.7 cents (2018: 0.5 – 0.7 cents).

	2019	2018
	$	$
Total expenses arising from share based payment transactions recognised during the period were as follows:		

Share options - Directors	-	151,368
Share options - Employees	-	200,935
Total share options expense	**-**	**352,303**
Shares – Directors	-	-
Shares – Employees	-	-
Shares withheld *	-	-
Total shares expense	**-**	**-**
	-	**352,303**

* Shares were withheld in order to pay the tax liability in the United States for the United States based employees and Directors.

NOTE 29. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2019	**2018**
	$	**$**
Balance Sheet		
Assets		
Current assets	60,284	15,110
Non-current assets	50,464	52,589
Total assets	**110,748**	**67,699**
Liabilities		
Current liabilities	9,950,580	1,823,960
Total liabilities	**9,950,580**	**1,823,960**
Net assets	**(9,839,832)**	**(1,756,261)**
Equity		
Issued capital	99,643,104	99,643,104
Share based payments reserve	6,181,162	6,181,162
Foreign currency translation reserve	(7,104,022)	(7,115,174)
Accumulated losses	(108,560,076)	(100,465,353)
Total equity	**(9,839,832)**	**(1,756,261)**
Profit after income tax	(8,094,723)	(5,818,083)
Total comprehensive income	(8,094,723)	(5,863,544)

(b) Guarantees

Samson Oil and Gas Limited has provided a guarantee of the Credit Agreement of Samson Oil and Gas USA, Inc to AEP I FINCO LLC. (2018: Mutual of Omaha Facility). This does not constitute a cross guarantee.

(c) Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities at 30 June 2019 or 30 June 2018.

(d) Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

(e) Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

NOTE 30. COMPARATIVE INFORMATION FOR DISCONTINUED OPERATIONS

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On June 14, 2018, the Consolidated Entity signed a purchase and sale agreement for the sale of the majority of the Consolidated Entity's interest in the Foreman Butte project for $40 million, prior to customary adjustments. The sale was due to close on 15 October 2018, however, it did not and the purchase and sale agreement expired. As the sale did not materialise, the assets and liabilities held for sale in prior financial years and financial performance linked to the assets held for sale has been included in the Group's balance sheet as at 30 June 2018 and statement of comprehensive income and statement of cash flows for the year ended 30 June 2019.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Samson Oil & Gas Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

   (ii) complying with Accounting Standards*, the Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Tony Barr

Terence M. Barr
Director

Denver, Colorado
29 October 2019

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SAMSON OIL & GAS LIMITED

Disclaimer of Opinion

We were engaged to audit the financial report of Samson Oil & Gas Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

We do not express an opinion on the accompanying financial report of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this financial report.

Basis for Disclaimer of Opinion

As disclosed in Note 2 and Note 13 to the financial statements, as at 30 June 2019, the Group was not in compliance with certain financial covenants under the credit agreement with its lender. As a result of specified defaults of the credit agreement between the Group and its lender, the lender has the discretion to exercise its respective rights and remedies to recover the debt. The Group is currently negotiating with a prospective party to divest its oil and gas assets and believe the proceeds will result in an amount not less than the amount necessary to repay the Group's obligation in full to its current lender. However, we have not been able to obtain sufficient appropriate audit evidence as to whether the Group will be able to complete the divestment, resulting in proceeds of an amount not less than the amount necessary to repay the Group's obligation in full to its current lender. As a result, we have been unable to determine whether the going concern basis of preparation is appropriate, and therefore whether the assets and liabilities of the Group can be realised at the amounts stated in the financial report.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Group in accordance with the ethical requirements of the Corporations Act 2001 and the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Samson Oil & Gas Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

JAMES KOMNINOS
Partner

Perth, WA
Dated: 29 October 2019

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 September 2019.

DISTRIBUTION OF EQUITY SECURITIES

Spread of Holdings	Number of Holders	Number of Shares
1 - 1,000	1,719	440,870
1,001 - 5,000	867	2,236,563
5,001 - 10,000	363	2,829,222
10,001 - 100,000	679	23,929,854
Over 100,000	195	298,864,080
TOTAL ON REGISTER	**3,823**	**328,300,589**

3,366 shareholders held less than a marketable parcel (<$500) of ordinary fully paid shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of quoted shares are:

Rank	Shareholders	Number of Shares	Percentage of total shares %
1	HSBC Custody Nom Aust Ltd	213,829,869	65.13
2	Elbayeh Youssef	8,367,872	2.55
3	Cooke Derek	3,876,218	1.18
4	BNP Paribas Nom PL	3,131,388	0.95
5	Hussein Jamil Mahomed	3,000,000	0.91
6	HSBC Custody Nom Aust Limited	2,151,507	0.66
7	Vogliotti Peter Anthony	1,900,001	0.58
8	Samson Oil & Gas Limited Treasury	1,878,420	0.57
9	Mirkazemi Pedram	1,800,000	0.55
10	Leet Inv PL	1,600,000	0.49
11	Liu Jisi	1,500,000	0.46
12	Chua Pheng Hong	1,438,700	0.44
13	MacLachlan Neil Thacker	1,334,029	0.41
14	Jin Jiajun	1,200,000	0.37
15	Merrill Lynch Aust Nom PL	1,184,712	0.36
16	Baxter Michael	1,167,158	0.36
17	Margadh Stoc PL	1,131,929	0.34
18	Gerendasi Holdings PL	1,089,878	0.33
19	Carter Richard John	913,179	0.28
20	Kampar PL	804,632	0.25
	TOTAL	**12,664,975**	**77.17%**

VOTING RIGHTS

All ordinary shares (whether fully paid of not) carry one vote per share without restriction

SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

Shareholders	Number of Shares	Percentage of total shares %
Nil		

ON-MARKET BUYBACK

There is no current on-market buyback.