

SAMSON OIL & GAS ADVISORY

Denver 1600 hours May 11th, 2015, Perth 0700 hours May 12th, 2015



SAMSON
OIL & GAS LIMITED

TOTAL COMPANY PRODUCTION

Samson's net monthly production, for the last six months, is as follows:

	November	December	January	February	March	April
OIL, BO	17,619	18,906	15,221	22,590	26,893	29,821
GAS, MCF	9,363	12,102	15,384	21,694	26,555	19,064
BOE	19,180	20,923	17,785	26,206	31,408	32,998
BOEPD	618	675	574	845	1,013	1,064

BO: Barrels of oil

BOE: Barrels of oil equivalent (gas converted at its heating value)

BOPD: Barrels of oil per day

MCF: Thousand cubic feet

BOEPD: Barrels of oil equivalent per day

April's oil production was higher than prior months because additional wells were brought on line during that month. Currently all of the wells except for one well (Matilda Bay 2 which is undertaking a work over) are on line.

COMMENTARY

North Stockyard has a total well count of 23 wells made up of 14 middle Bakken, 8 Three Forks bench 1 (TF1), and 1 Three Forks bench 2 (TF2) wells. Rainbow has a single middle Bakken well. The status of these wells at the end of April was as follows:

	Middle Bakken	TF 1	TF 2	Total
Well count	15	8	1	24
Producing	14	8	1	23
Shut in	1	0	0	1

HEDGE BOOK

The hedged portfolio is as follows:

Calendar year	Volume bbls.	Floor	Ceiling
2016	2,788	\$85.00	\$89.85
Calendar year	Volume bbls	Sub Floor	Floor
2015	73,500	45.00	32.50
2016	36,600	67.50	82.50

As at May 11th, 2015 the book value of the hedge was approximately \$250,000, valued by Samson's counterparty.



BORROWING BASE REAFFIRMED

Samson's debt facility agreement includes the requirement to submit periodic third party determined reserve estimates, which are used by the bank to determine the borrowing base using the bank's internal price forecast and discount rates on the various reserve categories. This determination is done semi-annually (December and June) and Samson has the right to request a third annual redetermination at its choosing.

As previously advised Ryder Scott determined our reserves as at March 1st 2015 with a proved reserve valued at \$37 million, and our bank has used this estimate to determine our borrowing base of \$19 million which is the current outstanding amount. Thus Samson is in compliance with the collateral required to secure the loan amount.

The bank has also agreed to waive the breach in the March quarter EBITDA covenant recognizing that this is largely due to the prevailing oil prices and the shut in of several wells in the North Stockyard field. With these wells expected to come on line during May and the recent uptick in oil price Samson expects to be in compliance with this covenant in the June quarter and thereafter.

The facility agreement carries a variable interest rate of LIBOR plus 3.25%, currently estimated to be 3.75%.

The previously advised reserve estimate developed on the NYMEX forward curve as at March 1st is set out below. It is worth noting that since that date the NYMEX curve has appreciated approximately 14%. This price movement should reflect positively on both the volume and value increases in subsequent reserve estimates.

RESERVES

Samson commissioned Ryder Scott Company to determine its reserve as at March 1st. This was done to capture the Proved Developed Producing reserves value from several additional wells bought on line in North Stockyard after January 1st, the date of our last report. The net present value (NPV₁₀) was calculated at a 10% discount rate using the New York Mercantile Exchange (NYMEX) strip price adjusted for regional differences. As of March 1st, 2015 our reserves and NPV₁₀ are:

	PDP	PNP	PROVED
Oil MBBLS	1,133	430	1,563
Plant Products MBBLS	1		1
Gas MMCF	1,273	391	1,664
BOE MBBLS	1,346	495	1,841
NPV ₁₀ M\$	\$27,360	\$10,093	\$37,453

NYMEX strip price and gas price assumptions:

	2015	2016	2017	2018	2019	2020	2021
Oil per BBL	\$55.38	\$62.62	\$65.40	\$67.32	\$68.98	\$70.80	\$71.55
Plant Products per BBL	\$19.38	\$21.92	\$22.98	\$23.62	\$24.14	\$24.78	\$25.04
Gas peer MMBTU	\$2.87	\$3.19	\$3.47	\$3.60	\$3.70	\$3.80	\$4.13

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BLUFF 1-11X

An extended flow test of the Permian aged "9,500 sand" has commenced with the well currently flowing 12.3 MMcf/D of gas at a flowing pressure of 2,000 pounds per square inch gauge, on a 30/64ths choke.

This reservoir had previously been flow tested at around 8 MMcf/D of gas comprised 97% nitrogen and 3% hydrocarbons. Various technical analysis has suggested that a fluid boundary is evidenced within the reservoir volume and this test is designed to produce a portion of the gas cap and to observe whether the fluid beneath the gas cap is either water or oil. Reservoir simulation would suggest either oil or water would be seen in around 120 days.

Periodic shut-ins to observe the pressure response will be undertaken along with collections of gas samples.

10Q

Samson has filed its Form 10-Q report for the quarter ended March 31, 2015 and that document is available on the Company's website.

Samson's Ordinary Shares are traded on the Australian Securities Exchange under the symbol "SSN". Samson's American Depository Shares (ADSs) are traded on the New York Stock Exchange MKT under the symbol "SSN". Each ADS represents 200 fully paid Ordinary Shares of Samson. Samson has a total of 2,837 million ordinary shares issued and outstanding (including 230 million options exercisable at AUD 3.8 cents), which would be the equivalent of 14.185 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$1.49 per ADS on May 11th, 2015, the Company has a current market capitalization of approximately US\$20.5 million (the options have been valued at an exchange rate of 0.7885). Correspondingly, based on the ASX closing price of A\$0.008 for ordinary shares and a closing price of A\$0.002 for the 2017 options, on May 11th, 2015, the Company has a current market capitalization of approximately A\$23.2 million.

SAMSON OIL & GAS LIMITED

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Statements made in this press release that are not historical facts may be forward looking statements, including but not limited to statements using words like “may”, “believe”, “expect”, “anticipate”, “should” or “will.” Actual results may differ materially from those projected in any forward-looking statement. There are a number of important factors that could cause actual results to differ materially from those anticipated or estimated by any forward looking information, including uncertainties inherent in estimating the methods, timing and results of exploration activities. A description of the risks and uncertainties that are generally attendant to Samson and its industry, as well as other factors that could affect Samson’s financial results, are included in the prospectus and prospectus supplement for its recent Rights Offering as well as the Company’s report to the U.S. Securities and Exchange Commission on Form 10-K, which are available at www.sec.gov/edgar/searchedgar/webusers.htm.

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