

## **SAMSON OIL & GAS ADVISORY**

*Denver 1700 hours April 13th, 2014, Perth 0700 hours April 14th, 2014*



### **NORTH STOCKYARD PROJECT, WILLIAMS COUNTY, NORTH DAKOTA**

Samson advises that it is in the process of selling its interests in the Rennerfeldt 1-13-H and the Rennerfeldt 2-13H well bores for a net \$200,000 over the costs incurred to date. Samson's decision is based upon its technical review of the production performance of the middle Bakken wells in and adjacent to the North Stockyard project. This review led Samson to conclude that there is a correlation between lateral length, number of frac stages, proppant volume placed and both the production performance and ultimate recoverable reserves. The sale does not include any acreage.

Samson's assessment of these two wells does not indicate a correspondingly critical assessment of other wells in the North Stockyard Project. The technical difficulty with the Rennerfeldt wells is that they have a restricted lateral length (3,600 to 3,700 feet) due to their geographic location and thus are not as long as the other North Stockyard Field wells.

In addition, the Rennerfeldt wells were designed with 15 sliding sleeve frac stages and to place 1.5 million pounds proppant. Accordingly Samson is of the view that this design puts the investment opportunity in these wells at a disadvantage by comparison to the two Matilda Bay wells and the eight Three Forks wells that are planned in the next phase of the development of North Stockyard.

In the case of the Matilda Bay wells, 25 stages (10 more than the Rennerfeldt wells) are planned and 3 million pounds of proppant (twice that of the Rennerfeldt design) will be placed. The lateral length of 4,200 feet and the higher proppant concentration is expected to make the Matilda Bay wells flow and recover sufficient oil for this investment to be attractive. Such a conclusion cannot be reached following this review for the Rennerfeldt wells.

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

Samson has agreed to sell down a portion of its interest in Hawk Springs to three separate E&P companies. This sell down was planned to spread the risk of the exploratory phase whilst retaining a significant post transaction equity.

The sell down is expected to be in two stages. As currently proposed, the buyers will collectively fund 41.67% of the Bluff #1-11 well through the tanks and will earn 31.26% in that well and the remaining Bluff prospect acreage. Samson would retain 35.41% in the Bluff well while paying 25.00% of the drilling and completion cost through the tanks, (approximately \$1 million). The buyers would have the right to participate in the development wells in the Bluff prospect at their earned interest. In addition, they would have the right to participate in a second prospect by paying the same percentages as in the Bluff well. In such a case, the buyers would own their earned equity in the second prospect and will own a total of 6,500 acres in the project. If the proposed transaction is completed as currently contemplated, Samson would retain 14,000 acres in the project, or 47% of the project area.

Samson believes that the Bluff Prospect is an important test of the Permian and Pennsylvanian age geologic sections of the Hawk Springs project. The prospect is defined by a 3D seismic grid survey, which has demonstrated that it can detect the existence of porous sandstones within this prospective geologic section. This was proven in the Spirit of America #2-29 well. In that case, however, the main reservoir has a breached trap due to a fault juxtaposing two porous reservoirs adjacent to each other. This condition does not exist in the Bluff prospect as it is a four way dip closed anticline. A success at Bluff will provide Samson with encouragement to test the 18 other prospects that share seismic characters similar to Bluff.

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

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Samson has identified a suitable rig to drill the Bluff well. The rig will importantly include a top drive, which is useful in drilling the Permian salt section. Samson, as Operator for the well, is currently in commercial discussions with the rig owners to finalize the contract for this rig. Based on these discussions we would expect that drilling operations would commence in May 2014.

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 20 fully paid Ordinary Shares of Samson. Samson has a total of 2,547 million ordinary shares issued and outstanding (including 230 million options exercisable at AUD 3.8 cents), which would be the equivalent of 127.35 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$0.47 per ADS on April 11th, 2014 the Company has a current market capitalization of approximately US\$62.44 million (the options have been valued at an exchange rate of 0.9379). Correspondingly, based on the ASX closing price of A\$0.025 for ordinary shares and a closing price of A\$0.013 for the 2017 options, on April 11th, 2014, the Company has a current market capitalization of approximately A\$66.43 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](http://www.sec.gov/edgar/searchedgar/webusers.htm).