



3 May 2010

SAMSON OIL & GAS LIMITED ANNOUNCES SHARE PLACEMENT AND SHARE PURCHASE PLAN TO RAISE UP TO A\$8.4m

Samson Oil & Gas Limited (ASX: SSN; NYSE AMEX: SSN) today announced that it has received binding commitments for a placement of 123,529,412 fully paid ordinary shares at a price of A\$0.034 cents per share to raise A\$4,200,000 before costs. Patersons Securities Limited ("Patersons") acted as Lead Manager to the placement. The issue was heavily over subscribed during the book build process which was conducted during a trading halt in its ordinary shares on the Australian Securities Exchange and in its American Depositary Shares on the NYSE AMEX LLC.

Share Placement

The placement was made pursuant to Section 708 of the *Corporations Act 2001* (Cth) and in accordance with Listing Rule 7.1 of the ASX Listing Rules.

Funds raised by the placement will be used to fund a drilling program on the Company's properties in the U.S. and to provide general working capital. The immediate Bakken drilling program will include three wells including the Gary #1-20H (SSN 37%) which is expected to spud on May 25th and will be followed by the Rodney #1-14H (SSN 26.3%) in August and the Earl #1-13H (SSN 31%) in September. In addition it is expected that the work over of the existing London Flats well and the drilling of the offset to that well will be undertaken in the next six months which will be the start of the evaluation of the company's Niobrara acreage holding.

As part of the placement, the Company has received subscriptions for an offering in the United States of 1,966,400 American Depositary Shares ("ADSs") representing 39,328,000 ordinary shares. Each ADS represents 20 ordinary shares. The purchase price is US\$0.6365 per ADS, which includes a fee of US\$0.0075 per ADS payable to the depository. The ADSs issued in the U.S. were issued pursuant to an effective shelf registration statement and prospectus supplement dated April 30, 2010.

The ordinary shares and ADSs comprised in the placement will rank *pari passu* in all respects with the Company's existing ordinary shares and ADSs.

The Australian share placement and U.S. offering do not require shareholder approval.

Share Purchase Plan

The Company also announces that it intends to offer a Share Purchase Plan ("SPP") to all holders of the Company's ordinary shares. Shares will be offered to Australian resident shareholders at an issue price of A\$0.034 each. Each shareholder as of the record date of May 18, 2010 will be entitled to subscribe for between 30,000 shares (for A\$1,020) and 441,176 shares (for A\$15,000) by selecting one of four prescribed tranches.

Concurrent with the SSP, the Company intends to pursue a rights offering in the U.S. which will enable its ADS holders to purchase additional ADSs at a price of \$0.639 per ADS, which includes a fee of \$0.01 per ADS payable to the depository. Each holder of ADSs as of the record date of May 18, 2010, regardless of the number of ADSs held by such holder, will be entitled to purchase, by selecting one of four prescribed tranches, between 1,500 ADS (for US\$958.50) and 22,058 ADS (for US\$14,095.06).



Option or Warrant Holders

As part of its 2009 rights offering, the Company issued options and warrants which gave the holders the right to subscribe for either shares or ADS, depending on the holders' residency. In connection with the SPP and concurrent U.S. rights offering, holders of these securities will have 10 business days in which to convert the warrants or options so as to become a shareholder (or ADS holder) prior to the record date of May 18, 2010 and therefore be eligible to participate in the SPP or U.S. rights offering. If an option or warrant holder is already a shareholder, then the conversion or exercise would not be necessary to be eligible to participate in the SPP or U.S. rights offering. Holders of warrants in the U.S. who desire to exercise their warrants prior to the record date are urged to contact the Company's Chief Financial Officer, Robyn Lamont, no later than May 10, 2010 in order to ensure that the ADSs are issued pursuant to that exercise prior to the record date.

The expected timetable for the SPP and the U.S. rights offering is as follows:

Notice to optionholders and warrant holders of the SPP	Monday, 3 May 2010
Record date under the SPP for existing shareholders	Tuesday, 18 May 2010
Dispatch of SPP documentation to existing shareholders	Wednesday, 19 May 2010
Opening date of SPP	Thursday, 20 May 2010
Closing date of SPP	Thursday, 10 June 2010
Allotment of SPP shares and dispatch of holding statements	Wednesday, 16 June 2010

The SPP and U.S. rights offering will be conducted on the basis that the aggregate funds raised shall not exceed A\$4.2 million (the "Authorized Maximum"). Accordingly, a maximum of 123,529,411 shares (or 6,176,470 ADSs) may be issued under the SPP and U.S. rights offering.

The Company reserves the right to increase the Authorized Maximum to a level not greater than 30% of the Company's ordinary shares already on issue. If applications for shares and ADSs under the SPP and concurrent U.S. rights offering exceed the Authorized Maximum, acceptances will be scaled back on a pro rata basis.

The SPP is to be underwritten by Patersons to the extent of A\$2,000,000.

The Company has previously filed a shelf registration statement (including a base prospectus) with the U.S. Securities and Exchange Commission (SEC), for the potential rights offering in the U.S. to which this communication relates. A prospectus supplement (together with the accompanying base prospectus, the "Prospectus") will be filed on or about the commencement of the rights offering.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. When available, copies of the Prospectus relating to the ADSs may be obtained by contacting the Company's Chief Financial Officer at 1726 Cole Blvd., Suite 210, Lakewood, Colorado 80401, or by email at robyn.lamont@samsonoilandgas.com. Shareholders and investors may also obtain the Prospectus and other documents filed by the Company in the U.S. for free by visiting EDGAR on the SEC website at www.sec.gov.



For Australian residents that require further information, please contact Denis Rakich, Company Secretary on +61 8 9220 9830 in Perth, Western Australia

For US residents that require further information please contact Robyn Lamont, Chief Financial Officer on +1 303 524 3360 in Denver, Colorado.

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

A handwritten signature in black ink that reads "Terry Barr". The signature is written in a cursive, flowing style.

TERRY BARR
Managing Director

Forward-Looking Statements

Forward-looking statements in this announcement are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, without limitation, Samson's expectations and estimates about future events, including plans to launch and contemplated timing and terms of an Australian SPP and U.S. rights offering and the intended use of the net proceeds of the Australian placement and U.S. offering. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual events or results may differ materially from those contained in the forward-looking statements due to a variety of factors, including without limitation, volatility in U.S. and global capital markets, changes in the price of oil and natural gas and uncertainties inherent in estimating the timing and results of exploration activities. Other risk factors are discussed in the registration statement, prospectus supplement relating to the contemplated U.S. offering and Samson's other filings with the Securities and Exchange Commission ("SEC") (which may be viewed on the SEC's website at <http://www.sec.gov>). These documents contain and identify important factors that could cause the actual results for Samson to differ materially from those contained in Samson's forward-looking statements. Although Samson believes that the expectations reflected in the forward-looking statements are reasonable, Samson cannot guarantee future results, levels of activity, performance or achievements. Samson is under no obligation (and expressly disclaims any obligation) to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

SAMSON OIL & GAS LIMITED

ABN

25 009 069 005

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 123,529,412 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary fully paid shares |

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The shares issued will rank equally with existing fully paid ordinary shares from the date of allotment.</p>						
<p>5 Issue price or consideration</p>	<p>3.4 cents per share</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund drilling programs on the Company's oil properties in the U.S and to provide general working capital.</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>To be advised</p>						
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1377 893 1400">Number</th> <th data-bbox="893 1377 1283 1400">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1400 893 1444">1,433,238,733</td> <td data-bbox="893 1400 1283 1444">Ordinary Fully Paid</td> </tr> <tr> <td data-bbox="686 1444 893 1583">341,777,163</td> <td data-bbox="893 1444 1283 1583">Options exercisable at 1.5 cents, expiring 31 December 2012</td> </tr> </tbody> </table>	Number	+Class	1,433,238,733	Ordinary Fully Paid	341,777,163	Options exercisable at 1.5 cents, expiring 31 December 2012
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1,433,238,733	Ordinary Fully Paid						
341,777,163	Options exercisable at 1.5 cents, expiring 31 December 2012						

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	6,500,000	Options exercisable at 45 cents, expiring on 30/05/2011
	5,379,077	Options exercisable at 30 cents each expiring on 10 October 2012
	2,000,000	Options exercisable at 25 cents each expiring on 11 May 2013
	1,000,000	Options exercisable at 20 cents each expiring on 30 November 2013
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change from existing policy in ordinary shares	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do ⁺ security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do ⁺ security holders dispose of their entitlements (except by sale through a broker)? | |

33 ⁺Despatch date

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Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 If the securities are equity securities the names of the 20 largest holders of the additional securities and the number and percentage of additional securities held by those holders

36 If the securities are equity securities a distribution schedule of the additional securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which
⁺quotation is sought

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39 Class of ⁺securities for which
quotation is sought

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Appendix 3B
New issue announcement

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why these securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 3 May 2010
(Company secretary)

Print name: D.I. Rakich

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