



SAMSON OIL & GAS ADVISES JUNE 30TH RESERVE ESTIMATE

Denver 1600 hours September 11th, 2016, Perth 0700 hours September 12th 2016

June 30th Reserves

Netherland Sewell, & Associates Inc. has completed Samson's June 30th reserves estimate and it is as follows:

	OIL MBBL	GAS MCF	NPV ₁₀ MM
PDP	4,173	3,608	\$62.570
PDNP	1,230	2,252	\$16.196
PUD	5,400	3,780	\$47.283
TOTAL PROVED	10,803	9,640	\$126.049

This compares with an internal estimate generated as at February 1st, 2016:

	OIL MBBL	GAS MCF	NPV ₁₀ MM
PDP	3,179	2,493	\$36.045
PDNP	1,189	2,241	\$11.284
PUD	3,344	2,341	\$17.609
TOTAL PROVED	7,712	7,074	\$64.939

These estimates have been made using the NYMEX strip at the applicable date, adjusted for delivery and quality differentials.

The estimate uses variables that are particular to each well, based on historical data, but generally the variables for the Foreman Butte project, which constitutes the bulk of the reserves, have the following parameters:

- a) A PUD well cost at \$2.8 million.
- b) The PUD wells use a type curve that generates a EUR of 380,000 bbls.
- c) A realized oil price differential of \$6 to WTI.
- d) A fixed operating cost of \$3,400 per month per well.
- e) A salt water disposal cost of \$1.50 per barrel
- f) Negligible value is attributable to gas sales.

The substantial increase from February 1 to June 30 can be attributed to three factors.



Oil Price

First, the oil price strip as at June 30th has increased, compared to that used in the February 1st estimate.

Period Ending	February 1 st Oil Price (\$/Barrel)	June 30 th Oil Price (\$/Barrel)
February 2016	39.63	
December 2016	36.95	49.42
December 2017	42.36	52.17
December 2018	44.93	53.69
December 2019	46.74	54.60
Thereafter	48.07	55.43

PDNP Conversion

Second, following its assumption of Operatorship in the Foreman Butte Project in early June, Samson engaged five work over rigs to restore an additional 32 wells to PDP status. This activity, which cost around \$800,000, resulted in a \$12 million NPV₁₀ addition to the reserve estimate as at June 30th.

Infill Development Planning

Third, during the intervening period, Samson developed a definitive infill development plan for the Foreman Butte Field and the first three drill spacing units have been submitted to the regulatory authorities for approval. This plan, when fully implemented, will see 17 PUD locations drilled in Foreman Butte along with an additional well in the R Field, which is the high value well in the portfolio. This planned infill development fits inside the defined limits of each field that were established through previous drilling activity. As a result, the value of the PUD category has increased substantially.

We are continuing to develop the reserve base in terms of behind pipe reserves and additional drilling opportunities. We expect further additions to emerge once that technical analysis is complete.

Cost reduction

Since acquiring the Foreman Butte project, Samson has reduced the operating cost within the project from \$22 to \$12 per barrel. The lower lifting cost is common to both the February and June reserve estimates. It is important, however, that Samson's cost experience after becoming operator has confirmed the assumptions made in the February estimate.

Samson remains focused on reducing costs further, and have identified several areas where we believe further cost reductions are achievable.



Foreman Butte Project Reserves

The acquisition of the Foreman Butte Project was financed on a February 1st reserves report, which was as follows;

	OIL MBBL	GAS MCF	NPV ₁₀ MM
PDP	2,148	1,049	\$22.755
PDNP	1,189	2,241	\$11.284
PUD	3,344	2,341	\$17.609
TOTAL PROVED	6,680	5,631	\$51.648

This compares to the June 30 estimate for Foreman Butte project;

	OIL MBBL	GAS MCF	NPV ₁₀ MM
PDP	3,243	1,973	\$45.818
PDNP	1,230	2,252	\$16.196
PUD	5,400	3,780	\$47.283
TOTAL PROVED	9,873	8,005	\$109.297

This comparison demonstrates that the Foreman Butte project's PDP reserve has increased by more than 100%, which more than replaces the reserves to be sold in the North Stockyard field.

North Stockyard Sale

As previously announced, Samson has executed a purchase and sale agreement with respect to its interest in the North Stockyard field and accepted a \$1 million nonrefundable deposit as part of the \$15 million consideration. We are expecting the buyer of this asset to close the transaction mid to late September. As a result, after the closing Samson's pro forma June 30th reserves will be reduced as follows;

	OIL MBBL	GAS MCF	NPV ₁₀ MM
PDP	3,342	2,286	\$47.242
PDNP	1,230	2,252	\$16.196
PUD	5,400	3,780	\$47.283
TOTAL PROVED	9,971	8,318	\$110.720

Samson's proved reserves will have nevertheless almost doubled compared to its February 1st estimate.

Debt Facility

As previously announced, the proceeds of the North Stockyard sale will be used to reduce our debt to \$19 million, and to fund the immediate working capital requirements of the company.



After the North Stockyard sale Samson will have a theoretical borrowing base well in excess of its current draw. While there is no assurance of the availability of additional capital, Samson is optimistic that its improved reserves will provide it with the capital opportunities for further expanding the Foreman Butte asset base through production enhancements and infill development drilling.

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 3,215 million ordinary shares issued and outstanding (including 230 million options exercisable at AUD 3.8 cents), which would be the equivalent of 16.08 million ADSs. Accordingly, based on the NYSE MKT closing price of US\$0.765 per ADS on September 9th, 2016, the Company has a current market capitalization of approximately US\$12.3 million (the options have been valued at an exchange rate of 0.7652). Correspondingly, based on the ASX closing price of A\$0.005 for ordinary shares and a closing price of A\$0.001 for the 2017 options, on September 9th, 2016, the Company has a current market capitalization of approximately A\$16.1 million.

Competent Person Statement

The reserves quoted in this announcement were estimated by Netherland Sewell & Associates, an independent petroleum reserve engineering consulting firm based on the definitions and disclosures guidelines contained in the Society of Petroleum Engineers, World Petroleum Council, Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resources Management Systems.

Information in this announcement relating to hydrocarbon reserves is the responsibility of the CEO of Samson Oil and Gas Ltd., Mr. T.M Barr a petroleum geologist who holds an Associateship in Applied Geology and who has 40 years of relevant experience in the oil and gas industry.

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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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