



SAMSON OIL & GAS PENDING ASSET SALE

Denver October 17th, 2018, Perth October 18th 2018

As previously advised, Samson Oil and Gas USA, Inc, a wholly-owned subsidiary of Samson Oil and Gas Limited (ASX:SSN and OTCQB:SSNYY), entered into a Purchase and Sale Agreement (PSA) with Eagle Energy Partners, I, LLC (Eagle or Buyer) for the sale of substantially all of Samson's Foreman Butte Project, located in the Williston Basin in North Dakota and Montana, for cash consideration of US\$40 million, effective January 1, 2018 (subject to normal closing adjustments).

Pursuant to the PSA, as amended, the transaction was scheduled to close on October 15th but failed to do so. As a result, the PSA has now expired.

Samson remains in discussions with the Buyer but is now actively seeking an alternate buyer for the asset. The recent appreciation in the price of oil has enhanced the reserve value of the asset. The Company is therefore confident that interest in the asset will remain high. All reserves shown for September 30th, 2018 and June 30th, 2017 are designated as 1P reserves.

Reserve categories

PDP - proved developed producing
 PDNP - proved developed not producing
 PUD - proved undeveloped

The reserve estimate, net of Samson's economic interest, as at September 30th, 2018 is as follows:

Reserve Category	Net Oil - MSTB	Net Gas - MSTB	CAPEX \$M	BFIT Net Cash Flow \$M, US	Net Income Discounted 10% \$M, US
PDP	2,799	849	-	\$75.93	\$45.61
PDNP	351	242	\$0.17	\$7.22	\$4.60
RATCLIFFE & NESSON PUD	2,709	2,245	\$16.02	\$82.40	\$52.43
Total	5,859	3,356	\$16.19	\$165.55	\$102.64

The reserve estimate is internal and not audited.

The total proved reserve estimate at September 30, 2018 as disclosed above has changed from the most recently previously disclosed net reserve estimate as at June 30, 2017 of \$69.8 million shown below:

Reserve Category	Net Oil - MSTB	Net Gas - MSTB	CAPEX \$M	BFIT Net Cash Flow \$M, US	Net Income Discounted 10% \$M, US
PDP	3,115	1,640	-	\$71.2	\$39.49
PDNP	143	242	\$0.1	\$2.0	\$1.41
RATCLIFFE & NESSON PUD	2,239	1,796	\$13.3	\$48.8	\$28.91
Total	5,497	3,678	\$13.4	\$122.0	\$69.81

No changes to the ownership or royalty interest of the wells included in the report have been made from June 30, 2017 to the September 30, 2018. The PDP wells have been produced during this time period and the reserves have been adjusted for this production roll off. The most significant factor impacting the increase in the value of the reserves noted above is the impact of the increased global oil price. Commodity prices, after being adjusted for transport and quality differentials, used in the estimate at June 30, 2017 were:

Period Ending	Oil/BBL - \$	Gas/MCF - \$
2017	45.98	3.096
2018	48.12	2.993
2019	49.41	2.853
2020	50.52	2.846
2021	51.77	2.878
Thereafter	53.03	2.923

As detailed below, the commodity prices used in the current reserve value have increased significantly in line with the increase in global oil prices. Gas prices have not moved as significantly, this is less impactful on the reserve value as the gas reserves are less material to the reserve value.



Commodity prices used in this estimate are as at September 30th, 2018 and have been adjusted for transport and quality differentials and therefore represent a realized well head price.

The commodity prices are as follows:

Period Ending	Oil/BBL -\$	Gas/MCF -\$
2018	68.60	3.01
2019	68.24	3.17
2020	64.68	2.95
2021	60.71	2.85
Thereafter	52.95	2.83

The PDP and PDNP 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 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 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.

PUD estimates are based on a drill and complete estimated expenditure of \$375,000 per well. As these wells are infill drilling, all offtake and production infrastructure is readily available.

Our reserves were prepared 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.

The reserves included in this release were estimated using deterministic methods and presented as incremental quantities.



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 the risks that the anticipated sales transaction will not close or that the purchase price will be materially reduced on account of potential liabilities uncovered during due diligence as well as 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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