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Evolution Petroleum Reports Record Production

- **Fourth quarter 2008 production up 230% over fourth quarter 2007 & 183% over third quarter 2008**
- **Fiscal year 2008 production up 77% over fiscal year 2007**

Houston, TX, August 25, 2008 - Evolution Petroleum Corporation (AMEX:EPM) today reported record production for the fiscal fourth quarter and year ended June 30, 2008 ("Q4 08" and "FY 08").

Sales volumes for Q4 08 were 18,237 barrels of oil and natural gas liquids ("BO") and 53 million cubic feet of natural gas ("MMCF"), or 27,095 barrels of oil equivalent ("BOE"). This is an increase of 230% over sales volumes of 8,210 BOE in Q4 07 and an increase of 183% over the 9,569 BOE sold in Q3 08.

Sales volumes in FY 08 were 40,105 BO and 69 MMCF, or 51,614 BOE, an increase of 77% over total sales volumes in FY 07 of 29,148 BO and no natural gas. EPM substantially increased sales volumes during the periods despite the March 2008 sale of its Tullos properties in Louisiana, which contributed essentially all of the Company's production in FY 2007 and the first half of FY 08. The increase in volumes was driven by EPM's drilling activity in the Giddings Field during the second half of FY 08.

EPM completed its first development drilling phase in the Giddings Field in June of 2008 by bringing on production from the last two wells drilled in its six well program and restoring to production a seventh well. The aggregate initial production rate of the seven wells was approximately 1,500 BOE per day. Due to the normal high initial decline rates and the three newest wells producing for only a limited portion of June, including two of the three best producers in the program, June 2008 production averaged approximately 580 BOEPD (net 468 BOEPD). EPM owns 100% of the working interest in all of the wells.

Robert Herlin, President and Chief Executive Officer, commented, "We are very pleased that our plan to generate near-term growth in production and revenues is on schedule and that our initial drilling program in Giddings has been successful overall. We similarly grew our proved and probable reserves during the year and generated a new development project. Looking forward into FY 09, we are initiating our second re-entry horizontal drilling program in the Giddings Field and continue working to complete our leasing activity in both the Giddings

Field and in our Oklahoma gas shale projects. We expect to disclose our reserve changes, FY 09 capital budget and complete financial results over the next month and host a conference call in mid-September associated with the filing of our fiscal year results.”

Mr. Herlin further commented, “We are pleased that the Delhi CO₂ EOR project being operated and funded by Denbury remains on track with first CO₂ injection reportedly scheduled to begin in the first half of calendar 2009 and first production response expected late in calendar 2009. We likewise concur with Denbury’s unchanged disclosed estimate of recoverable reserves for the project.”

	Fiscal Period of			Fiscal Period of		
	<u>Q4 07</u>	<u>Q4 08</u>	<i>Chng</i>	<u>Q3 08</u>	<u>Q4 08</u>	<i>Chng</i>
Net Sales Volumes						
Oil & NGL, bbls	8,210	18,237		7,521	18,237	
Natural Gas, mcf	NA	53,147		12,287	53,147	
Equivalent @ 6:1, BOE	8,210	27,095	230%	9,569	27,095	183%

	Fiscal Period of		
	<u>2007</u>	<u>2008</u>	<i>Chng</i>
Net Sales Volumes			
Oil & NGL, bbls	29,148	40,105	
Natural Gas, mcf	Na	69,051	
Equivalent @ 6:1, BOE	29,148	51,614	77%

About Evolution Petroleum

Evolution Petroleum Corporation (<http://www.evolutionpetroleum.com>) acquires mature, onshore oil and gas resources and applies conventional and specialized technology to accelerate production and develop incremental reserves and value. The Company focuses on initiatives in Enhanced Oil Recovery, Bypassed Resources and Unconventional Gas Development.

Principal assets of the Company include 7.4% in overriding royalty interests and a 25% after payout reversionary working interest (20% revenue interest) in the 13,636 acre Delhi Field Holt Bryant Unit in northeast Louisiana. Having already produced 190 million barrels of oil through primary and secondary recovery methods, the Delhi Holt Bryant Unit is being redeveloped using CO₂ enhanced oil recovery technology. The Company also owns working interests in leases with proved and other than proved undeveloped resources covering approximately 35,000 net acres in Texas and Oklahoma, and is actively engaged in development projects for EOR, conventional redevelopment of bypassed resources and unconventional gas resources.

Additional information, including the Company's annual report on Form 10-KSB and its quarterly reports on Form 10-Q can be accessed on its website at www.evolutionpetroleum.com.

Cautionary Statement

All statements contained in this press release regarding potential results and future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future events, or otherwise. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, those factors that are disclosed under the heading "Risk Factors" and elsewhere in our documents filed from time to time with the United States Securities and Exchange Commission and other regulatory authorities. Statements regarding our ability to complete transactions, successfully apply technology applications in the re-development of oil and gas fields, realize future production volumes, realize success in our drilling and development activity, prices, future revenues and income and cash flows and other statements that are not historical facts contain predictions, estimates and other forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved and these statements will prove to be accurate. Important factors could cause actual results to differ materially from those included in the forward-looking statements.