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## **Evolution Petroleum Provides Operational Update**

### ***Current production in Giddings Field is more than 900% of production divested at Tullos***

**Houston, TX**, June 26, 2008 - Evolution Petroleum Corporation (AMEX:EPM) has drilled and completed two more wells in its horizontal re-development drilling program in the Giddings Field in central Texas since the last operational update in April 2008. With five wells now on production, net sales volumes have increased substantially. EPM is currently installing production equipment on its sixth well.

The average initial gross production rate from the five wells in the program was approximately 280 barrels of oil equivalent per day ("BOEPD") per well, which is slightly better than expected on a BOEPD per horizontal foot drilled basis. The first well was completed in late February and the fifth, and best well, was completed in June. Currently, total daily gross production from the five wells, combined, is more than 600 barrels of oil and 1.9 million cubic feet of natural gas, or 917 BOEPD, compared to EPM's recently divested gross production in the Tullos Field of approximately 100 BOPD in March of 2008. In addition, the current natural gas production in Giddings contains a high content of gas liquids that substantially enhances its value. Evolution Petroleum owns 100% of the working interest and slightly more than 80% of the net revenue interest in these wells.

Robert Herlin, President and Chief Executive Officer, commented, "We are very pleased with the combined results of these first five wells in the Giddings Field. We continue to expand our inventory of drilling locations in the Giddings Field and now have more than 50 drilling locations either fully or partially leased and pending. We are currently planning our second round of drilling to begin there later this year as a part of our fiscal 2009 budget."

"Even after experiencing a portion of the high initial decline rate typical of the Giddings Field, our current net production is four times greater than our peak net production at any point in our company's history. This ongoing program fits well with the expected ramp up of production from our CO<sub>2</sub> enhanced oil recovery project in the Delhi Field, projected to begin in calendar 2009, and validates our strategy of developing bypassed reserves in mature fields. In our Oklahoma Woodford Shale projects, our net acreage is over 16,800 net acres and offset operators continue to actively drill Woodford wells in the immediate area. We expect to initiate our own drilling program there during calendar 2009" added Herlin.

Total drilling and completion capital investment costs in the six well 2008 Giddings program is approximately \$11.5 million to date. Drilling and completion costs per horizontal foot drilled have been approximately 24% greater than expected, primarily due to uncertainties associated with re-entering older wells, higher service industry costs and program learning curve. The higher costs are more than offset by better than expected production and higher commodity prices. Five of the wells were re-entries into existing wells and one well was newly drilled from the surface. Four of the wells incorporated dual horizontal legs, while total horizontal footage in the revised six well program was approximately 22,000' compared to 20,300' in the original ten well program.

### **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 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 31,800 gross and 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](http://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.