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FOR IMMEDIATE RELEASE

Evolution Petroleum Reports Fiscal 2008 Second Quarter Financial Results

Houston, TX, February 19, 2008 - On February 14, 2008, Evolution Petroleum Corporation (AMEX:EPM) reported fiscal 2Q/08 results for the three months ended December 31, 2007.

Oil and gas revenues for fiscal 2Q/08 increased 53% to \$652,649 from \$426,459 for fiscal 2Q/07, ended December 31 2007. This increase was primarily due to a 31% increase in sales volumes and 18% increase in oil and gas prices, from \$70 to \$82 per barrel of oil equivalent ("BOE"). The increase in sales volumes was primarily a result of the sale of excess oil inventory in our Tullos Field and pre-drilling operations in the Giddings Field in Central Texas.

Net loss in fiscal 2Q/08 was \$770,857, or (\$0.03) per share on 26.8 million weighted average shares outstanding. This compares to a net loss of \$421,657, or (\$0.02) per share on 26.7 million weighted average shares outstanding for the comparable three month period in the prior fiscal year. The net losses include non-cash stock based compensation of \$441,564 for fiscal 2Q/08 as compared to \$371,604 for the comparable three months in the prior fiscal year. The expected increase in the net loss was primarily attributable to a combination of increased staff costs related to initiation of a ten well drilling program in Texas and bonus accruals in the current period compared to no accruals in the prior year period, partially offset by a current period income tax benefit of \$282,399. There was no comparable tax benefit or expense in the prior year period.

Robert Herlin, President and Chief Executive Officer, commented, "Over the last six months we have made significant progress in our transition from a primary focus on project development to generating production and earnings. In late 2007, we commenced an \$8.5 million, ten well drilling program in the Giddings Field in Central Texas as a part of our Bypassed Primary Resource initiative. We have drilled one well, which is currently being

equipped for production, and just completed drilling on our second well. We are pleased with the results to date and expect to report on overall drilling operations in April.

“During the last quarter, we continued to build our staff and infrastructure in preparation for this drilling program, and our operating expenses should decline as a percentage of revenues as our expected production ramps up.

“At December 31, 2007, Evolution had approximately \$21.1 million in working capital and remained debt free,” added Mr. Herlin. “During the last six months we expended approximately \$5.9 million of our working capital on oil and gas leases and development costs. We now have over 24,000 gross and net acres leased to support our projects in Texas and our gas shale projects in the Mid-continent region, and we increased our proved reserves by 49% since June 30, 2007 through the addition of 805,000 net BOE in the Giddings Field. Our leasing activity to date includes 13,000 gross and net acres in our gas shale program with commitments or active negotiations for the balance of our targeted net 25,000 acres.”

Production and Prices:

We sold 3,617 thousand cubic feet (“Mcf”) of our natural gas production at an average price of \$6.49 per Mcf in fiscal 2Q/08 associated with a well being prepared for re-entry in the Giddings Field, and a total of 7,315 barrels of oil production at an average price of \$86.01 per barrel. Combined, we sold 7,918 BOE at an average price of \$82.43. For the second quarter of fiscal year 2007 we sold 6,080 Bbls of oil at an average price of \$70.14 per barrel and no gas. Volumes in the current period were higher due to the sale of excess oil inventory in our Tullos Field and the pre-drilling production from the Giddings Field re-entry operations.

Costs and Expenses

Lease operating expenses (including production severance taxes) of \$381,851 were approximately 18% higher than fiscal 2Q/07, primarily reflecting increased production over the prior year. On a BOE basis, lease operating expenses declined 13% to \$46.39 in fiscal 2Q/08 as compared to \$53.14 in fiscal 2Q/07.

General and administrative expenses were approximately \$1.5 million for fiscal 2Q/08 as compared to approximately \$1.0 million in fiscal 2Q/07. Higher overall compensation expenses due to a change in bonus accruals and new staff to support the drilling program, higher legal costs associated with new proxy disclosure requirements and similar filings, and an increase in franchise tax owed to the State of Texas accounted for most of the increase. Non-cash stock compensation expense was \$441,564 in fiscal 2Q/08 as compared to \$371,604 for fiscal 2Q/07.

Other Income and Expense

For fiscal 2Q/08 ended December 31, 2007, interest income was \$266,740 as compared to interest income of \$503,318 for fiscal 2Q/07 ended December 31, 2006. The decrease in interest income was due to lower interest rates on lower short-term investment balances averaging approximately \$22.3 million during fiscal 2Q/08 as compared to short-term investment balances averaging approximately \$40 million during fiscal 2Q/07. The decrease in investment balances was primarily due to cash disbursements of approximately \$11 million for income taxes from the 2006 Delhi Farmout and approximately \$6.5 million for leasehold acquisitions and development costs since the end of fiscal 2Q/07.

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 24,500 net acres in other states, and is actively engaged in multiple development projects for EOR, 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.

Evolution Petroleum Corporation and Subsidiaries
Consolidated Statements of Operations
(unaudited)

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
Revenues				
Oil sales	\$ 629,171	\$ 426,459	\$ 1,131,444	\$ 895,483
Gas sales	23,478	-	23,478	-
Price risk management activities	-	-	-	(14)
Total revenues	<u>652,649</u>	<u>426,459</u>	<u>1,154,922</u>	<u>895,469</u>
Operating Costs				
Lease operating expense	366,043	327,473	681,048	651,592
Production taxes	15,808	(4,357)	33,364	30,303
Depreciation, depletion and amortization	123,115	46,350	233,559	108,221
General and administrative *	1,467,679	960,515	2,795,996	1,999,706
Total operating costs	<u>1,972,645</u>	<u>1,329,981</u>	<u>3,743,967</u>	<u>2,789,822</u>
Loss from operations	(1,319,996)	(903,522)	(2,589,045)	(1,894,353)
Other income and expense				
Interest income	266,740	503,318	607,821	1,034,113
Loss on sale of assets	-	(21,453)	-	(21,453)
Net loss before income tax benefit	(1,053,256)	(421,657)	(1,981,224)	(881,693)
Income tax benefit	(282,399)	-	(568,986)	-
Net loss	<u>\$ (770,857)</u>	<u>\$ (421,657)</u>	<u>\$ (1,412,238)</u>	<u>\$ (881,693)</u>
Loss per common share				
Basic and Diluted	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.03)</u>
Weighted average number of common shares				
Basic and Diluted	<u>26,777,366</u>	<u>26,685,151</u>	<u>26,776,800</u>	<u>26,668,575</u>

*General and administrative expenses for the three month period ended December 31, 2007 and 2006 included non cash stock-based compensation expense of \$441,564 and \$371,604, respectively. General and administrative expenses for the six month period ended December 31, 2007 and 2006 included non cash stock-based compensation expense of \$817,571 and \$861,477, respectively.

Evolution Petroleum Corporation and Subsidiaries
Consolidated Balance Sheets

	December 31, 2007	June 30, 2007
Assets	(unaudited)	
Current Assets		
Cash and cash equivalents	\$ 21,476,116	\$ 27,746,942
Receivables		
Oil and gas sales	389,178	212,585
Income tax	990,311	421,325
Insurance	224,887	-
Other	17,722	-
Prepaid expenses and other current assets	455,405	540,666
Total current assets	23,553,619	28,921,518
Property and equipment, net of depreciation, depletion, and amortization		
Oil and gas properties – full cost method of accounting	11,140,416	5,459,553
Other property and equipment	172,376	154,872
Total property and equipment	11,312,792	5,614,425
Other assets, net	372,069	370,049
Total assets	\$ 35,238,480	\$ 34,905,992
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 1,887,719	\$ 993,894
Accrued liabilities	584,921	595,833
Royalties payable	16,598	6,831
Total current liabilities	2,489,238	1,596,558
Long term liabilities		
Deferred tax liability	338,001	338,001
Deferred rent	72,192	47,289
Asset retirement obligations	150,544	140,998
Total liabilities	3,049,975	2,122,846
Stockholders' equity		
Common Stock, par value \$0.001, 100,000,000 shares authorized; 26,807,340 and 26,776,234 issued and outstanding as of December 31, 2007 and June 30, 2007, respectively.	26,807	26,776
Additional paid-in capital	13,214,939	12,397,373
Retained earnings	18,946,759	20,358,997
Total stockholders' equity	32,188,505	32,783,146
Total liabilities and stockholders' equity	\$ 35,238,480	\$ 34,905,992

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