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IMMEDIATE RELEASE

Evolution Petroleum Announces Agreement to Divest Interests in the Tullos Field

Houston, TX, February 25, 2008 - Evolution Petroleum Corporation (AMEX:EPM) announced that it has signed an agreement to sell its 100% working interests in certain oil fields in LaSalle and Winn Parishes, Louisiana, ("Tullos") to a private buyer for approximately \$4.5 million in cash. The properties include 389,700 barrels of proved developed oil reserves, as reported in the company's independent engineering report for the fiscal year ended June 30, 2007, reduced by current fiscal year sales. The transaction is expected to close in early March 2008 pursuant to the terms and conditions of the definitive Asset Purchase and Sale Agreement.

Robert Herlin, President and Chief Executive Officer, commented, "Considering the approximately \$2.6 million we've invested, the considerable operating income generated to date, and the pending sales proceeds, Tullos has been very profitable for us and has allowed the testing of promising completion technology that could be applicable to many other fields in the onshore Gulf Region. However, Tullos has also proven to be both staff intensive and sensitive to rising oil field service costs. Consequently, we have elected to further focus our staff and capital on projects with far greater potential, particularly in growing our Giddings Field inventory beyond the twenty-two proved undeveloped locations containing approximately 2.1 million BOE of proved reserves reported by our independent engineers as of November 1, 2007."

Mr. Herlin further commented, "We expect that our ongoing development drilling program in the Giddings Field, which is being funded from our own working capital, can generate more immediate and higher cash flows to balance our longer term revenue growth expected from the Delhi enhanced oil recovery ("EOR") project. We have completed the drilling of two wells in the Giddings Field to date and should spud our third well shortly."

The operator of the Delhi Field, a subsidiary of Denbury Resources, announced last week that their 2008 capital expenditure budget includes \$80 million to complete the last leg of the CO2 pipeline to the Delhi Field. In addition, Evolution has observed increased facility and well work activity in the Delhi Field that supports its forecast of initial EOR production response during calendar 2009, the necessary milestone to begin categorizing reserves there as proven.

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.

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