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**Evolution Increases Proved Reserves 49% Since June 30, 2007 Fiscal Yearend and  
Announces Development Drilling Program**

**Houston, TX**, November 6, 2007. Evolution Petroleum Corporation (**Amex:EPM**) announced today that its development activities since June 30, 2007 fiscal yearend have increased proved reserves by 49% as determined by the Company's independent reservoir engineer in a supplemental report dated November 1, 2007. Estimated future net revenues, based on June 30, 2007 prices and discounted at 10%, correspondingly increased by 41% as shown:

	<u>11/1/07 Additions – Supplemental Report*</u>	<u>At Fiscal Year -end June 30, 2007</u>	<u>At 11/1/07 Pro Forma</u>
Proved Developed Reserves, BOE		389,628	389,628
Proved Undeveloped Reserves, BOE	805,057	1,333,953	2,139,010
Total Proved Reserves, BOE	805,057	1,723,581	2,528,638
Estimated Future Net Revenues Discounted at 10% (PV-10)	\$13,657,109	\$33,327,359	\$46,984,468
PV-10 Per Share Outstanding	\$0.51	\$1.24	\$1.75
Cash Per Share Outstanding (including 1031 exchange account, net of income tax payable; unaudited est. 11/1/07)	(\$0.14)	\$1.04	\$0.90
Net Undeveloped Acreage	11,497	8,003	19,500

\* For comparative purposes, estimated future net revenues in the Supplemental Report dated 11/1/07 were calculated using June 30, 2007 NYMEX prices of \$70.68 per BO and \$6.795 per MCF, adjusted for expected basis differentials to our fields, being the same prices used in our June 30, 2007 annual report.

In the above table: BOE is barrels of oil equivalent, Revenues per Share Outstanding and Cash Per Share Outstanding are based on 26,776,234 shares outstanding as of November 1, 2007, and \$24 million of unrestricted cash is estimated as of November 1, 2007.

The increase in Proved reserves since July 1, 2007 is a result of the Company completing the leasing of ten additional horizontal development drilling locations within its Bypassed Resource Initiative, which already includes twelve similar locations acquired as of June 30, 2007. The Company is continuing to add to its inventory of proved drilling locations.

The Company also is initiating a development drilling program incorporating ten of the twenty-two proved locations. The program is projected to cost approximately \$8.5 million, net to the Company's 100% working interest, and drilling is planned to begin shortly.

“Within the last year, we have identified and acquired, at a very attractive cost, substantial proved reserves that we believe have been overlooked by industry, and we plan to substantially increase that inventory during the balance of fiscal 2008,” stated Robert Herlin, CEO of Evolution Petroleum. “Our inventory of proved development locations within our Bypassed Resource Initiative is located in the Giddings Field area in central Texas and targets horizontal drilling of the naturally fractured Austin Chalk and Georgetown Formations. Since our operating staff previously led the horizontal drilling and operation of hundreds of wells in these formations and field, we believe this program is a natural fit for our expertise and capital.”

The Proved Reserves do not include any amounts associated with the Delhi Field CO<sub>2</sub> enhanced oil recovery project currently under development. Until production response is observed in that field, projected to occur during or before 2009, the Company's estimated net 11.5–16 million barrels of oil resource there remain classified as other than proved reserves.

Adds Mr. Herlin, “We intend to utilize our expertise and strong balance sheet within the Bypassed Resource Initiative to generate near term revenues and earnings prior to the substantial production expected from our interests in the Delhi CO<sub>2</sub>-EOR project. The combined cash flows from these projects should accelerate the development of our two ongoing gas shale projects and one EOR projects under evaluation or acreage leasing, thereby providing the basis for revenue growth.”

The Company has expended approximately \$4 million to increase its total net undeveloped acreage holdings to approximately 8,300 acres in its Bypassed Resource projects and 7,700 acres within its gas shale projects. Net acreage acquisitions include both proved and other than proved leases and are in addition to our net 3,409 acres in the Delhi CO<sub>2</sub>-EOR project.

In the Tullos area, the Company has drilled and completed one proved location and is continuing its testing of alternative completion technology with encouraging results to date.

## **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 EOR, Bypassed Resources and Unconventional Gas development.

Principal assets of the Company include 7.4% in overriding royalty interests and a 25% 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 CO<sub>2</sub> enhanced oil recovery technology. The Company also owns working interests in leases with proved and other than proved undeveloped resources covering approximately 16,000 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-QSB can be accessed on its website at [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com).

## **Forward-Looking Statements**

This press release, including the projections in the above table, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities

Act and Section 21E of the Exchange Act. Forward-looking statements give our current expectations or forecasts of future events. They include statements regarding our future operating and financial performance. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. You should understand that the following important factors, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements relating to: (1) amount, nature and timing of capital expenditures; (2) drilling of wells and other planned exploitation activities; (3) timing and amount of future production of oil and natural gas; (4) increases in production growth and proved reserves; (5) operating costs such as lease operating expenses, administrative costs and other expenses; (6) our future operating or financial results; (7) cash flow and anticipated liquidity; (8) our business strategy, including leasing and the availability of leasing and acquisition opportunities; (9) hedging strategy; (10) exploration and exploitation activities and property acquisitions; (11) marketing of oil and natural gas; (12) governmental and environmental regulation of the oil and gas industry; (13) environmental liabilities relating to past or potential pollution arising from our operations or operations by others for which we may have contractual obligation; (14) our level of indebtedness; (15) timing and amount of future dividends; (16) industry competition, conditions, performance and consolidation; (17) natural events such as severe weather, hurricanes, floods, fire and earthquakes; and (18) availability of drilling rigs and other oil field equipment and services.

We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release, and we undertake no obligation to update such information.

#### **Cautionary Note to U.S. Investors Regarding Oil and Gas Reserve Estimates:**

The U.S. Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only "Proved" reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The Company is prohibited from disclosing other categories of reserves in its SEC filings. When used by financial analysts covering the oil and gas sector, PV-10 means a present value of the estimated future net revenues, computed by applying current prices of oil and gas reserves (with consideration of price changes only to the extent provided by contractual arrangements) to estimated future production of proved oil and gas reserves as of the date of the date of presentation, less estimated future expenditures (based on current costs to be incurred in developing and producing the proved reserves) computed using a 10% per annum discount factor and assuming continuation of existing economic conditions. PV-10 is also the pre-tax component of the Standardized Oil and Gas Measure prescribed by the SEC and FASB. We use certain terms in this press release such as "other than proved," "Probable" or "Possible" oil and gas reserves that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our SEC filings, available from us at 2500 CityWest Blvd, Suite 1300, Houston, Texas 77042; Telephone: 713-935-0122. You can also obtain these filings from the SEC by calling 1-800-SEC-0330 or by obtaining them online at [www.sec.gov](http://www.sec.gov). The Proved reserve quantities reflected above were prepared by W. D. Von Gonten & Company and the other than proved reserve quantities were estimated by the Company, both using the 1997 definitions and standards of the Society of Petroleum Engineers and World Petroleum Congresses. These definitions and standards may result in estimates of proved reserves which are materially different from those disclosed in the Company's filings with the SEC.

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