Evolution Petroleum Corporation

IPAA OGIS Florida
February 2, 2012 Presentation

(NYSE Amex: EPM)

Forward Looking Statements and Cautionary Note

The data contained in this presentation that are not historical facts are “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. Such statements may relate to capital expenditures, drilling and exploitation activities, production efforts and sales volumes, proved, probable, and possible reserves, operating and administrative costs, future operating or financial results, cash flow and anticipated liquidity, business strategy, property acquisitions, and the availability of drilling rigs and other oil field equipment and services. These forward-looking statements are generally accompanied by words such as “estimated”, “projected”, “potential”, “anticipated”, “forecasted” or other words that convey the uncertainty of future events or outcomes. 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. These statements are based on our current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our most recent 10-K and 10-Q. Therefore, the actual results may differ materially from the expectations, estimates or assumptions expressed in or implied by any forward-looking statement made by or on behalf of the Company. Cautionary Note to U.S. Investors –The SEC has recently modified its rules regarding oil and gas reserve information that may be included in filings with the SEC. The newly applicable rules allow oil and gas companies to disclose not only proved reserves, but also probable and possible reserves that meet the SEC’s definitions of such terms. We disclose proved, probable and possible reserves in our filings with the SEC. Our reserves as of June 30, 2011 were estimated by DeGolyer & MacNaughton, W.D Von Gonten & Co. (“Von Gonten”), and Lee Keeling and Associates, Inc. (“Keeling”), independent petroleum engineering firms. In this presentation, we make reference to probable reserves. These estimates are by their nature more speculative than estimates of proved reserves and are subject to greater uncertainties, and accordingly the likelihood of recovering those reserves is subject to substantially greater risk.

Our Business

EPM generates, acquires and implements domestic, onshore oil development projects utilizing our expertise and modern technology.

Our business model is focused on building value per share by:

- Identifying development projects
- Capturing project value without overpaying
- Initiating development to reduce risk
- Utilizing our internal cash flow to finance widespread development without cross-collateralization risk or undue share dilution

Our projects are:

- Oily
- Lower risk development
- Engineering-based
- Within existing fields

Quick Facts about EPM

➢ Ticker Symbols	Common	*EPM (NYSE AMEX)*
	Perpetual Preferred	*EPM-PA (NYSE AMEX)*
➢ Fiscal Year-end	June 30	
➢ Market Cap*	$279 MM, as of 1/30/12 ($8.92/share, fully diluted shares)	
➢ Enterprise Value*	$272 MM, based on balance sheet of 9/30/11	
➢ Common Stock	27.7 MM shares outstanding as of 9/30/11	
	33.2 MM shares fully diluted*	
➢ Financial Strength	No debt	
➢ Team Record	Positive returns on invested capital since formation	

* *Total awarded options and warrants are 5.5 MM with $1.86 average exercise price. Enterprise value includes effect of 8.5% nonconvertible perpetual preferred stock outstanding as of 9/30/11.*

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Moving into 3rd Phase of Our Growth

“Core Asset Acquisition” Phase

“Positioning for Growth” Phase

“Redeployment into Growth” Phase

Acquired & farmed-out Delhi & initiated EOR project - “Negative cash flow & no earnings”

Delhi net proceeds re-invested to acquire & test shale gas, Giddings and South TX oil projects – “Breakeven cash flow & no earnings”

Delhi & Giddings cash flows redeploying into development of oil projects and GARP ™ technology – **“Growing operating cash flow & earnings”**

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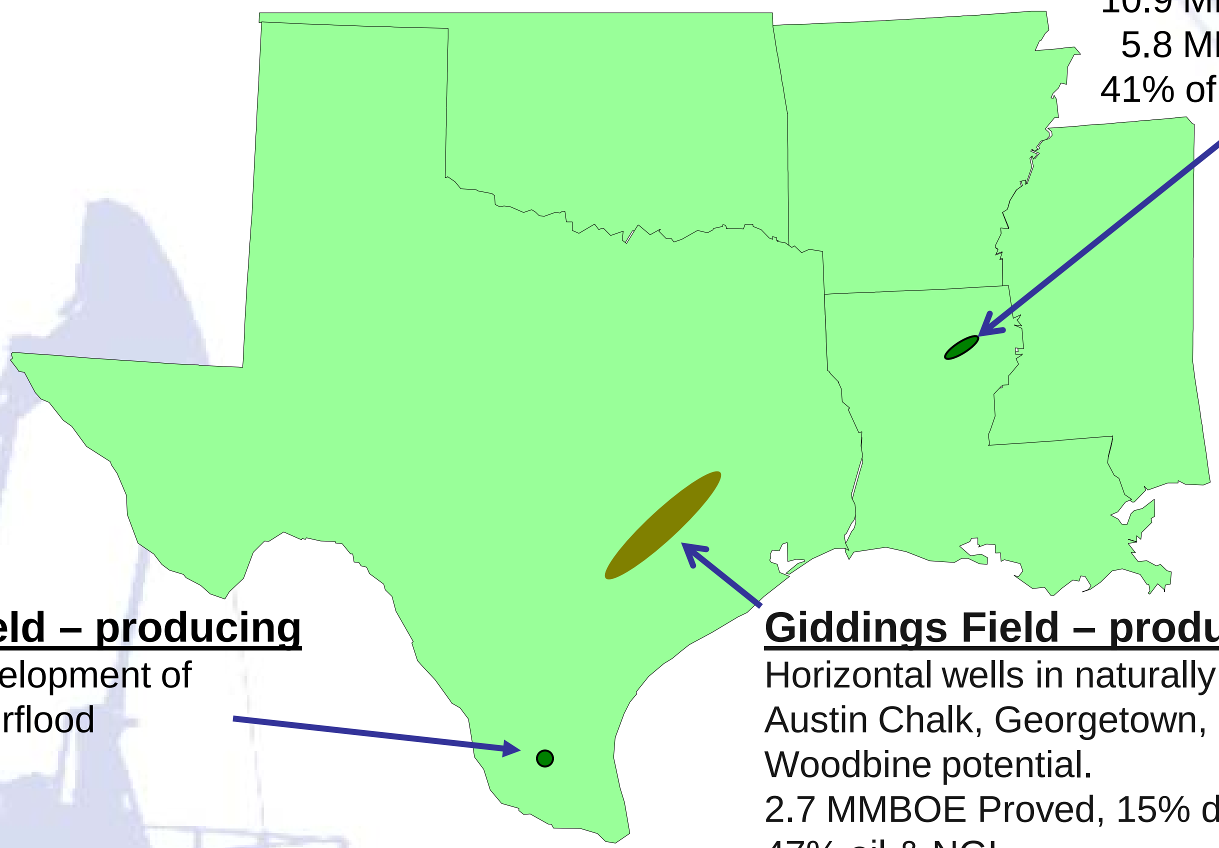
Oil & Gas Core Assets

(Net Reserves at 6/30/2011)

<u>Delhi Field - producing</u>

CO_2 EOR - 100% oil
10.9 MMBO Proved
5.8 MMBO Probable
41% of 2P is devel'd producing



<u>S Lopez Field – producing</u>

Vertical redevelopment of previous waterflood
100% oil

<u>Giddings Field – producing</u>

Horizontal wells in naturally fractured Austin Chalk, Georgetown, Buda plus Woodbine potential.
2.7 MMBOE Proved, 15% developed & 47% oil & NGL

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EPM Valuation Metrics

Oil and gas reserves (as of 6/30/2011)

Proved:	13.8 MMBOE	***84% oil***	***39% developed***
Probable:	6.2 MMBOE	***100% oil***	***31% developed***

Valuation Metrics *

	PV10 (net of capex)	PV10 per diluted share	Net Future Capex (in PV10) per BOE
Proved Producing	**$201 MM**	**$ 6.05**	**$ 0.28**
Proved Undeveloped	**$175 MM**	**$ 5.27**	**$ 4.59**
Probable Producing	**$ 34 MM**	**$ 1.02**	**$ 0.00**
Probable Undeveloped	**$ 42 MM**	**$ 1.26**	**$ 5.09**
	$451 MM	**$13.58**	**$ 3.12**

Delhi oil sells at LLS – now $114+

PV10 from independent reserve engineers - DeGolyer & MacNaughton, W.D Von Gonten & Keeling based on SEC pricing as of 6/30/2011 ($94.81/bbl Louisiana Light Sweet oil at Delhi). PV10 metric is a valuation tool, net of future capex, and may differ materially from market value. Diluted share metric includes 5.5 MM options & warrants without netting or inclusion of exercise proceeds. Numbers may not add due to rounding.

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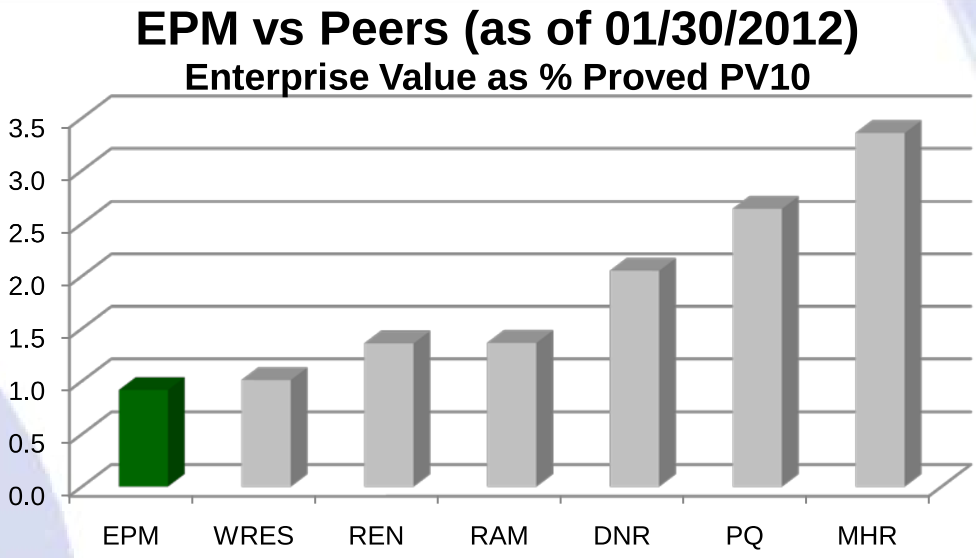
EPM is Undervalued Relative to Peers



	Price	Wtd Diluted Shares	Mkt Cap	Enterprise Value	Proved Reserves	SEC PV 10	Oil & NGLs	Proved Developed Reserves	Valuation	
		mm	$ mm	$ mm	MMBOE	$ mm	%	%	P/PV10	EV/PV10
EPM	**8.92**	**31.3**	**279.2**	**272.0**	**13.8**	**375.4**	**89.0%**	**39.0%**	0.74	**0.72**
WRES	3.51	72.0	252.5	263.2	21.6	287.6	47.4%	73.0%	0.88	0.92
REN	11.1	64.0	710.8	856.2	64.7	848.0	89.8%	53.0%	0.84	1.01
RAM	3.73	79.1	295.0	494.9	24.4	364.2	54.0%	62.0%	0.81	1.36
DNR	18.75	403.3	7,562.1	9,942.4	379.9	7,292.3	85.0%	60.0%	1.04	1.36
PQ	6.35	62.4	396.3	525.1	32.1	256.0	31.1%	65.0%	1.55	2.05
MHR	5.75	131.1	753.7	1,130.5	31.2	428.0	55.0%	50.0%	1.76	2.64
AREX	33.95	28.7	972.7	1,094.0	50.7	325.8	51.0%	50.9%	2.99	3.36

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Why Own EPM Now?

- Proved PV10 of $375 MM (13% recovery) compared with enterprise value of $272 MM
- Growing value and cash flow at Delhi:
  - Net oil production growing – up 48% in fiscal Q1-12 from Fiscal Q4-11 to 326 bopd from early development
  - Production expected to grow substantially and peak ~2016
  - FY2012 pretax cash flow per share from Delhi project alone projected to increase by up to 3 multiple of FY2011, based on 6/30/11 reserves report
  - Reversionary working interest payout projected to occur at year-end 2013; EPM gains 23.9% WI and 19% RI at payout.
  - No capital expenditures projected until calendar 2014 – until then, 100% of our Delhi after-tax proceeds can be redeployed into other EPM projects.
  - Delhi oil selling at ~$10 premium to WTI, or $19 greater than 6/30/11 SEC price

EPM's Core Asset

Delhi Holt Bryant Unit
CO_2 Based Enhanced Oil Recovery Project

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EOR - Delhi Field CO_2 Project

Gross Historical Production	192 MMBO	
		<u>PV10</u>
Projected EOR Recovery, *% of original oil in place (OOIP)*	13% Proved 4% Probable	\$334 MM \$ 73 MM
Unit Size	13,636 acres	
Acquired by EPM in 2003	Paid \$2.7 mil + spent \$2.5 mil in field	
Acquired royalty in 2006	Paid \$1.5 mil	
Farm-out to DNR in 2006	Received \$50 mil cash + development of EOR project + reversionary interest	
Upside Potential	More original-oil-in-place Higher EOR % recovery similar to other DNR projects Utilization of lower cost (CO_2 + water) injection process	

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EPM's Delhi Farm-out Agreement

We own royalty interests equal to ~7.4% of gross production

- EPM receives 7.4% of gross revenues from day one
- EPM pays <u>no</u> capital expenditures and <u>no</u> operating costs, ever
- Project is exempt from state severance tax until project payout, subject to oil price & rates
- Royalty interest = 30% of our total Delhi reserves volumes
- Delhi crude priced at Louisiana Light Sweet Oil price, which currently tracks Brent Oil price (imported oil) – we realize a substantial premium compared to WTI oil price

We <u>also</u> own a 23.9% reversionary working interest (~19% revenue interest)

- Calendar YE 2013 defined Payout = projected net field cumulative cash flow of $200 million
- Net field cash flow = revenue minus field operating expense (including CO_2)
- After Payout, EPM will bear its pro rata share of capital expenditures & expenses and will own pro rata share of field assets and reserves including injected CO_2
- EPM projected to bear net $12.7 MM total capex for proved reserves following Payout
- Reversionary interests are <u>in addition</u> to above royalty interests

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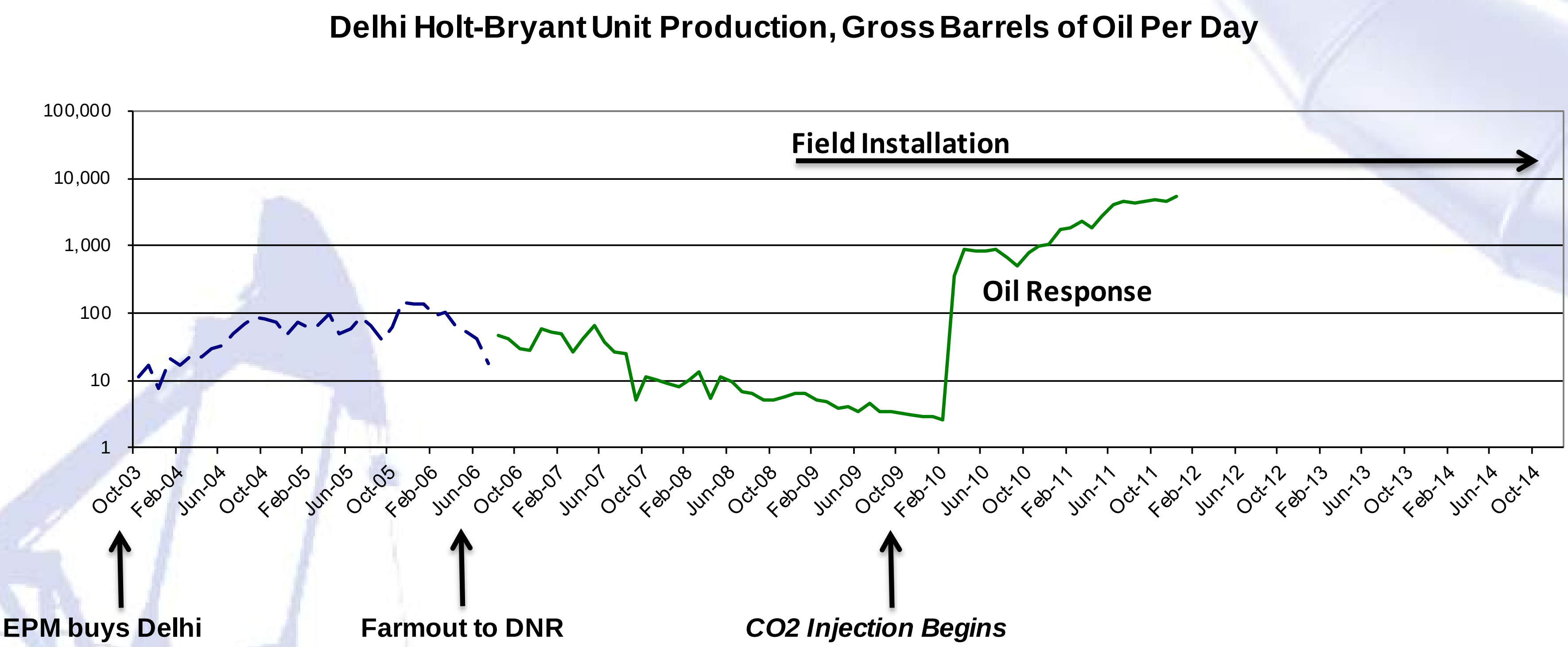
EPM Assets: Delhi CO_2 – EOR Project Progress



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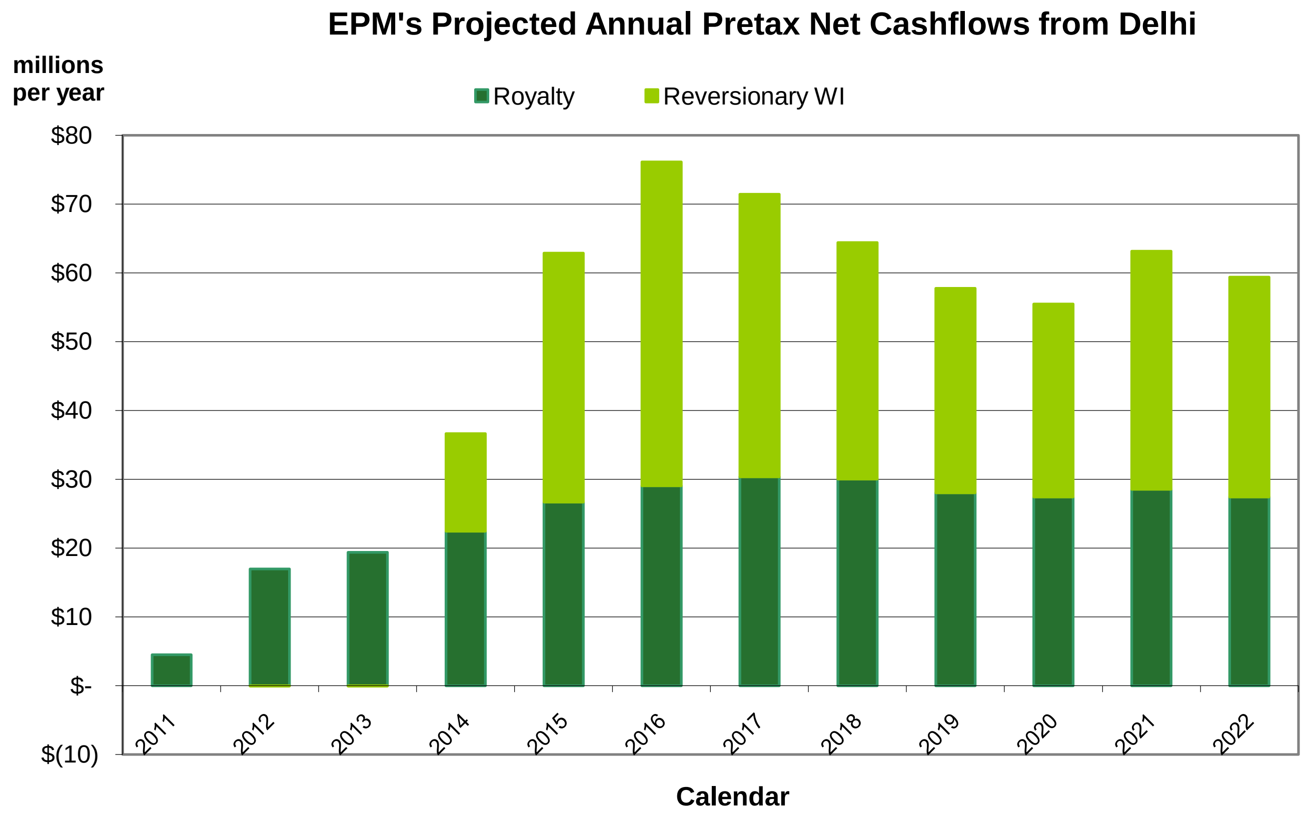
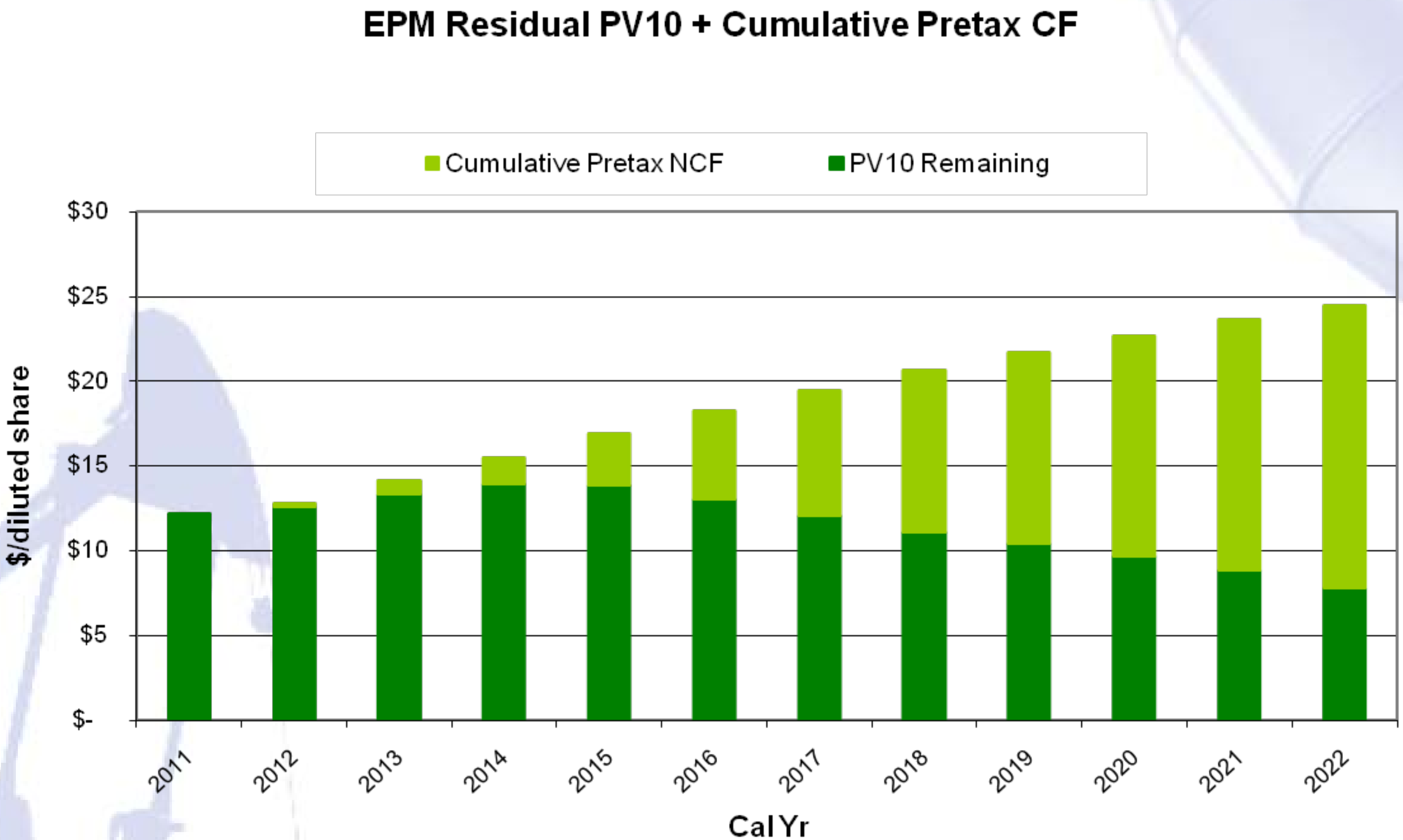
Significant Cash Flow Growth from Delhi



Note: Based on report from independent reserve engineers, DeGolyer & MacNaughton, and includes proved and probable reserves as of 6/30/2011 at SEC pricing of $94.81/bbl. Diluted share count includes 5.5 MM options and warrants without effect of exercise proceeds.

Delhi Present Value Increases Over Time



Notes: Residual PV10 is the PV10 of remaining cash flows from given year to project end.
Includes proved and probable reserves from independent report of 6/30/2011 at SEC pricing of $94.81/bbl.
Diluted share count includes 5.5 MM options and warrants without effect of exercise proceeds.

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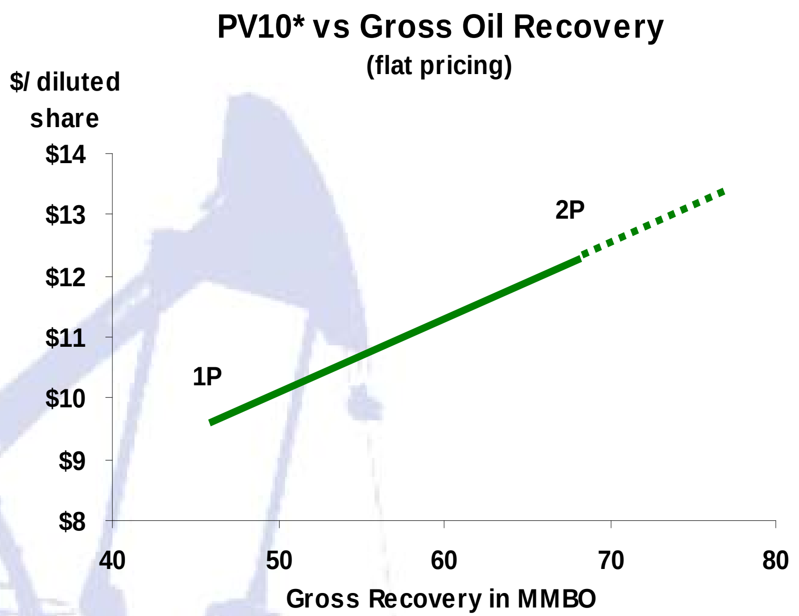
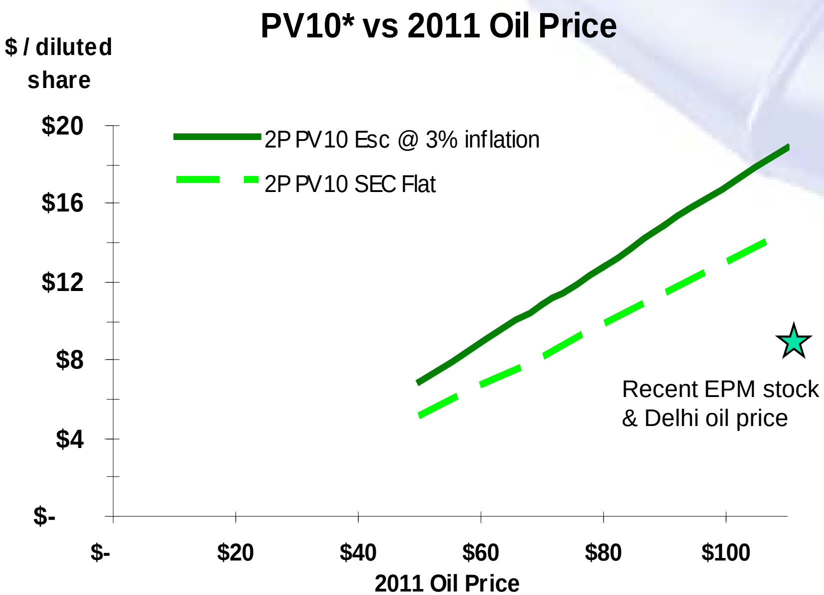
Delhi PV10 Sensitivity to Price & Recovery

Ultimate EOR Recovery Impact on EPM Share Price

Oil Price Impact on EPM Share Price





From independent report of 6/30/2011 including proved and probable reserves at SEC pricing of $94.81/bbl. Escalated pricing analysis begins with 6/30/11 SEC price. Diluted shares include 5.5 MM options and warrants without effect of exercise proceeds.

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Positioning for Growth

Track Record for Project Development

&

Near Term Operating Plan

Successful Team Track Record
(through 6/30/2011)

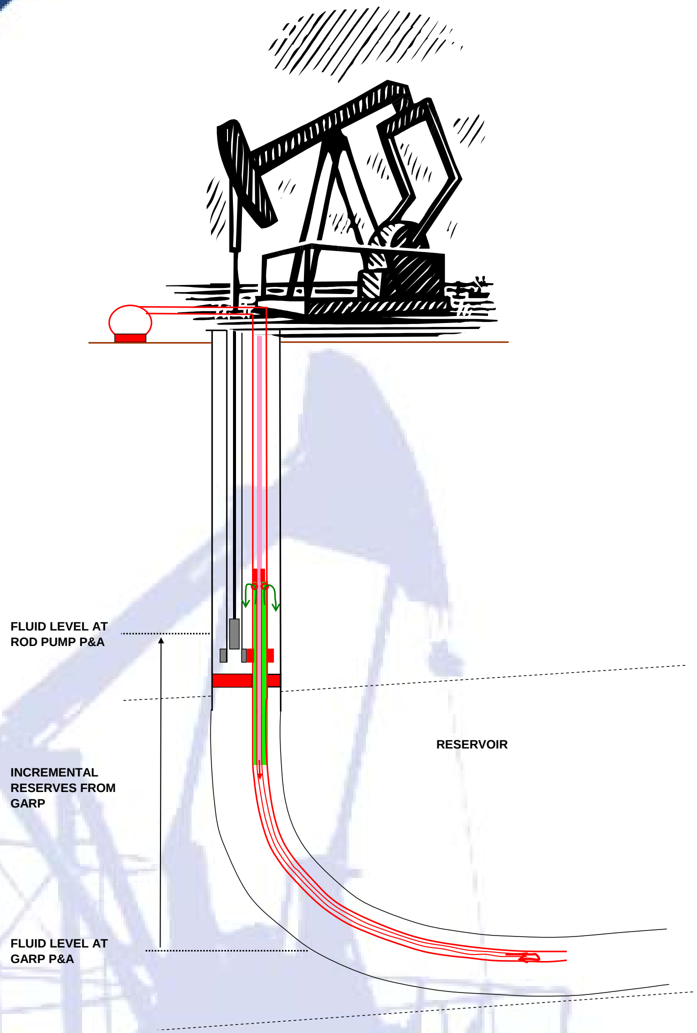
$8.3 MM of common equity invested ⇨ Generated $66 MM in cash + Proved PV10 value of $375 MM

Delhi EOR	$ 6.8 MM	→	$50 MM cash price + $5 MM cash from opns, pretax + Proved PV10 = $334 million Probable PV10 = $ 72 million
Giddings	$28 MM	→	$11.4 MM pretax cash from field + Proved PV10 = $ 41 million
S Texas	$ 2.1 MM	→	Proved PV10 = $ 0.5 million + 40 additional drilling locations & expansion
OK	$ 7.7 MM	→	Development impacted by natural gas prices
GARPtm technology	$ 0.2 MM	→	Patented, first field tests successful, 2 JVs on going

Oil Reserves Development in S. Texas

- 100% WI in 3 leases within Lopez Field in Webb County, Tx
- Field historically produced ~32 MMBO from primary and secondary recovery
- EPM initiated testing in calendar 2010. Delay in obtaining water injection permits and well re-entry issues resulted in subsequent, temporary de-emphasis
- Our fiscal 2011 program confirmed commercial oil production at high fluid rate in producing test well, reconfirming original expectation of significant oil potential
- Leasehold provides for 40 drilling locations – independent reserves report includes 2P reserves of 440 MBO and PV10 of $4 MM based on low fluid rate well development
- Have drilled 2 producers and 2 injectors to date in Fiscal 2012 Plan and currently putting on production while working on water injection wells
- Potential is in expanding and extending development

GARP™ Patented Artificial Lift Technology



<u>Our Technology</u> – *Gas Assisted Rod Pump*

- Mobilizes remaining fluid to the pump
- Cost $75K - $150K per application
- Successfully applied in own wells in Giddings Field
- Installed in one commercial venture, installing in second

versus:

<u>Conventional Artificial Lift</u>

- Either fluid level eventually drops to a level where rod pump or gas lift are no longer effective, or
- Fluid production in gas well builds and eventually shuts off gas production
- This can leave substantial volumes of oil and gas unrecovered.

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Giddings Field, Central Texas

Attractive Drilling Economics (as of 6/30/11)

Drilling locations	Avg. Gross 2P Recovery	Avg. cost/well	Cost per net BOE
10 proved re-entries	183 MBOE/well	$1.5 MM	$10.25
3 proved grassroot	352 MBOE/well	$3.0 MM	$10.65

- Naturally fractured Austin Chalk, Georgetown & Buda – no hydraulic fracs required
- Wells typically produce at high initial rates with steep initial decline, then stabilize. About half of estimated reserves are produced in first two years
- PUD reserves estimated to be 21% oil, 26% gas liquids and 52% natural gas
- 100% WI (~80% NRI) in 10 producers and 12 drilling locations
- 20% WI-BPO & 38% WI-APO (16-30% NRI) in 3 producing wells and 1 re-entry location
- Changes in portfolio since 6/30/2011:
  - one of the proved re-entries has been contributed in exchange for a 15% interest in a higher potential location
  - remaining proved portfolio is 6 re-entries and 4 grassroots.

Operating Plan & Catalysts for Fiscal 2012

$5 million base plan to:

- ✓ Resume development of Lopez Field oil project in South Texas
- ✓ 3rd party demonstrations of GARP^{tm} artificial lift technology
- ❑ Continue development in Giddings through industry JV

Up to $10+ million expansion potential for:

- ❑ Expanded development of Lopez Field - pending
- ❑ Expansion into new oil project
- ❑ Opportunities in market due to volatility, including stock repurchases

Funding:

Current working capital and projected operating cash flows sufficient to meet expanded plan; can be supplemented as necessary by project financing, divestments of noncore assets, perpetual preferred stock sales and other for further expansion of projects.

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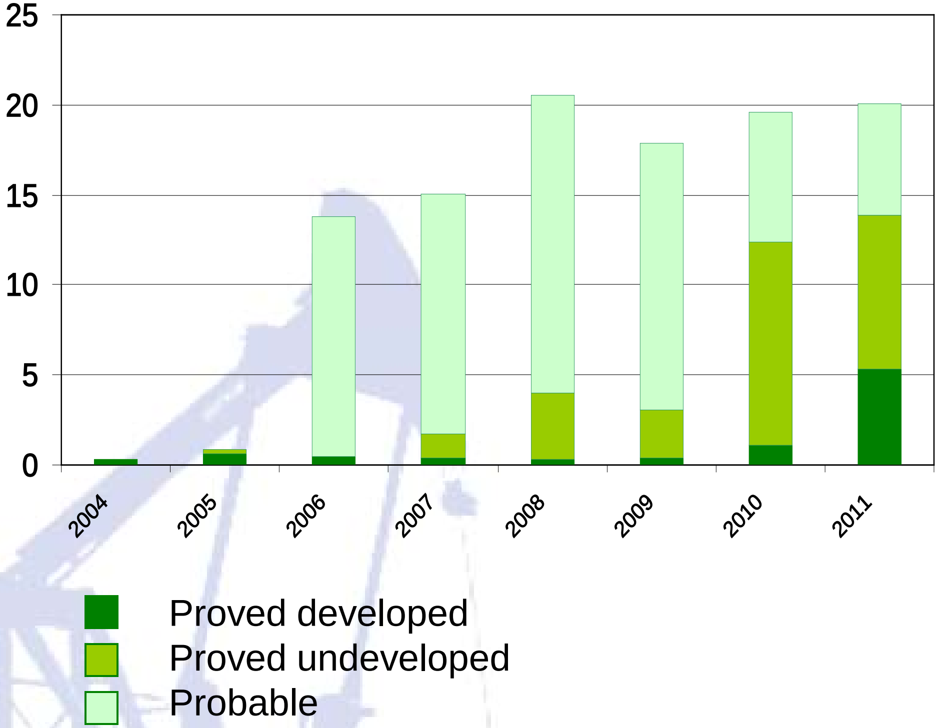
Results

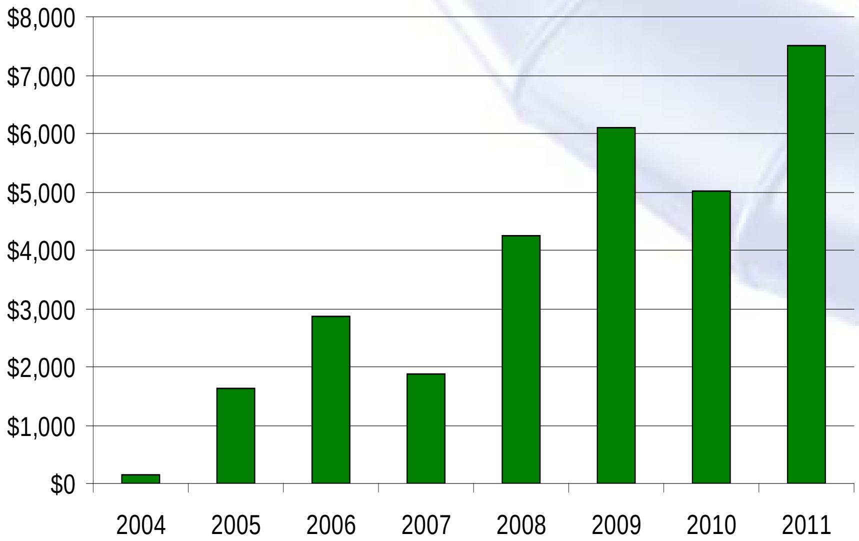
Our historical record speaks for itself…

EPM Growth Record Since Inception

Net Reserves in MMBOE



Revenues in (000)



- **Reserves and Annual Revenues as of June 30**
- **2009 downward revisions primarily due to commodity prices**

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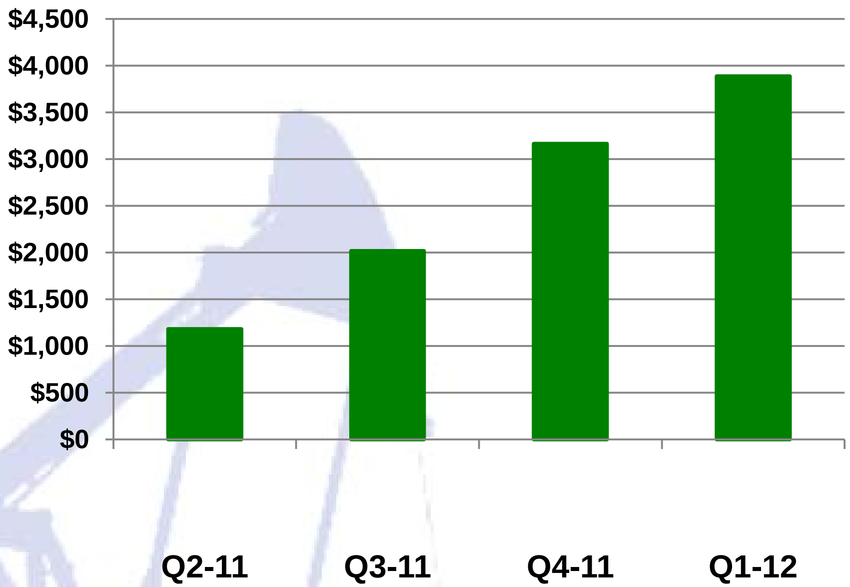
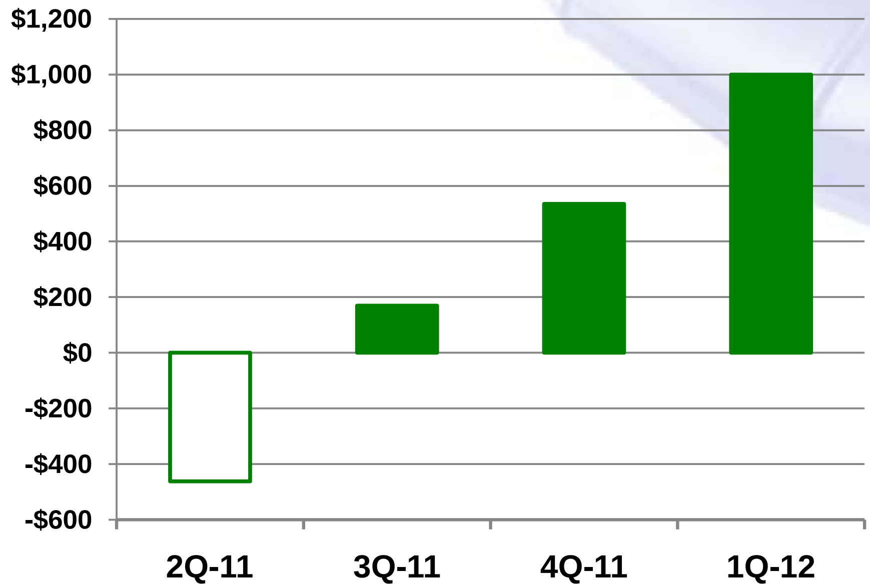
Growth in Revenue and Net Income

Trailing 12 Month Quarterly Revenue



Trailing 12 Month Quarterly Net Income



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In Summary - Why own EPM?

- Proved PV10 of $375 MM at 6/30/11 versus current enterprise value of $272 MM
- Growing value and cash flow at Delhi, a 100% oil project
- Outstanding upside at Delhi
  - Currently netting $19/bbl more than in 6/30/2011 reserves report
  - Probable PV10 of $73 MM (increases recovery from Proved 13% to 17% total)
  - Recovery potentially >17%
  - Reservoir may be larger than originally estimated
  - Conversion to water re-injection that reduces CO_2 purchases
- Redeploying cash flow to develop upside potential in other oil projects and our patented artificial lift technology
- No debt and good liquidity
- Employees fully aligned with shareholders by beneficially owning 19% of fully diluted shares and focused on building value per share

Exhibits

Definitions

Abbreviated Balance Sheet

Management Team

Board of Directors

Definitions

EOR	Enhanced oil recovery
BOE	Barrel of oil equivalent
CF	Cubic feet of natural gas at standard conditions
M	Thousands
MM	Millions
NGL	Natural gas liquids
PUD	Proved undeveloped
PbDP	Probable developed producing reserves are additional recovery to PDP
PV10	Future unescalated pretax net cash flows discounted at 10% per annum based on SEC pricing (trailing twelve months realized prices)
SEC Reserves	Reserves based on unescalated trailing twelve month realized prices
Futures Reserves	Reserves based on five year forward futures commodity prices with subsequent years held constant at the fifth year prices
PV10 Futures	PV10 adjusted for Futures Reserves
PV10 Flat	PV10 adjusted to given commodity prices without escalation
PV10 Esc	PV10 adjusted to given commodity prices with price & cost escalation
FD Share	Fully Diluted Shares includes outstanding shares + unvested options & warrants, without considering the weighted average exercise price of $1.83

Cautionary Note: PV-10 is a commonly used financial metric and does not necessarily equal market value. All Reserves are unrisked, and SEC Reserves unless otherwise noted.

EPM Liquidity

	9/30/2011
Assets	
Current Assets	$ 14,171,000
Properties & Equipment, net	33,636,000
Other Assets	91,000
Total Assets	$47,899,000
Long Term Liabilities & Equity	
Long Term Debt	$ 0
Current Liabilities	2,015,000
Other Liabilities (primarily deferred income tax)	4,932,000
Total Liabilities	6,947,000
Equity	$40,952,000

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Our Management Team

Robert Herlin, CEO & Chairman

- Co-founded EPM in 2003 and built company using $8.3 million of equity capital
- 28 years of leadership experience in M&A, development, operations and finance in public and private sectors
- $800 million in transactions completed
- Originated and led horizontal drilling team in early years of horizontal drilling adoption by industry
- Former Member of Board of Directors – Boots & Coots
- B.S. and M.E. in chemical engineering (Rice University) and MBA (Harvard)

Sterling McDonald, CFO

- CFO since 2003
- Former CFO for PetroAmerican Services, PetroStar Energy and Treasurer for Reading & Bates Corporation
- Responsible for raising ~$4 billion in capital
- B.S. and MBA (University of Tulsa)

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Our Management Team

Daryl Mazzanti, VP-Operations

- Joined team in mid-2005; 25 years of experience in oil & gas industry
- Former Manager of US Business Development for Anadarko
- Former Production Manager, Austin Chalk for Anadarko/UPRC responsible for 1200 wells, staff of 65 and 25,000 BOEPD of production
- Responsible for numerous innovations in horizontal drilling, completions and artificial lift
- B.S. in Petroleum Engineering (University of Oklahoma)

Edward Schell, General Manager for Drilling and Unconventional Development

- Joined team in late 2006; 28 years of experience in oil and gas industry
- Various management positions in drilling, operations and business development at Anadarko Petroleum
- Particular expertise in horizontal drilling and tight gas reservoirs
- Drilled ~800 wells, 200 being horizontal and 2/3rds being in unconventional reservoirs
- B.S. in Petroleum Engineering (University of Texas)

Our Board of Directors

Robert Herlin, CEO, Chairman & Co-founder

Laird Cagan, Director & Co-founder
Managing Director – Cagan McAfee Capital Partners
Formerly with Goldman Sachs and Drexel Burnham Lambert

E.J. DiPaolo, Director
Energy Partner with Growth Capital Partners, L.P.
Former Halliburton Group Senior Vice President of Global Business Development

Gene Stoever, Director
Retired Partner with KPMG Peat Marwick
Former SEC Reviewing Partner for KPMG
CPA in the State of Texas and member of the AICPA

Bill Dozier, Director
Former SVP-Business Development for Vintage Petroleum
Former SVP-Operations for Vintage Petroleum
Formerly in operations for Santa Fe Minerals and Amoco

Kelly W. Loyd, Director
Director with JVL Advisors, LLC, a private energy investment company
Formerly Associate with RBC Capital markets
Formerly Founder of L.A.B. sports and Entertainment and Managing Partner of Tigre Leasing, LLP

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(NYSE AMEX: EPM)

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