



EVOLUTION

Petroleum Corporation

Corporate Presentation

June 2010
(NYSE Amex: EPM)

Evolution Petroleum Corporation

This presentation 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, and the availability of 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 potential pollution arising from our operations; (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 presentation or as of the date of the report or document in which they are contained, and we undertake no obligation to update such information. The filings with the SEC are hereby incorporated herein by reference and qualifies the presentation in its entirety.

Evolution Petroleum Corporation

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 current 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 currently prohibited from disclosing other categories of reserves in its SEC filings. We use certain terms in this press release such as “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 City West Blvd, Suite 1300, Houston, Tx 77042; Telephone: 713-935-0122. You can also obtain these filings from the SEC by calling 1-800-SEC-0330. The reserve quantities reflected above were certified by W. D. Von Gonten & Company 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.

NOTE: ALL REFERENCES HEREIN TO PV-10 REFLECT SEC PRICING UNLESS NOTED AS ESCALATED.
1P = Proved 2P = Probable 3P = Possible

Our Business

EPM generates and implements oil & gas projects in the onshore U.S. utilizing our expertise and modern technology.

Our business model is focused on building share value:

- Generate project ideas
- Capture project value without overpaying in acquisition cost
- Initiate development to prove concept and reduce risk
- Utilize third parties to finance widespread development without cross-collateralization risk or dilution of share value

Our projects are:

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

Quick Facts about EPM

- Ticker Symbol EPM
- Fiscal Year-End June 30
- Market Cap ~\$153 million as of 6/7/2010
- Enterprise Value ~\$148 MM
 - 27.1 MM shares outstanding
 - 32.7 MM shares fully diluted
 - ~37% owned by institutions
- Financial Strength \$5.3 MM in WC & no debt as of 3/31/10
- Assets Low risk development projects created by EPM
- Team Record 6½ year successful record in creating and implementing 4 major projects

Oil & Gas Core Assets

(Net Reserves at 7/1/09)

East OK Shale - testing

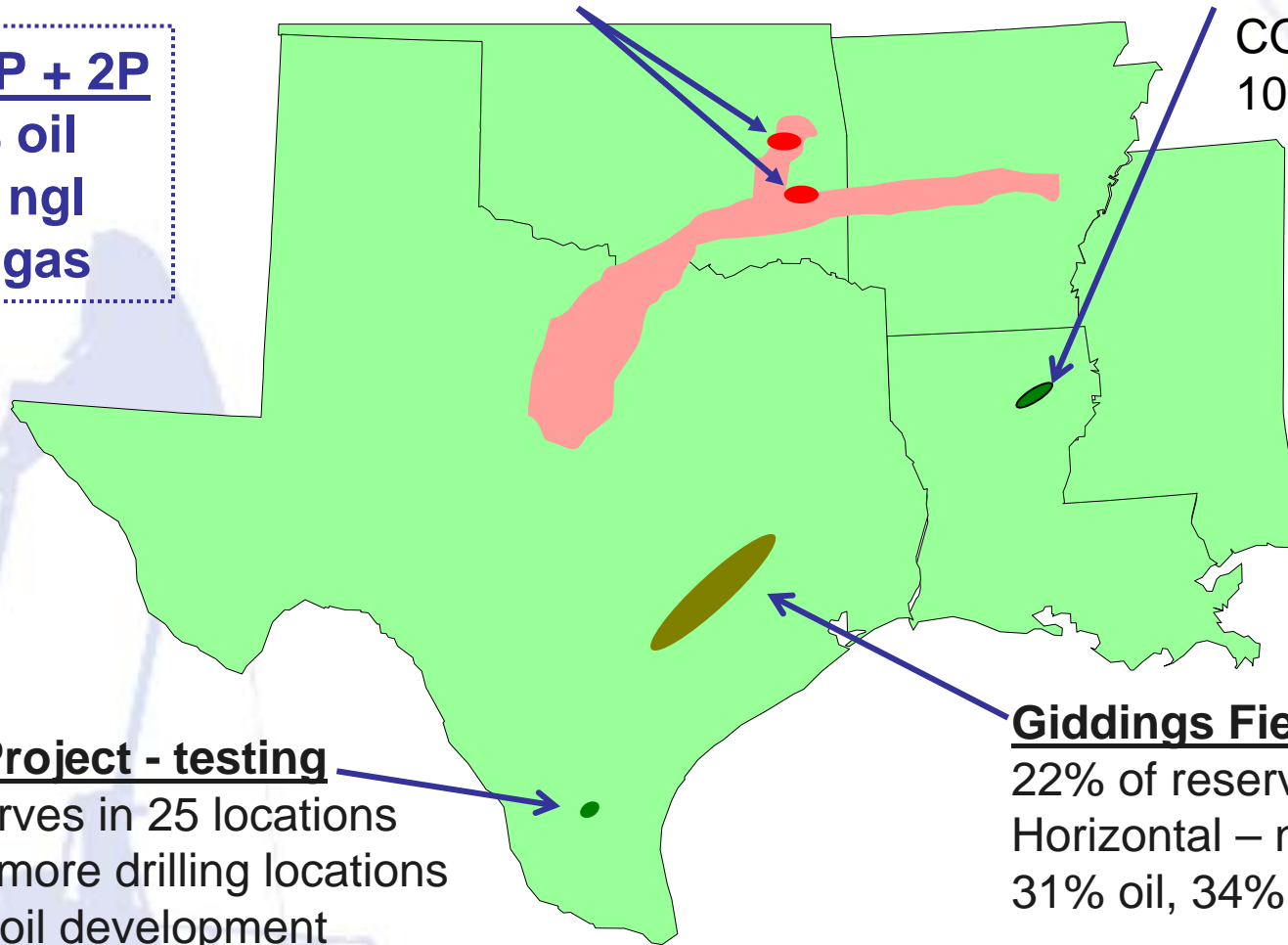
17,780 net acres – in testing phase
Targeting low cost gas

Delhi Field-producing

76% of reserves
CO₂-EOR
100% oil

Total 1P + 2P

84% oil
7% ngl
9% gas



Neptune Project - testing

2% of reserves in 25 locations
+ up to 90 more drilling locations
100% infill oil development

Giddings Field - producing

22% of reserves
Horizontal – naturally fractured
31% oil, 34% NGL, 35% gas

Why own EPM?

- Growing cash flows from currently producing Delhi CO₂ EOR project
- No debt
- Long life oil reserves at Delhi with no expected capital expenditures and limited operating expenses (our “annuity”)
- Large inventory of development drilling locations in low cost projects
- Attractive Valuation
- Employees own 20% of EPM (fully diluted) – fully aligned with shareholders

Why own EPM?

- ❑ 1P + 2P reserves (7/1/09) are **84% oil** *17.8 MMBOE*
- ❑ 7/1/09 PV10 per fully diluted share (1P+2P) *\$7.45 / FD shr*
- ❑ 6/7/10 enterprise value per 1P+2P BOE *\$7.92 / BOE*
- ❑ Current and forward curve commodity prices higher than 7/1/09 reserve report (\$3.88 gas & \$69 oil)
- ❑ Above valuations do not include substantial upside, including approved severance tax holiday for Delhi production

EPM team has a successful track record

Engineering-driven project origination to create share value

<u>Project</u>	<u>Invested:</u>		<u>Results (7/1/2009 PV10 unrisked)</u>
Delhi EOR	\$6.8 MM	→	\$50 MM cash pretax + 2P PV10* = \$196.6 MM 2P PV10* peak (in 2015) = \$292 MM
Neptune Oil	\$1.0 MM	→	1P – 3P Reserves PV10** = \$8.1 MM & up to 90 <u>additional</u> infill locations
OK Shale	\$5.9 MM	→	testing - significant low cost gas pot'l
Giddings	\$26.5 MM	→	\$7 MM cash from field, + 4 MMBOE of 1P+2P reserves PV10** = \$46 MM
Artificial Lift Tech	\$0.2 MM	→	First field tests successful to date

* Based on \$66 oil price and excluding Delhi severance tax holiday

** Based on \$69 oil price and \$3.88 gas price

EPM Assets: Delhi CO₂ – EOR Project

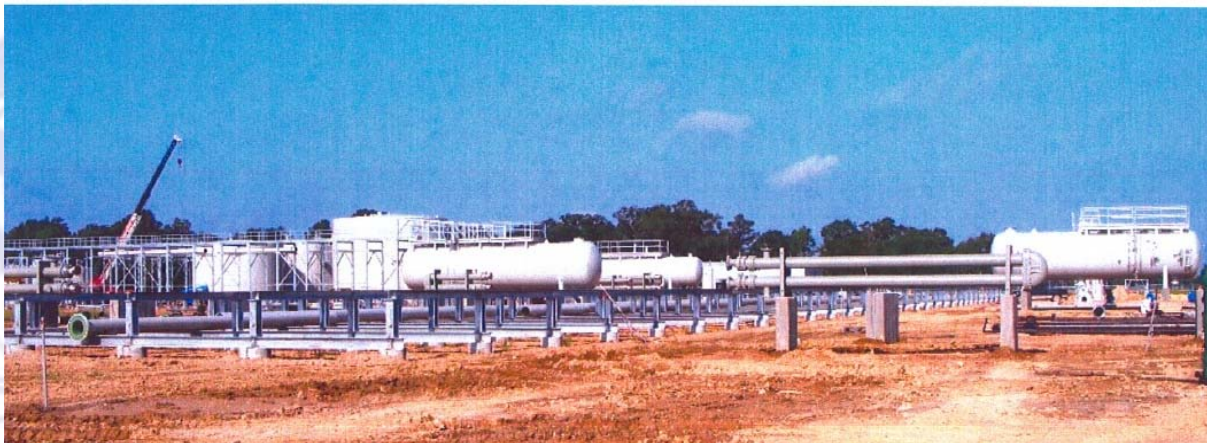
Milestones Achieved –

- *Oil production response 3/2010 averaged 800+ gross bopd in April*
- *CO₂ injection began 11/2009*

CO₂ Pipeline Installation



Delhi Unit - CO₂ Separation and Recycle Facility



78 mile Delta Pipeline to transport CO₂ to Delhi Field

Construction of first phase of produced gas facility for recycling CO₂ at Delhi

EOR - Delhi Field CO₂ Project

7/1/09 Pb Net Reserves

13.6 MMBO

\$196.6 MM PV10

Gross Production to date

192 MMBO

Original oil in place est.
("OOIP")

357 MMBO in current
project area;

Average depth

3,235'

Unit Size

13,636 acres

Formations

Tuscaloosa &
Paluxy

Reserves Basis

First oil production response in March 2010 (800+ bopd gross average from 3 producers in April), dedicated CO₂ reserves & capex plan to continue field rollout of project.

Upside (not in report)

Expand flood to additional reservoirs in unitized field;
Louisiana approved project for severance abatement until

~2019;

Potentially higher EOR recovery similar to other DNR projects.



Delhi Field Development by EPM & DNR

(Calendar year)

High ROIC

- 2003:** Purchased working interest in Delhi Field for \$2.8 million
- 2004:** Increased production from 20 bopd to ~145 boep/d through ~\$2.5 million of capex
- 2006:** Sold farm-out to DNR for \$50 MM - retained 25% reversionary working interest after payout. Acquired separate 7.4% royalty interests for \$1.5 MM

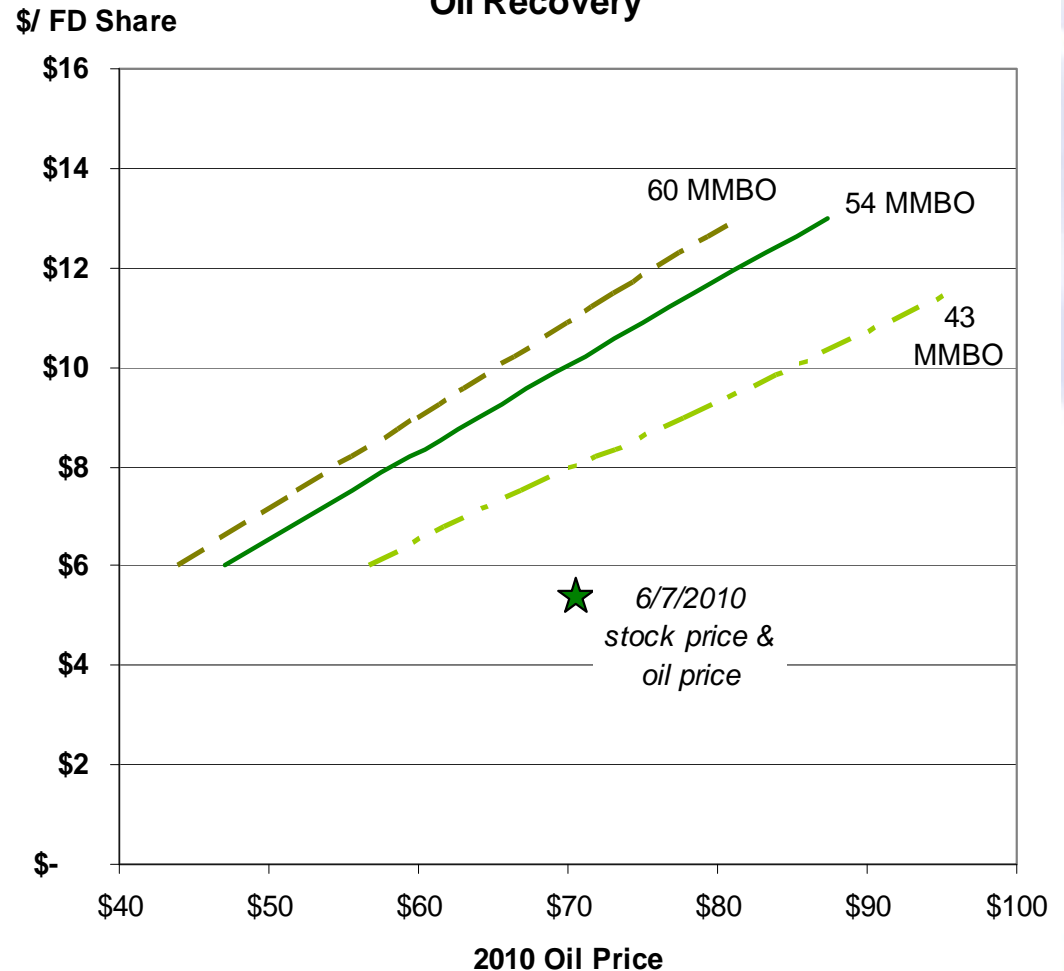
Additional Value

- 2007- 2010:** DNR invests ~\$300+MM – EPM earning minor revenues from royalty interests
- Nov 2009:** *CO₂ injection initiated*
- Mar 2010:** *1st EOR production; 7.4% royalty interest cash flows begin to grow & contribute to acceleration of other projects*
- 2011- 2013:** DNR projects investing additional ~\$120MM to complete project
- 2014:** *Independent reservoir engineer projects deemed payout to occur, based on flat \$66.62 oil price; 25% WI (incremental 20% NRI) reverts to EPM*

PV10* of Delhi Reserves – Sensitivity Analysis

- EPM's 25% reversionary working interest commences after DNR generates ~\$200 million in revenues less operating exp. – *reversion timing is not directly affected by actual amount of DNR's capital expenditures.*
- Value in Delhi increases with time for several years (see exhibit), and reserve report does not yet include benefit of state severance tax abatement awarded in 2009 (*abatement impact included in sensitivity plot shown*).
- EOR project has potential to recover more oil due to *greater reservoir volume*, expansion to *additional reservoirs* within Unit and/or *higher recovery factor*.

Delhi Estimated Net PV10 per Fully Diluted Share vs. Oil Price (+ 3% inflation) and Estimated Gross Oil Recovery



* **Unrisked, pretax, escalated & including severance tax holiday**

Impact of Delhi Production*

Annual Net Pre-tax Cash Flows from Delhi per fully diluted share

Gross Field Production =	1,000 <u>BOPD</u>	2,430 <u>BOPD</u>	5,600 <u>BOPD</u>	7,880 <u>BOPD</u>	10,000 <u>BOPD</u>
Pre & Post Payout 7.4% Royalty Interest =	\$0.05	\$0.12	\$0.27	\$0.38	\$0.48
After Payout 25% Reversionary WI =				\$0.62	\$0.98
Annual Net Pre-tax Cash Flows per Fully Diluted Share	\$0.05	\$0.12	\$0.27	\$1.00	\$1.46

< Payout Occurs
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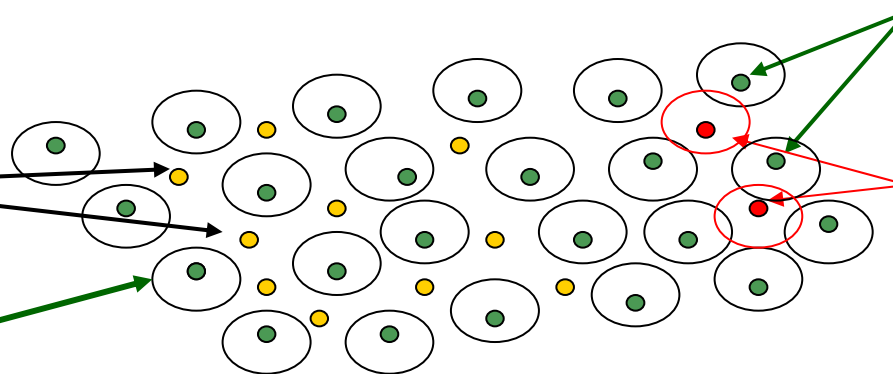
* From 7/1/09 DeGolyer & MacNaughton Probable Reserves Report & based on NYMEX price of **\$66.62 per barrel of oil with no escalation**, and subtracting severance taxes expected to be waived due to approved EOR status. Royalty interest bears no operating costs. Reversionary interest bears direct operating costs.

Neptune – Infill Oil Development Drilling

- 100% working interest and 79.7% average net revenue interest in 1,710 net acres
- Net 1P-3P reserves from 4 re-entries and 21 locations of 542 MBO for PV10 of \$8.1 million
- Up to 90 additional drilling locations projected from historical infill results – field has produced ~32 MMBO to date from 380 wells (~80 MBO/well - no current production)
- First 2 producers drilled with first oil production – water injection capacity being expanded
- Low cost, 100% oil development through infill drilling in mature field

~113 locations –
4 PUD, 21 Pb &
90 pending (2
drilled to date)

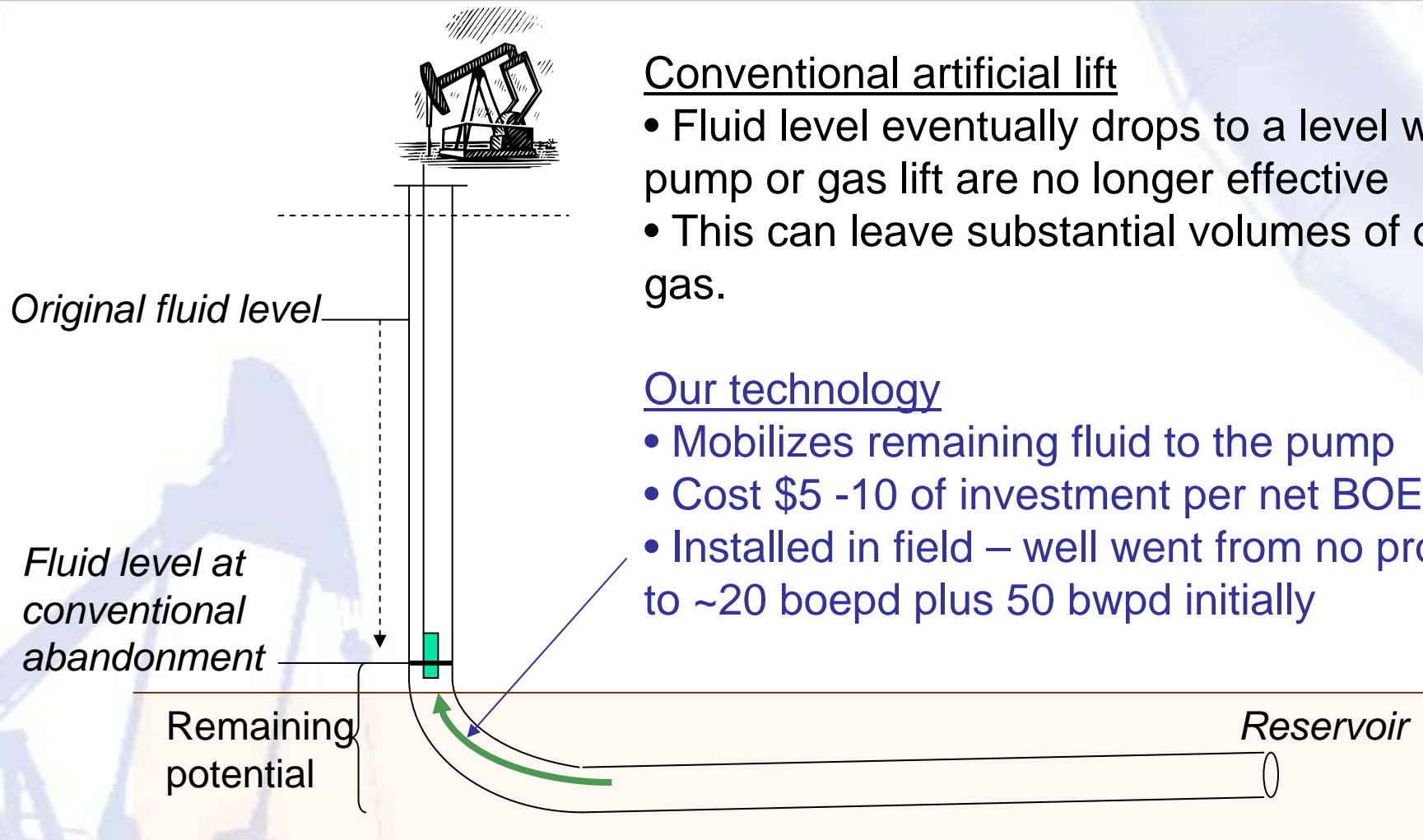
area
drained
by well



~380 previous
wells now P&A'd

11 infill wells
drilled in 1970's :
comparable
examples for our
program, made
>50 MBO each
on average

Proprietary Artificial Lift Technology



Conventional artificial lift

- Fluid level eventually drops to a level where rod pump or gas lift are no longer effective
- This can leave substantial volumes of oil and gas.

Our technology

- Mobilizes remaining fluid to the pump
- Cost \$5 -10 of investment per net BOE
- Installed in field – well went from no production to ~20 boepd plus 50 bwpd initially

Giddings Field, Central Texas

7/1/09 Net Proved Reserves = 3.0 MMBOE \$35.3 MM PV-10*
Net Probable Reserves = 0.9 MMBOE \$10.9 MM PV-10*

<u>Drilling locations</u>	<u>Ave Gross Recovery</u>	<u>Ave D&C cost/well</u>	<u>D&C</u>
14 proved re-entries	111 MBOE/well	\$1.4 MM	\$15/boe
7 proved grassroots & 2 probable grassroots	270 MBOE/well	\$2.4 MM	\$11/boe

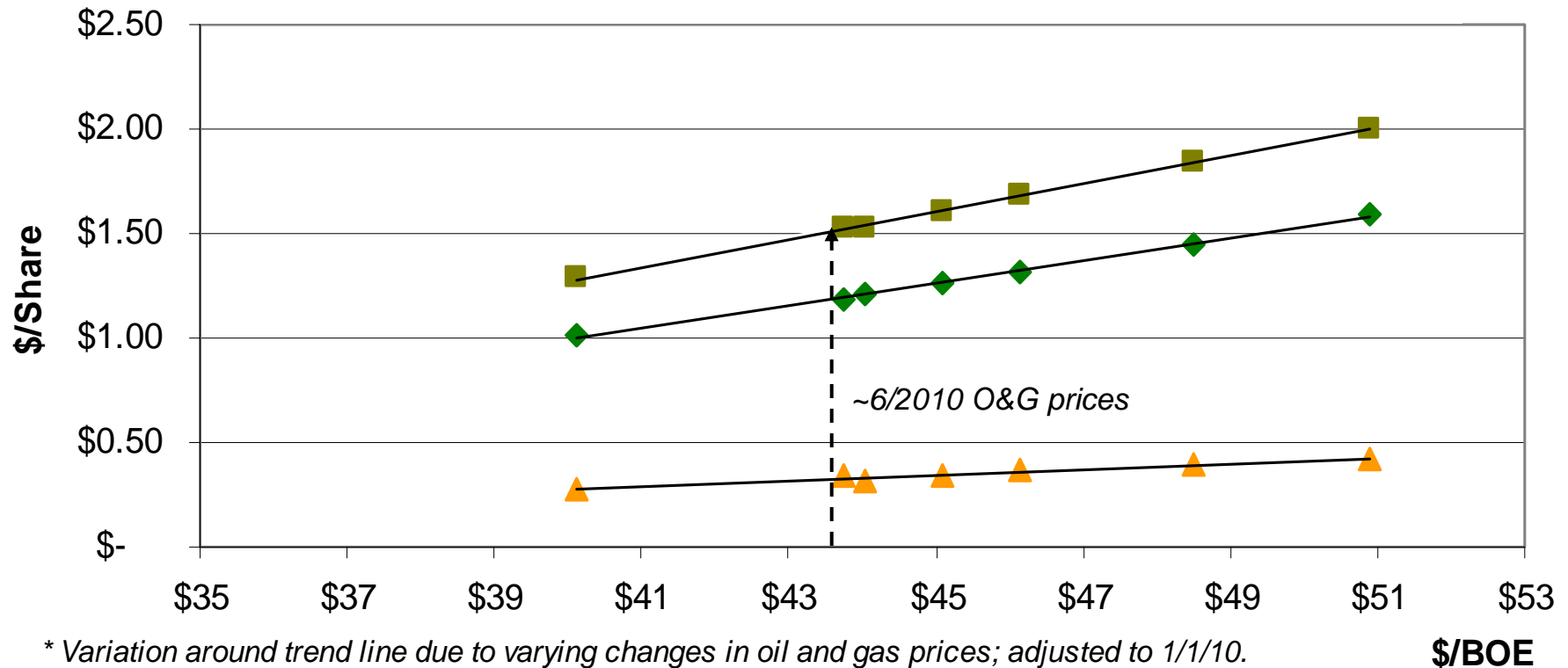
- 100% WI, ~80% NRI in 10 producers & ~18,000 net acres
- Naturally fractured Austin Chalk, Georgetown & Buda – no hydraulic fracs required
- Wells typically produce at high initial rates followed by steep initial declines, then stabilize with about half of estimated reserves produced in first two years. Current producers have completed initial steep decline phase.
- Reserves estimated to be 31% oil, 34% gas liquids and 35% natural gas; and 14% developed. 2P reserves are generally associated with PUD locations.
- Last 2 re-entries drilled in Giddings Field yielded average 8 day rate of 450 BOEPD, still producing ~175 BOEPD after 17 months of production

* 7/1/09 prices of \$3.88 gas and \$69 oil

Price Sensitivity of Giddings Reserves

EPM Giddings 7/1/09 PV10* per Fully Diluted Share
 (based on blended reserves of 31% oil, 34% ngl and 35% gas)

◆ Proved ▲ Probable ■ 1P+2P



* Variation around trend line due to varying changes in oil and gas prices; adjusted to 1/1/10.

Probable reserves associated with or nearby proved locations; unescalated pricing

Our OK Gas Shales: Shallow = Low Cost

- 100% WI in ~17,850 net acres (~80% NRI)
- Substantial additional acreage is typically obtainable through forced pooling – EPM has substantial acreage position in 66 sections covering ~42,000 gross acres
- EPM is targeting a development cost of \$0.80 - \$1.25 per MCFe
 - Shallow depth = small rig and low fracturing horsepower = low day rates
 - Expect vertical wells in Wagoner Co for shales <1800' depth and D&C costs of ~\$200K; horizontal development in Haskell for shales at 4,000-6,000' depth
 - Extended production test underway of Wagoner County shales – Woodford dewatering as gas rate increases from 80 mcf/d – Caney potentially incremental
 - Planning Woodford test in Haskell Co in Summer 2010 through low cost re-entry
 - Offset short horizontal Woodford well in Haskell County with 2 years of production projected to reach 1.1+ bcf

Operating Plan for FY 2010

A limited capital expenditure program to:

- ✓ Drill 2 producers and 1 injector to demonstrate Neptune potential
- ✓ Conduct extensive production test of Woodford and Caney Shales in OK to demonstrate shallow gas shale potential
- Establish proved reserves in Delhi EOR project
 - ✓ Begin CO₂ injection
 - ✓ Obtain first production response to CO₂ injection
- Commercialize artificial lift technology
 - ✓ Install and test in own Giddings wells
 - Install and test in third party Giddings wells
 - Install and test in third party wells outside of Giddings

Liquidity Plan:

- ✓ Use Giddings cash flow to cover overhead, and Delhi cash flow to develop
- ✓ Avoid high cost capital
- ✓ Maintain liquidity through FY2011 as Delhi cash flows increase

EPM Financial Strategy

Our financial strategy: a conservative approach to optimize our asset values over the next few years while protecting our gains to date.

- ✓ Adequate working capital and substantial equity
- ✓ External funding only required for FY2011 to accelerate development programs
- ✓ We control our assets and future

Catalysts for growth in FY2010

- ✓ ***First production response at Delhi (3/2010)***
- ✓ ***Injection of CO₂ at Delhi (11/12/09)***
- ✓ ***First production tests in OK gas shales***
- ✓ ***First drilling in S Tx Neptune***
- ✓ ***First field tests of artificial lift technology***
- ✓ ***Confirmation of Neptune reserves***
- ✓ ***Confirmation of OK potential***
- ***Commercialization of artificial lift technology***

Catalysts for growth in FY2011

- ❑ ***Continued production growth at Delhi***
- ❑ ***First proved reserves at Delhi***
- ❑ ***Expanded development & reserves in Lopez Field
(Neptune I in S Tx)***
- ❑ ***Joint venture to accelerate Giddings drilling***
- ❑ ***Initial commercial development of OK gas shales***
- ❑ ***First joint venture utilizing artificial lift technology***



AEVOLUTION

Petroleum Corporation

(NYSE Alt: EPM)

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DRG&E / 713-529-6600

Exhibits

Liquidity

EPM Growth in Reserves

Effect of Different Recoveries on EPM's Delhi Interests

Accretion of Value over Time at Delhi

Illustration of Giddings Development

Management team

Board of Directors

EPM Liquidity

3/31/10 (unaudited)

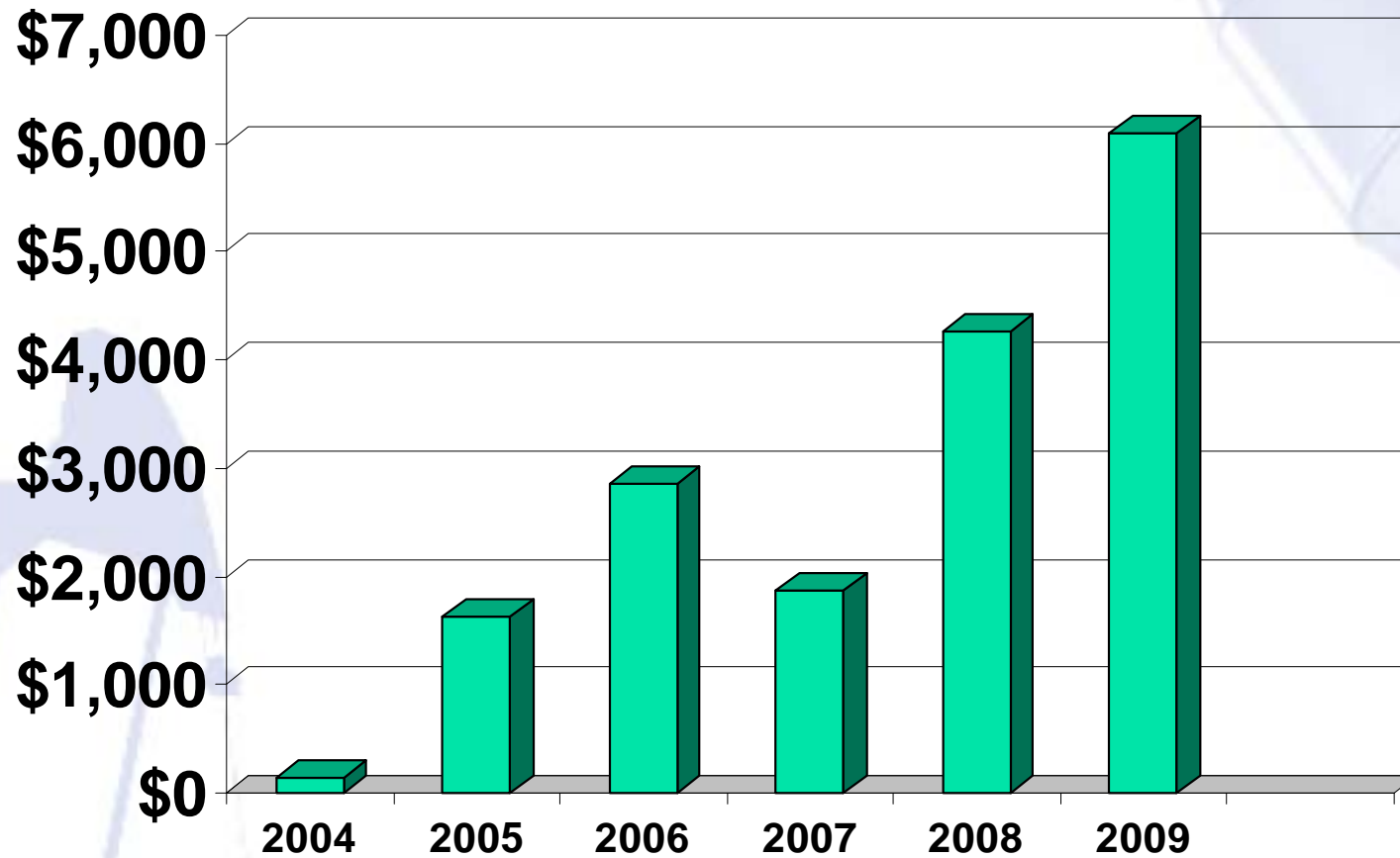
Selected Assets

Current Assets	\$ 6,104,422
Properties & Equipment, net	30,064,620
Other Assets	<u>57,335</u>
Total Assets	\$36,226,377

Long Term Liabilities & Equity

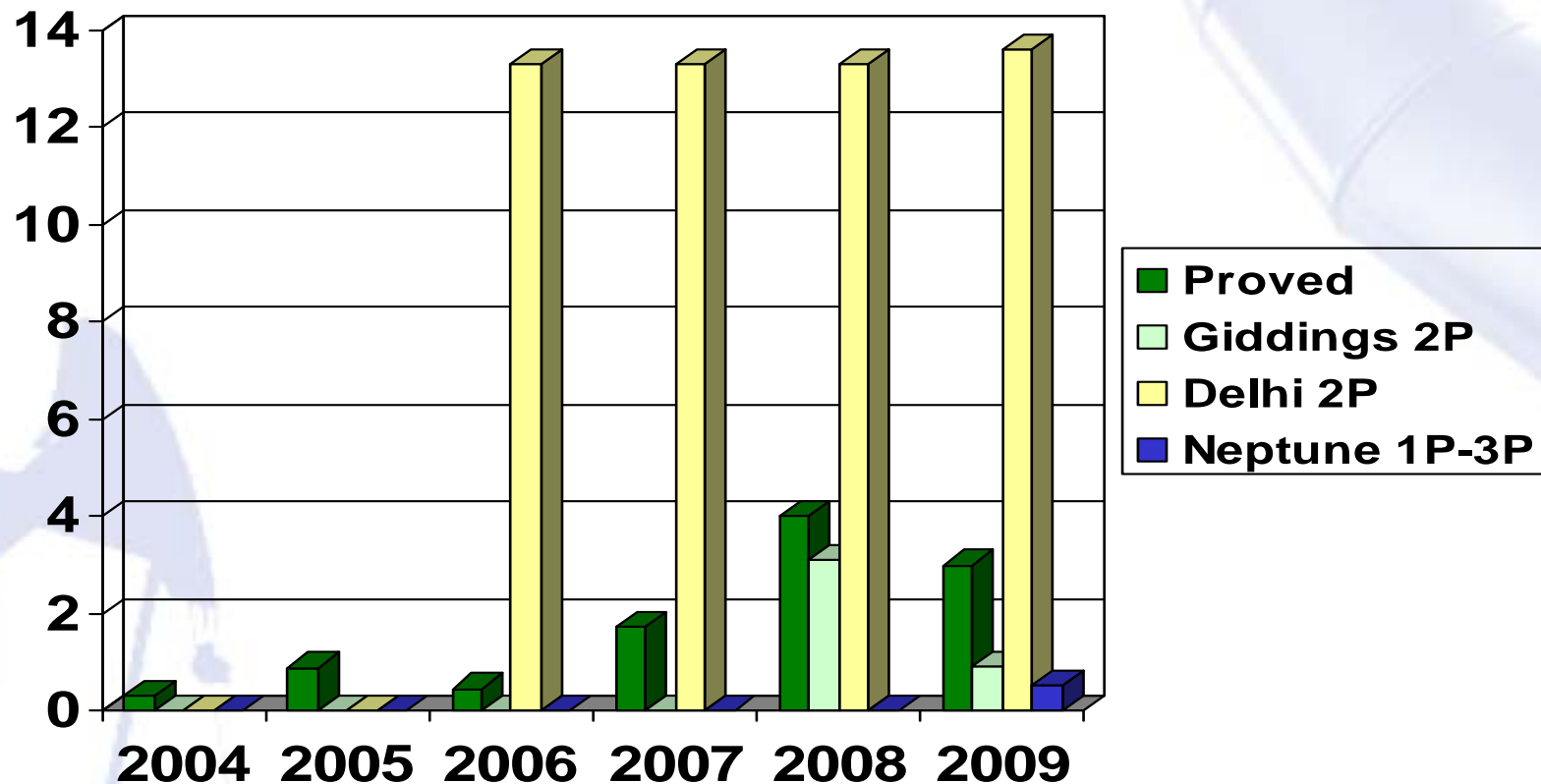
Long Term Debt	\$ 0
Current Liabilities	825,968
Other Liabilities (primarily deferred income tax)	<u>4,030,482</u>
Total Long Term Liabilities	4,856,450
Equity	\$31,369,927

EPM Revenues Growth by Fiscal Year



- Revenues in thousands
- 2007 revenues decreased by farm-out to DNR
- June 30 fiscal year-end

EPM Reserves by Fiscal Year (MMBOE)



- Reserves as at fiscal year end of June 30
- Does not include low cost shale gas resource in Oklahoma & additional Neptune locations
- 2009 downward revisions due to commodity price changes (from \$140/BO to ~\$69/BO & \$13.09/MMBTU to ~\$3.88/MMBTU)
- FYE 06 proved reserves decreased by farm-out of Delhi working interest

Effect of Different Recoveries on Delhi Volumes

Estimated EPM Net Probable Reserves in Delhi CO₂-EOR Project

(at \$66.62 oil, SEC pricing)

Gross Recovery in Project	<u>45 MMBO</u>	<u>54 MMBO</u>	<u>60 MMBO</u>
EPM royalty interest (7.4%)	3.3	4.0	4.4
Other royalty interests (12.6%)	5.6	6.8	7.6
Total royalties (20%)	9.0	10.8	12.0
100% WI reserves (80% of RI)	35.8	43.2	48.0
WI bbls produced before Payout	4.9	4.9	4.9
WI bbls - remaining after Payout	30.9	38.3	43.1
EPM 25% WI after Payout	7.7	9.6	10.8
EPM 7.4% Royalty (from above)	3.3	4.0	4.4
Total Net EPM bbls at Delhi	11.0	13.6	15.2

RI = revenue interest = share of gross production

WI = working interest = cost-bearing interest, earns gross production less royalties

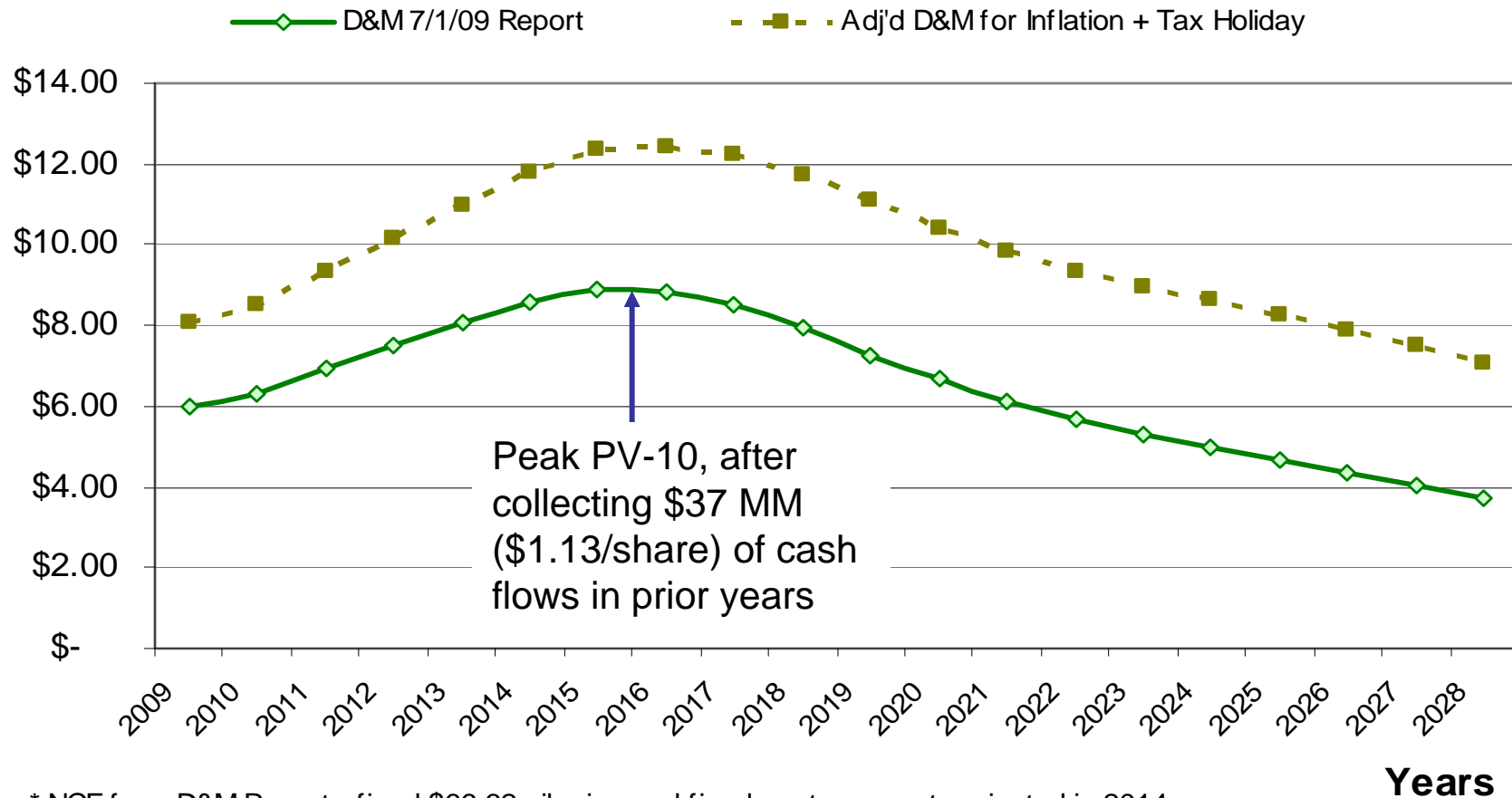
Payout = deemed payout = ~\$200 MM of 100% WI revenues less field operating expense

Royalty = revenue interest bearing no capital or operating costs

Swept OOIP = original oil in place in portion of reservoir swept by CO₂

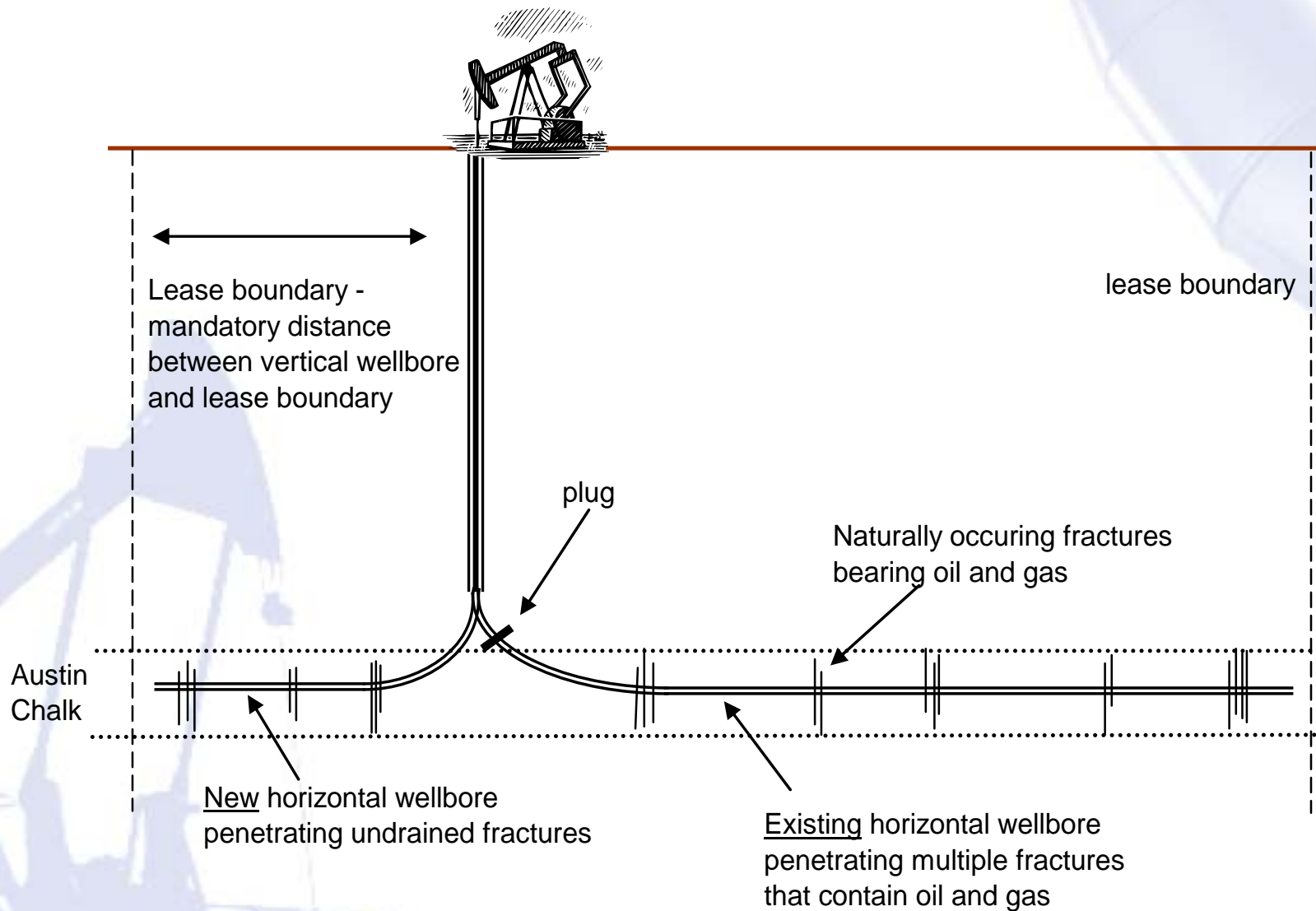
Delhi PV-10 Accretion With Time

Delhi Pretax PV-10* Per Diluted EPM Share
(PV-10 of remaining net cash flows)



* NCF from D&M Report - fixed \$66.62 oil price and fixed costs; payout projected in 2014
Adjusted PV-10 includes 3% inflation in prices & costs, and includes severance tax holiday

Giddings Field – Infill Development



Our Management Team

Robert Herlin, CEO & Chairman

- ❖ Co-founded EPM in 2003 and built company using \$8.3 million of equity capital
- ❖ 27 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
- ❖ 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)

Our Management Team

Daryl Mazzanti, VP-Operations

- ❖ Joined team in mid-2005; 21 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; 25 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