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FOR IMMEDIATE RELEASE

Evolution Petroleum Declares Monthly Cash Dividend on 8.5% Series A Preferred Stock

Houston, TX, January 4, 2012 - Evolution Petroleum Corporation (NYSE Amex: EPM) today declared a monthly cash dividend on its perpetual non-convertible 8.5% Series A Cumulative Preferred Stock.

The dividend is for the month of January 2012 and is payable on January 31, 2012 to holders of record at the close of business on January 16, 2012. The payment will be 1/12th of the 8.5% annualized amount, or approximately \$0.177083 per share, based on the \$25.00 per share liquidation preference.

The Series A Preferred Stock is listed on the NYSE AMEX and trades under the ticker symbol "EPM.PRA."

About Evolution Petroleum

Evolution Petroleum Corporation develops incremental petroleum reserves and shareholder value by applying conventional and specialized technology to known oil and gas resources, onshore in the United States. Principal assets as of June 30, 2011 include 13.8 MMBOE of proved and 6.2 MMBOE of probable reserves with a PV10* of \$375 million and \$76 million, respectively, and no debt. Producing assets include a CO₂-EOR project with growing production in Louisiana's Delhi Field, horizontal wells in the Giddings Field of Central Texas and producing test wells in south Texas and Oklahoma. Other assets include an emerging Woodford shale gas project in Eastern Oklahoma and a patented artificial lift technology designed to extend the life of horizontal wells with oil or associated water production. Additional information, including the Company's annual report on Form 10-K and its quarterly reports on Form 10-Q, is available 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 and forecasts of legal claims, 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.

* PV-10 of proved reserves is a pre-tax non-GAAP measure reconciled to the after-tax Standardized Measure of Future Net Cash Flows below. We believe that the presentation of the non-GAAP financial measure of PV-10 provides useful and relevant information to investors because of its wide use by analysts and investors in evaluating the relative monetary significance of oil and natural gas properties, and as a basis for comparison of the relative size and value of our reserves to other companies' reserves. We also use this pre-tax measure when assessing the potential return on investment related to oil and natural gas properties and in evaluating acquisition opportunities. Because there are many unique factors that can impact an individual company when estimating the amount of future income taxes to be paid, we believe the use of a pre-tax measure is valuable for evaluating our Company. PV-10 is not a measure of financial or operating performance under GAAP, nor is it intended to represent the current market value of our estimated oil and natural gas reserves. PV-10 should not be considered in isolation or as a substitute for the Standardized Measure as defined under GAAP, and reconciled below. Probable reserves are not recognized by GAAP, and therefore the PV-10 of probable reserves can not be reconciled to a GAAP measure.

The following table provides a reconciliation of PV-10 of each of our proved properties to the Standardized Measure.

	For the Years Ended June 30	
	2011	2010
Estimated future net revenues	\$ 741,212,773	\$ 571,052,096
10% annual discount for estimated timing of future cash flows	<u>(365,874,315)</u>	<u>(305,073,753)</u>
Estimated future net revenues discounted at 10% (PV-10)	375,338,458	265,978,343
Estimated future income tax expenses discounted at 10%	<u>(146,758,468)</u>	<u>(104,351,694)</u>
Standardized Measure	<u>\$ 228,579,990</u>	<u>\$ 161,626,649</u>

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