



Epsilon Energy announces filing of its first quarter 2009 disclosure requirements.

Concord, Ontario – May 15, 2009 – Epsilon Energy Ltd. (“Epsilon” or “the Company”) (TSX: EPS) is pleased to announce today the Company has filed its Management Discussion and Analysis and unaudited financial statements for the quarter ended March 31 2009. Copies of these documents may be obtained on www.sedar.com or on the Company’s website at www.epsilonenergyltd.com.

Operational Highlights

United States – The Corporation expects to commence natural gas production on its Highway 706 project covering the Marcellus shale in northeastern Pennsylvania very shortly. Phase 1 of the pipeline is now operational. Initially, the Poulson #1H will be placed on-line for natural gas production, to be followed by the Poulson #2H. Both wells lie between the compressor site to the north and the tap into the Tennessee Gas Pipeline to the south. Epsilon is currently extending its gathering system to the north of the compressor site in order to bring on three wells that have previously yielded a combined natural gas production rate of 8.5 Mmcf per day (Larue #1A, Larue #1H and Larue #2H). This section of the gathering system is expected to be completed in approximately 60 – 90 days. The Corporation currently has compression facilities on location and expects to have the ability increase its compression capacity as warranted in order to handle increased production as more wells come online. At March 31, 2009, the Corporation’s average natural gas production was approximately 2.2 Mmcf/d, consisting solely of non-operated natural gas production from its interests in West Virginia, New York and Ohio.

Republic of Yemen (“Yemen”) – During the first quarter of 2009, the Corporation drilled the Mukulla #1, which was subsequently determined to be uneconomical. The Corporation is currently evaluating the data gathered from operations to date to determine future exploration plans in Yemen, if any. As at March 31, 2009, Oil and Gas Mine Company, a non-operated joint interest owner in Block 41, owed the Corporation \$6,503,000, which covered their pro-rata share of costs pertaining to Block 41 in Yemen as of that date. Of that amount, \$5,591,000 was in default. On April 20, 2009, Oil and Gas Mine Company paid the Corporation \$2,000,000 and verbally agreed to pay the remaining amount in default within thirty days.

Federal Democratic Republic of Ethiopia (“Ethiopia”) – On May 14, 2009, the Corporation announced that it had signed a Production Sharing Agreement (“PSA”) with the Ministry of Mines and Energy (the “Ministry”) in Democratic Republic of Ethiopia. The PSA covers an area of 79,345 square kilometers in northwest Ethiopia. Terms of the PSA include an initial three-year exploration period that includes a minimum financial commitment of \$3,000,000 to drill one exploratory well and to acquire a minimum of 200 kilometers of 2D seismic. In the event the Company makes a commercial discovery, the initial percentage split of profit oil and/or gas will be 80% for Epsilon and 20% for the Ministry.

Sultanate of Oman (“Oman”) – In January 2009, the Corporation acquired a 100% working interest in Block 55 in Oman. The initial exploration period includes a commitment to spend \$25,500,000 over a three year period. The Corporation does not anticipate incurring any significant capital expenditures in Oman during 2009 and is currently evaluating whether to bring in an industry partner, obtain third party financing, or a combination of both to fully fund its commitment.

Resignation of Director

Epsilon also announces that it has received notice from Michael Talmage, a director of the Company, that he does not intend to stand for election as a director at the annual meeting scheduled for June 8, 2009. Mr. Talmage was presented as a nominee in the proxy circular recently mailed to shareholders in relation to the meeting, however, he has determined that, for personal reasons, he will not be able to devote sufficient time and attention required of the position. He has served as a director of the Company since August 2006 as well as Chairman of the Audit Committee. Mr. Zoran Arandjelovic, Executive Chairman of Epsilon, thanked Mr. Talmage for his "past support and for serving on the board of directors and relevant committees with so much passion and dedication".

Selected Financial Information

Selected financial information follows (amounts rounded to thousands, except per share amounts):

	Three Months Ended March 31,	
	2009	2008
<i>Statement of operations:</i>		
Revenues.....	\$ 1,708,000	\$ 1,537,000
Cost of operations	2,470,000	2,247,000
Operating income or (loss).....	(762,000)	(710,000)
Other income.....	(73,000)	427,000
Net income or (loss).....	<u>\$ (835,000)</u>	<u>\$ (283,000)</u>
<i>Per Common Share data:</i>		
Basic and net income or (loss) per share.....	\$ (0.02)	\$ (0.01)
Basic weighted number of shares outstanding	50,315,323	45,698,323
Dividends per share.....	\$ -	\$ -
<i>Cash Flows:</i>		
Net cash used in operating activities.....	\$ (6,273,000)	\$ (498,000)
Net cash (used in) or provided by investing activities	\$ 385,000	\$ (6,793,000)
Net cash provided by financing activities	\$ 5,802,000	\$ -
Effect of currency rates on cash and cash equivalents	\$ (957,000)	\$ (1,601,000)
	As at	As at December
	March 31,	31,
	2009	2008
<i>Balance Sheet:</i>		
Total assets.....	\$ 135,136,000	\$ 134,070,000
Current liabilities	\$ 36,312,000	\$ 33,836,000
Long-term debt	\$ 16,000	\$ 19,000
Other liabilities	\$ 2,938,000	\$ 2,920,000
Total liabilities	\$ 39,266,000	\$ 36,775,000
Shareholders' equity	\$ 95,870,000	\$ 97,295,000

About Epsilon Energy

Epsilon Energy is engaged in the exploration and production of oil and natural gas reserves in North America, the Middle East, and Africa. Established in 2005, the Company has been a producer of oil and natural gas since 2006. Epsilon's ongoing business strategy involves developing a well-balanced inventory of oil and natural gas projects, including high potential oil & gas properties in the Middle East and Africa coupled with lower risk oil and natural gas properties within Canada and the United States.

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Forward-Looking Statements

Certain statements contained in this news release constitute forward looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe”, and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements are based on reasonable assumption but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this news release should not be unduly relied upon.

Special note for news distribution in the United States

The securities described in the news release have not been registered under the United States Securities Act of 1933, as amended, (the “1933 Act”) or state securities laws. Any holder of these securities, by purchasing such securities, agrees for the benefit of Epsilon Energy Ltd. (the “Corporation”) that such securities may not be offered, sold, or otherwise transferred only (A) to the Corporation or its affiliates; (B) outside the United States in accordance with applicable state laws and either (1) Rule 144(as) under the 1933 Act or (2) Rule 144 under the 1933 Act, if applicable.