



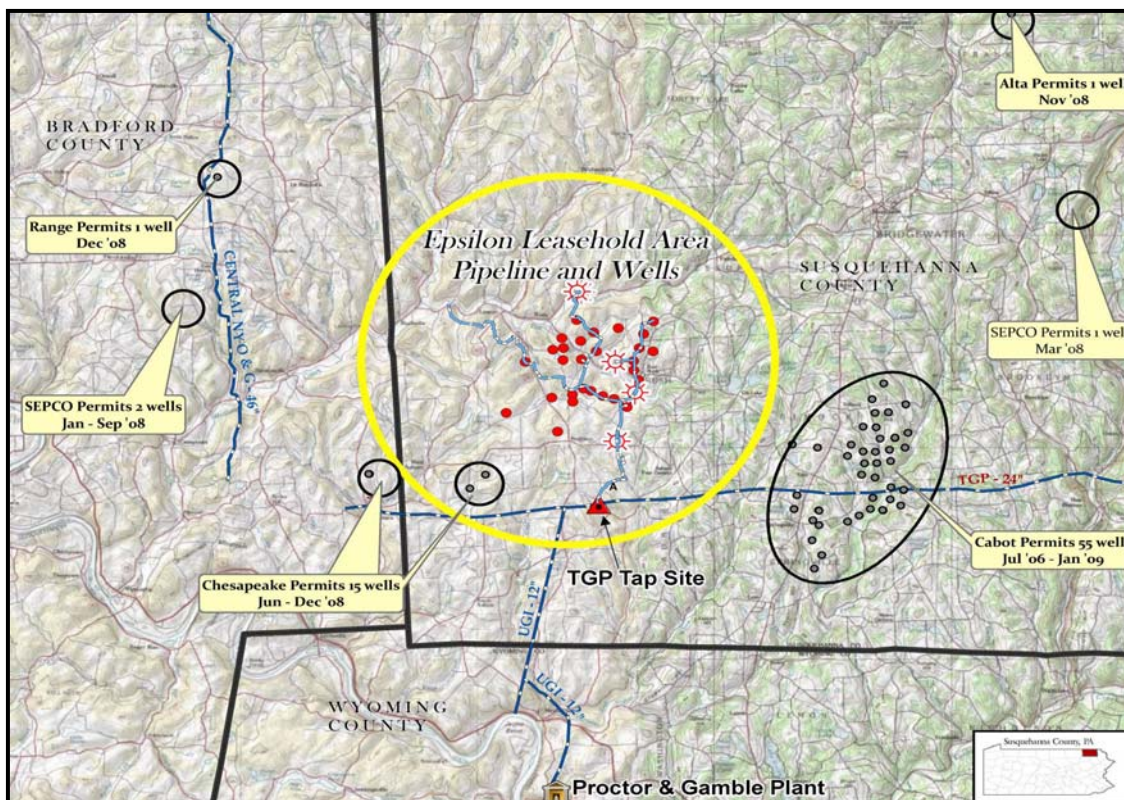
Epsilon Energy initiates natural gas production in the Marcellus shale

Concord, Ontario – May 19, 2009 – Epsilon Energy Ltd. (“Epsilon” or “the Company”) (TSX: EPS) is pleased to announce that it has initiated natural gas production on its Highway 706 project in northeastern Pennsylvania, which is focused on the Marcellus shale.

This represents a very significant milestone for Epsilon, as it is the Company’s first domestic project in which it is the operator and holds a 100% working interest. The commencement of natural gas production from Highway 706 signifies the culmination of two and a half years of work, in which the Company acquired approximately 12,000 acres of prospective Marcellus shale leasehold, assembled 25 miles of pipeline right-of-way, drilled a combination of 3 vertical and 5 horizontal wells, and hydraulically fractured and completed 5 of those wells to date.

The Company has initiated natural gas production from the Poulson #1H and is currently working out related start-up issues. The Poulson #2H will be hooked up for production next. Both wells lie between the compressor site to the north and the tap into the Tennessee Gas Pipeline to the south (see map). 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. This section of the gathering system is expected to be completed in approximately 60 – 90 days. The Company 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.

Zoran Arandjelovic, Epsilon’s Executive Chairman and interim President/CEO, stated “This is a most significant development for Epsilon. After a lot of hard work, we are now in the position to rapidly increase our daily natural gas production rate and to make substantial additions to our reserve base in the Marcellus shale. We plan to continue developing Highway 706 in a systematic manner in order to fully exploit the potential of this project”.



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.

For further information please contact:

Dennis Tatum
 Chief Financial Officer
 (231) 922-0467 ext: #101
 Email: dennis.tatum@epsilonenergy.com
 Website: www.epsilonenergy.com

Forward-Looking Statements

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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.