



Epsilon Energy Ltd. restates certain Sedar filings

CONCORD, Ontario – July 22, 2008 – Epsilon Energy Ltd (TSX: EPS) (“Epsilon” or the “Company”) has restated certain previously filed financial statements and related Management’s Discussion and Analysis documents, where appropriate, to reflect the following items:

- The issuance of 17,000 warrants at \$2.50 per share during the first half of 2007, which were exercised in the second quarter of 2008. The issuance of these warrants and the resulting shares have been approved by the TSX.
- The Company corrected the classification of a Balance Sheet item in its 2007 audited financial statements, whereby share capital was understated by \$900,000 and other comprehensive income (loss) was overstated by the same amount.

The aforementioned items did not affect any previously reported amounts within the Consolidated Statements of Operations and Deficit. The restated financial statements and related Management’s Discussion and Analysis documents were filed on Sedar on July 22, 2008 and may be viewed at www.sedar.com.

About Epsilon Energy Ltd.

Epsilon is engaged in the acquisition, exploration, development and production of oil and natural gas reserves in the Middle East, Africa and North America:

- Republic of Yemen: Epsilon has a 57.14% paying interest and a 50% undivided interest in the Block 41 Production Sharing Agreement, which covers approximately 5,600 sq. km.
- Ethiopia: Epsilon has signed a study agreement covering 154,871.53 sq. km with the option to acquire oil & gas concessions for the entire area or portions thereof.
- North America: Epsilon has producing properties in West Virginia, New York and Ohio and is focused on additional exploration and development projects targeting the Marcellus Shale in the Appalachian Basin and the Utica Shale in Quebec, Canada.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Forward-Looking Statements

Certain statements contained in this new 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 assumptions 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 this 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.