



Epsilon Energy Ltd. Curtails Natural Gas Production due to Low Natural Gas Prices

Concord, Ontario – September 4, 2009 – Epsilon Energy Ltd. (“Epsilon” or the “Corporation”) (TSX: EPS) announced today that due to low natural gas prices, the Corporation is curtailing its natural gas production from approximately 3.8 Mmcf/d to approximately 2.1 Mmcf/d.

Effective today, the Corporation has shut in the Poulsen #1H and curtailed the natural gas production from the Poulsen #2H to approximately 1.5 Mmcf/d (balance of 0.6 Mmcf/d coming from non-operated New York production). The Corporation will continue to monitor natural gas prices to determine when, in light of the current low natural gas price environment, to increase its natural gas production from these wells. In addition to the two aforementioned wells, the Corporation has three additional wells within its Highway 706 project that previously tested at a combined natural gas production 8.5 Mmcf/d that are ready to commence natural gas production, if warranted.

Zoran Arandjelovic, Epsilon’s Executive Chairman, President and CEO, stated “With natural gas prices dipping below \$2.00/mcf, we will continue to manage natural gas production rates from our Highway 706 project in order to optimize our cash flows.”

Epsilon Energy Ltd. 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 Corporation 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. The common shares of Epsilon trade on The Toronto Stock Exchange under the symbol “EPS”.

For further information please contact:

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

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.