



Epsilon Energy Ltd. Announces the Sale of Non-Core Leases in Pennsylvania

Concord, Ontario – September 18, 2009 – Epsilon Energy Ltd. (“Epsilon” or the “Corporation”) (TSX: EPS) announced today that has entered into an agreement with a third party to sell 3,734 net leasehold acres (the “acreage”) for \$12,695,600, or \$3,400 per net leasehold acre. The non-core acreage is located within Lycoming, Sullivan and Columbia counties in eastern Pennsylvania. Closing of this transaction is expected to occur on or before October 16, 2009.

Zoran Arandjelovic, Epsilon’s Executive Chairman, President and CEO, stated “We are very pleased to have monetized our non-core acreage, which will afford us the opportunity to accelerate the development of our two core Marcellus shale projects; Highway 706 in Pennsylvania and Park Place in New York.”

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”.

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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.