



Epsilon Energy Ltd. Buys Back One Million Common Shares

Concord, Ontario – April 20, 2010 – Epsilon Energy Ltd. (“Epsilon”) (TSX: EPS) announced today that it has signed an agreement with a former director and officer of Epsilon to purchase one million (1,000,000) common shares or approximately 2% of the 50,625,998 common shares that are currently issued and outstanding. The purchase price is a total of \$2.5 million, or \$2.50 per share.

The shares purchased by Epsilon will be canceled. The purchase and cancellation is being made as an exempt issuer bid pursuant to section 4.7 Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* (“MI 62-104”). The price per share has been calculated to comply with the requirements of section 1.11 of MI 62-104.

Epsilon believes that the current market price of the shares does not fully reflect the value of its business and its future business prospects and represents an attractive investment opportunity, and consequently, that this purchase will enhance long-term value for its remaining shareholders.

Zoran Arandjelovic, Epsilon’s Executive Chairman, President and CEO, stated, “Epsilon currently has more than \$20 million cash on hand. This particular method of purchasing shares is an economically attractive way for us to immediately deploy available capital. Our decision to buy back Epsilon shares underscores our financial strength and focus on shareholder value. We will manage Epsilon’s capital structure and set our cash management policy so as to maintain a strong yet efficient balance sheet.”

About Epsilon:

Epsilon Energy Ltd. is engaged in the exploration and production of natural gas reserves targeting the Marcellus Shale. The company also has participating interests and production sharing agreements in other natural gas and oil plays within North America, the Middle East, and Africa. Established in 2005, the Corporation has been a producer of natural gas and oil since 2006. Epsilon’s ongoing business strategy involves focused targeting of lower risk natural gas properties within the Marcellus Shale and other parts of Canada and the United States, as well as the high potential oil & gas properties in the Middle East and Africa. The common shares of Epsilon trade on The Toronto Stock Exchange under the symbol “EPS”. Further information is available at www.epsilonenergyltd.com.

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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.