

EPSILON ENERGY LTD. ANNOUNCES GRANT OF STOCK OPTIONS

Concord, Ontario, July 21, 2010 – Epsilon Energy Ltd. ("Epsilon") (TSX: EPS) announces that, on July 19, 2010, it has granted stock options to acquire up to 75,000 common shares to a senior officer ("officer") of Epsilon. The options are exercisable at \$2.42 per option, have a 3-year term and shall vest 33 1/3% per annum, beginning one year from the date of grant.

The granting of these options is subject to the approval of the TSX Exchange. There are now a total of 2,823,443 options to acquire common shares outstanding pursuant to Epsilon's Stock Option Plan.

ABOUT EPSILON ENERGY LTD.:

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 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 and gas properties in Africa.

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Neither the TSX Exchange nor its Regulation Services Provider (as a term that is defined in the policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this press release.