



Epsilon Energy Ltd. Follow up to July 19th 2011 Press Release

Concord, Ontario – Aug. 12, 2011 –Further to the press release dated July 19, 2011, Epsilon Energy Ltd. (“Epsilon” or the “Company”) (TSX:EPS) has completed an evaluation of its horizontal well in Mississippi targeting the Brown Dense Formation. It is the Company’s opinion that there is a presence of hydrocarbons however the formation is too tight to produce in any significant quantities. Consequently, in order to recover commercial quantities of oil, it is the Company's opinion that the well will need to be stimulated. Given the complexity of such an operation, Epsilon is seeking an industry partner to assist with this stimulation. Some preliminary meetings have been held with interested parties but no conclusive arrangement has been reached.

About Epsilon Energy Ltd.

Epsilon is engaged in the exploration and production of natural gas reserves. 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 Company 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.

For further information please contact:

Zoran Arandjelovic
President and Chief Executive Officer
(905) 738 - 7877
Email: zoran@epsilonenergy ltd.com
Website: www.epsilonenergy ltd.com

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 that such securities may not be offered, sold, or otherwise transferred only (A) to the Company 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.