



Epsilon Energy reports initial drilling results on Block 41 in the Republic of Yemen

CONCORD, Ontario – June 2, 2008 – Epsilon Energy (“Epsilon” or the “Company”) (TSX: EPS) is pleased to provide an update on its drilling program on Block 41 in the Republic of Yemen. The Duda #1 (formerly Al Waya #2) has encountered strong oil and gas shows in the Naifa formation over approximately 58 gross meters at a depth of approximately 1,400 meters. Drilling will continue to a depth of approximately 1,900 meters in order to test two additional zones, the Madbi and Fractured Basement.

This well was renamed from the Al Waya 2 to the Duda #1 after mechanical issues (directional steering tool malfunctioned) put the well in position to drill down-throne from the Al Waya 2, which was next target in Epsilon’s drilling program. As such, the decision was made to rename the well to the Duda #1 and to continue drilling towards the down-throne target.

Epsilon plans to log, core and test all three targeted zones. At this time, no definitive conclusions can be made about commerciality, including production rates or reserves, of the Duda #1 until the well is completed and tested in all zones.

About Epsilon Energy Ltd.

Epsilon is engaged in the acquisition, exploration, development and production of oil and natural gas reserves in the Middle East and North America. In the Republic of Yemen, Epsilon has a 57.14% paying interest and a 50% undivided interest in the Block 41 Production Sharing Agreement, which covers approximately 1.4 million gross (791,000 net) acres onshore. In North America, Epsilon has producing properties in West Virginia, New York and Ohio and is focused on additional exploration and development projects targeting the Marcellus Shale in the Appalachian Basin and the Utica Shale in Quebec, Canada.

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Forward-Looking Statements

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