



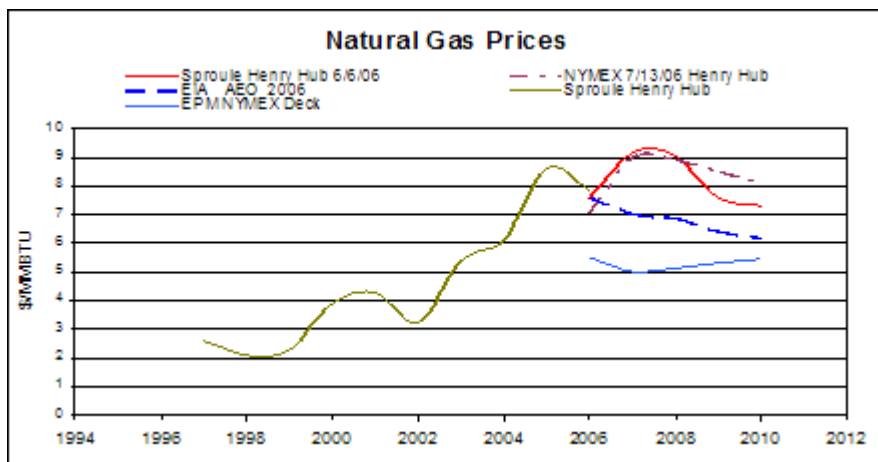
Overview

Evolution Petroleum Corporation was formed as Natural Gas Systems, Inc. in 2003 to exploit opportunities in the maturing U.S. upstream petroleum industry.

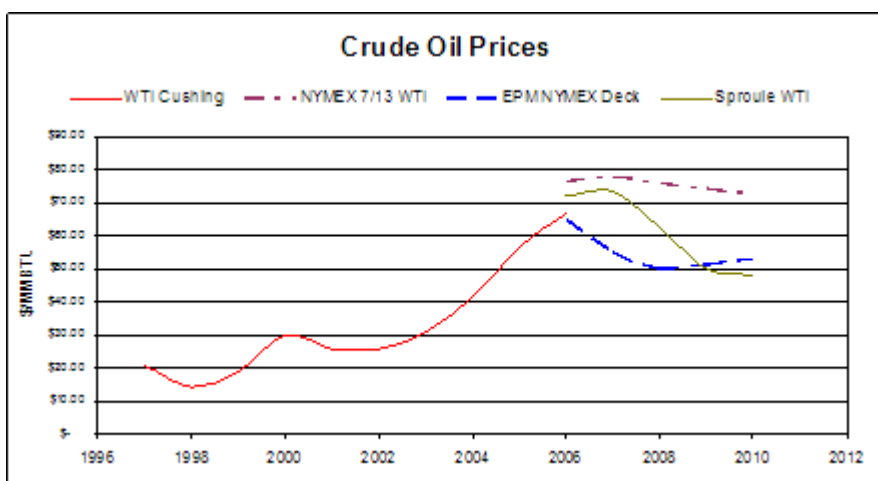
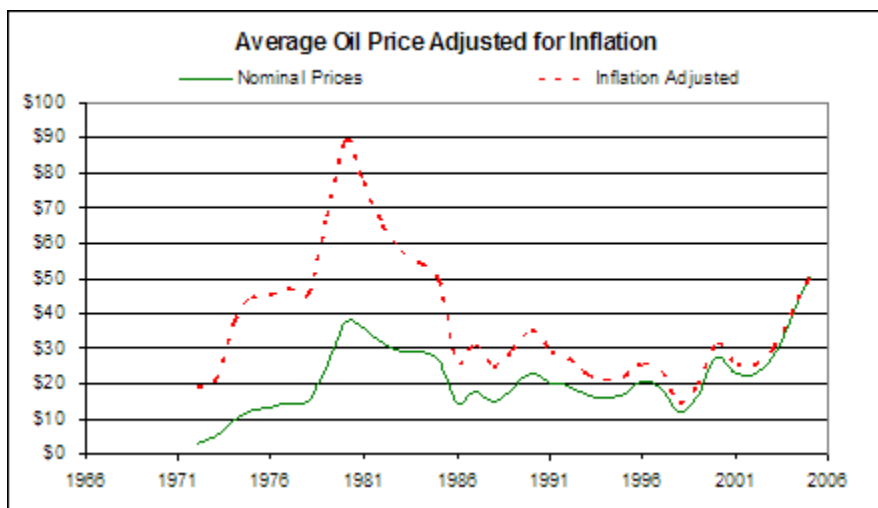
Much of the oil and gas found to date in the United States remains in place, due to factors such as depleted reservoir pressure, well bore damage, low oil and gas prices at the time of abandonment, inadequate reservoir penetration, limited sweep of injected water and unavailability of modern enhanced oil recovery options. We formed our business to acquire these kinds of resources at a low cost per MCF (thousand cubic feet of natural gas) or BO (barrel of oil) in order to apply existing and new technologies to access and produce a portion of the oil and natural gas remaining in the reservoirs.

Many oil and gas fields discovered, developed and produced primarily before the 1970's offer the potential of re-entering, restoring production and/or replacing wells with significant amounts of economically recoverable reserves at current product prices. As the decision to shut in or abandon these wells often was based upon oil and gas prices far below current levels, many oil and gas fields were passed down from major oil companies to large independents and then to small independents due to low profitability. Certain fields are owned by companies lacking the resources necessary to engage in full re-development. Consequently, such fields are neglected as to repair, maintenance and exploitation, thereby presenting EPM with the opportunity to apply modern techniques, such as lateral drilling, newer artificial lift mechanisms and installation of new or additional gas compression, to take advantage of current and projected product prices.

According to the Standard & Poor's Natural Gas Industry Survey of 2003, "... (domestic) natural gas production is expected to continue at levels that fall short of annual demand for the foreseeable future, making supplemental sources of gas necessary to meet everyday demand." Industry expectations for sustained strength in natural gas prices are evidenced by public announcements of plans to build new LNG import terminals, each of which requires substantial capital commitments in local infrastructure, transportation, export infrastructure and commitments for export of LNG from foreign sources.



Oil prices also appear to have moved to a new equilibrium range greater than \$50 per barrel, still below historic peak levels when adjusted for inflation. Several years of intense industry and state oil company activity appears to have been unable to increase supply in excess of demand growth, and there is widespread expectation of continued strong oil prices.



Evolution Petroleum targets established, relatively shallow oil and gas fields, preferably with existing road, pipeline and storage infrastructure, and reservoirs with low permeability (referred to as "tight" reservoirs in which oil or gas flow is inhibited). Such reservoirs typically have long-lived production and limited drainage areas per well. We develop incremental value by:

(i) bringing undrained or partially drained areas of the reservoirs into production,

(ii) accelerating existing production by engaging in:

- Re-activating shut-in wells
- work-overs to clean sand, water and paraffin from wells,
- re-completions into other reservoirs,
- optimization of production facilities including installation of compression facilities,
- implementation of our proprietary artificial lift technology, where appropriate,
- development drilling,
- selective use of lateral drilling and hydraulic fracturing to stimulate the production from tight reservoirs; and

(iii) implementing enhanced recovery technologies to produce residual oil and gas.

Forward-Looking Statements

Forward-looking statements in this website are made pursuant to the Safe Harbor provisions of Section 27A of the Securities Act of 1933, as well as other applicable State and Federal laws, rules and regulations. You are cautioned that statements in this website that are not strictly historical statements constitute forward-looking statements which involve risks and uncertainties. These forward-looking statements reflect our current view of future events and financial performance. When used in this document, the words "budgeted," "anticipate," "estimate," "expect," "may," "project," "believe," "intend," "plan," "potential" and similar expressions are intended to be among the statements that identify forward looking statements. These forward-looking statements speak only as of their dates and should not be unduly relied upon. We undertake no obligation to update or review any forward-looking statement, whether as a result of new information, future events, or otherwise. Such statements involve risks and uncertainties, including, but not limited to, the numerous risks and substantial and uncertain costs associated with exploratory drilling, the volatility of oil and natural gas prices and the effects of relatively low prices for our products, conducting successful exploration and development in order to maintain reserves and revenue in the future, operating risks of oil and natural gas operations, our dependence on key personnel, our ability to utilize changing technology and the risk of technological obsolescence, the significant capital requirements of our exploration and development and technology development programs, governmental regulation and liability for environmental matters, results of litigation, management of growth and the related demands on our resources and the ability to achieve future growth, competition from larger oil and natural gas companies, the potential inaccuracy of estimates of oil and natural gas reserve data, property acquisition risks, and other factors detailed in this website and our other filings with the Securities and Exchange Commission (the "SEC"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes will likely vary materially from those indicated.