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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 28, 2011**

EVOLUTION PETROLEUM CORPORATION
(Exact name of registrant as specified in its charter)

Nevada		
(State or other jurisdiction of incorporation or organization)	**000-32942** (Commission File Number)	**41-1781991** (I.R.S. Employer Identification Number)

2500 City West Blvd., Suite 1300, Houston, Texas 770042
(Address of Principal Executive Offices)

(713) 935-0122
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On June 28, 2011, Evolution Petroleum Corporation, a Nevada corporation (the "Company"), entered into an underwriting agreement (the "Underwriting Agreement") with McNicoll, Lewis & Vlak LLC (the "Underwriter") pursuant to which the Company agreed to issue and sell to the public through the Underwriter, on a "best efforts" basis, an aggregate of 220,000 shares (the "Shares") of the Company's 8.5% Series A Cumulative Preferred Stock, par value $0.001 per share and liquidation preference $25.00 per share (the "Series A Preferred Stock"). The Shares are being offered to the public at $23.00 per Share, and the net proceeds to the Company would be $21.85 per Share after deducting underwriting commissions, but before deducting expenses related to the offering.

The Shares will be issued pursuant to a final prospectus supplement expected to be filed on June 29, 2011 with the Securities and Exchange Commission (the "Commission") pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the "Securities Act"), in connection with a takedown from the Company's shelf registration statement on Form S-3 (File No. 333-168107), which became effective on September 2, 2010. The Underwriting Agreement provides that the Underwriter will offer and sell the Shares for the Company on a "best efforts" basis, and the Underwriter are under no obligation to purchase any Shares for its own account or sell any specific number or dollar amount of securities.

The Underwriting Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions under which the Company, on one hand, and the Underwriter, on the other, have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. In addition, the Underwriting Agreement provides that the Company is under no obligation to sell any Shares unless, upon the closing, the Shares meet certain criteria to list on the New York Stock Exchange Amex Equities (the "NYSE Amex"). The Company has received conditional approval from the NYSE Amex to list the shares of Series A Preferred Stock on the NYSE Amex under the symbol "EPM.PR.A" upon issuance.

The foregoing description of the Underwriting Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Underwriting Agreement, a copy of which is filed herewith as Exhibit 1.1 and is incorporated by reference herein.

In connection with entering into the Underwriting Agreement, on June 29, 2011 the Company filed a Certificate of Designation of Rights and Preferences (the "Certificate of Designation") for the Series A Preferred Stock with the Secretary of State of the State of Nevada with respect to 1,000,000 shares of Series A Preferred Stock, a copy of which is filed herewith as Exhibit 3.1 and is incorporated by reference herein. The Series A Preferred Stock is not convertible into, or exchangeable for, any of the Company's other property or securities. Except upon a change of control of the Company, the Series A Preferred Stock may not been redeemed before July 1, 2014, at or after which time the Series A Preferred Stock may be redeemed at the Company's option for $25.00 per share in cash. In the event of a change of control of the Company, the Series A Preferred Stock will be redeemable at the option of the Company (or the acquiring entity) in whole but not in part at (i) $25.75 per share if the redemption date is on or before July 1, 2012, (ii) $25.50 per share if the redemption date is after July 1, 2012 and on or before July 1, 2013, (iii) $25.25 per share if the redemption date is after July 1, 2013 and on or before July 1, 2014, and (iv) $25.00 per share if the redemption date is on or after July 2, 2014. There is no mandatory redemption of the Series A Preferred Stock. See the Certificate of Designation for additional information relating to the payment of dividends, voting rights, the ranking of the Series A Preferred Stock in comparison with the Company's other securities, and other matters.

Item 3.03. Material Modification to Rights of Security Holders.

The filing of the Certificate of Designation (defined above) and the issuance of the Series A Preferred Stock affects the holders of the Company's common stock to the extent provided for in the

Certificate of Designation, which was filed with the Secretary of State of the State of Nevada on June 29, 2011. The information included in Item 1.01 of this Current Report on Form 8-K, including the description of the Certificate of Designation, is also incorporated by reference into this Item 3.03 of this Current Report on Form 8-K.

Item 5.03. Amendment to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information included in Item 1.01 of this Current Report on Form 8-K is also incorporated by reference into this Item 5.03 of this Current Report on Form 8-K.

Items 7.01. Regulation FD Disclosure

On June 28, 2011, the Company issued a press release announcing pricing of a public offering of shares of the Company's 8.5% Series A Cumulative Preferred Stock. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information presented herein under this Item 7.01 and set forth in the attached Exhibit 99.1 is deemed to be "furnished" solely pursuant to Item 7.01 of this report and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information or the Exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
1.1	Underwriting Agreement, dated June 28, 2011, by and among Evolution Petroleum Corporation, and McNicoll, Lewis & Vlak LLC.
3.1	Certificate of Designation of Rights and Preferences of 8.5% Series A Cumulative Preferred Stock.
5.1	Opinion of Adams and Reese LLP dated June 29, 2011.
23.1	Consent of Adams and Reese LLP (included in Exhibit 5.1).
99.1	Press release dated June 28, 2011.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EVOLUTION PETROLEUM CORPORATION

Date: June 29, 2011

By: /s/ ROBERT S. HERLIN

Robert S. Herlin
Chairman and Chief Executive Officer

EXHIBIT INDEX

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SIGNATURES
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Exhibit 1.1

EXECUTION COPY

EVOLUTION PETROLEUM CORPORATION

Series A Preferred Stock

UNDERWRITING AGREEMENT

June 28, 2011

McNicoll, Lewis & Vlak LLC
1251 Avenue of the Americas, 41st Floor
New York, NY 10020

Ladies and Gentlemen:

Evolution Petroleum Corporation, a Nevada corporation (the "**Company**"), proposes, subject to the terms and conditions of this Underwriting Agreement (this "**Agreement**"), to issue and sell to the public through McNicoll, Lewis & Vlak LLC (the "**Underwriter**"), on a best efforts basis, 220,000 shares of the Company's Series A Preferred Stock, par value $0.001 per share (the "**Securities**").

1. *Agreement to Act as Underwriter.*

(a) On the basis of the representations, warranties and agreements of the Company herein contained and subject to all of the terms and conditions of this Agreement, the Company agrees to issue and sell to the public through the Underwriter, acting as agent, and the Underwriter agrees to offer and sell the Securities for the Company on a best efforts basis pursuant to this Agreement (the "**Offering**").

(b) Subject to the provisions of this Agreement, as compensation for the services rendered, on the Closing (as defined below), the Company shall cause to be paid to the Underwriter by wire transfer of immediately available funds to one or more accounts designated by the Underwriter, an aggregate amount equal to 5% of the gross proceeds received by the Company for the sale of the Securities. The Underwriter agrees that the foregoing compensation, together with any expense reimbursements payable hereunder, constitutes all of the compensation that the Underwriter shall be entitled to receive in connection with the Offering (as defined below) contemplated hereby.

(c) The Securities will be issued pursuant to a Certificate of Designation (the "**Certificate of Designation**"), adopted pursuant to a resolution of the board of directors of the Company and to be filed with the Secretary of State of the State of Nevada.

(d) The purchase price for each of the Securities shall be $23.00 per share (the "**Per Share Price**") and the Securities shall each have a liquidation value of $25.00 per share. The Offering shall commence on the date hereof and shall expire upon the earlier to occur of (i) July 1, 2011, or (ii) termination in accordance with *Section 9* below.

(e) Subject to the provisions of this Agreement and the performance by the Company of all of its obligations to be performed hereunder, the Underwriter agrees to offer and sell the Securities for the Company on a best efforts basis. The Company recognizes that "best efforts" does not assure that the Offering will be consummated. It is understood and agreed that the Underwriter shall not and is under no obligation to purchase any Securities for their own account and that this Agreement does not create any partnership, joint venture or other similar relationship between or among the Underwriter and the Company.

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with, the Underwriter that:

(a) *Filing of Registration Statement.* The Company has prepared and filed, in conformity with the requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the

published rules and regulations thereunder (the "**Rules and Regulations**") adopted by the Securities and Exchange Commission (the "**Commission**"), a registration statement, including a prospectus, on Form S-3 (File No. 333-168107), which became effective on September 2, 2010, relating to the securities of the Company as described therein and the offering thereof from time to time in accordance with Rule 415(a)(1)(x) of the Rules and Regulations, and such amendments thereof as may have been required to the date of this Agreement. The term "**Registration Statement**" as used in this Agreement means the aforementioned registration statement, at the time of effectiveness of such registration statement or any part thereof for purposes of Section 11 of the Securities Act (the "**Effective Time**"), including (i) all amendments to the aforementioned registration statement filed with the Commission, (ii) all documents filed as a part thereof or incorporated or deemed to be incorporated by reference therein and (iii) any information in the corresponding Base Prospectus (as defined below) or a prospectus supplement filed with the Commission pursuant to Rule 424(b) under the Securities Act, to the extent such information is deemed pursuant to Rule 430A ("**Rule 430A**"), 430B ("**Rule 430B**") or 430C ("**Rule 430C**") under the Securities Act to be a part thereof at the Effective Time. For purposes of this Agreement, all references to the Registration Statement, the Base Prospectus, any Preliminary Prospectus (as defined below), the Prospectus (as defined below) or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**"). All references in this Agreement to amendments or supplements to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to mean and include the subsequent filing of any document under the Exchange Act (as defined below) that is deemed to be incorporated therein by reference therein.

(b) *Effectiveness of Registration Statement; Certain Defined Terms.* The Company and the transactions contemplated by this Agreement meet the requirements and comply with the conditions for the use of Form S-3 under the Securities Act. The Registration Statement meets, and the offering and sale of the Securities by the Company as contemplated hereby complies with, the requirements of Rule 415 under the Securities Act (including, without limitation, Rule 415(a)(4) and (a)(5) of the Rules and Regulations). The Company has complied, to the Commission's satisfaction, with all requests of the Commission for additional or supplemental information. No stop order preventing or suspending use of the Registration Statement, any Preliminary Prospectus or the Prospectus or the effectiveness of the Registration Statement has been issued by the Commission, and no proceedings for such purpose pursuant to Section 8A of the Securities Act against the Company or related to the Offering have been instituted or are pending or, to the Company's knowledge, are contemplated or threatened by the Commission, and any request received by the Company on the part of the Commission for additional information with respect thereto has been complied with. As used in this Agreement:

(1) "**Base Prospectus**" means the prospectus included in the Registration Statement at the Effective Time.

(2) "**Disclosure Package**" means (i) the Statutory Prospectus and (ii) each Issuer Free Writing Prospectus, if any, filed or used by the Company on or before the Effective Time and listed on Schedule I hereto (other than a roadshow that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 of the Rules and Regulations), all considered together.

(3) "**Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433 of the Rules and Regulations relating to the Securities in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g) of the Rules and Regulations.

(4) "**Preliminary Prospectus**" means any preliminary prospectus supplement, subject to completion, relating to the Securities, filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act for use in connection with the offering and sale of the Securities, together with the Base Prospectus attached to or used with such preliminary prospectus supplement.

(5) "**Prospectus**" means the final prospectus supplement, relating to the Securities, filed by the Company with the Commission pursuant to Rule 424(b) under the Securities Act on or before the second business day after the date hereof (or such earlier time as may be required under the Securities Act), in the form furnished by the Company to the Underwriter, for use in connection with the Offering that discloses the public offering price and other final terms of the Securities, together with the Base Prospectus attached to or used with such final prospectus supplement.

(6) "**Statutory Prospectus**" means the Preliminary Prospectus, if any, and the Base Prospectus, each as amended and supplemented immediately prior to the Time of Sale, including any document incorporated by reference therein, and any prospectus supplement.

(7) "**Time of Sale**" means 4:30 p.m., New York City time, on the date of this Agreement.

(c) *Conformity with the EDGAR filing.* The Prospectus delivered by the Company to the Underwriter for use in connection with the sale of the Securities pursuant to this Agreement will be identical to the versions of the Prospectus transmitted to the Commission for filing via EDGAR, except to the extent permitted by Regulation S-T.

(d) *Contents of Registration Statement.* As of each Effective Time, the Registration Statement complied in all material respects with the requirements of the Securities Act and the Rules and Regulations and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, provided that the Company makes no representation or warranty in this subsection (d) with respect to statements in or omissions from the Registration Statement in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Underwriter or its representatives specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information (as defined in *Section 8(b)* hereof).

(e) *Contents of Prospectus.* The Prospectus, as of its date and as of the Closing (as defined in *Section 4(a)* hereof) will comply in all material respects with the Rules and Regulations of the Securities Act and will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that the Company makes no representation or warranty with respect to statements in or omissions from the Prospectus in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Underwriter or its representatives specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(f) *Incorporated Documents.* Except as previously disclosed in writing to the Underwriter, each of the documents incorporated or deemed to be incorporated by reference in the Registration Statement, at the time such document was filed with the Commission or at the time such document became effective, as applicable, complied, in all material respects, with the requirements of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), was filed on a timely basis with the Commission and did not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) *Disclosure Package.* The Disclosure Package, as of the Time of Sale, did not, and at the Closing will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representations or warranties in this subsection (g) with respect to statements in or omissions from the Disclosure Package in reliance upon, and in conformity with, written information furnished to the Company by the Underwriter specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information.

(h) *Distributed Materials; Conflict with Registration Statement.* Other than the Base Prospectus, any Preliminary Prospectus and the Prospectus, the Company has not made, used, authorized, approved or referred to and will not make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or a solicitation of an offer to buy the Securities other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Schedule I hereto and other written communications approved in advance by the Underwriter.

(i) *Issuer Free Writing Prospectuses.* Each Issuer Free Writing Prospectus, if any, conformed or will conform in all material respects to the requirements of the Securities Act and the Rules and Regulations on the date of first use, and the Company has complied or will comply with any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Rules and Regulations. Each Issuer Free Writing Prospectus, if any, when considered together with the Disclosure Package, as of its issue date and at all subsequent times through the completion of the Prospectus Delivery Period did not, does not and will not include any material information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Statutory Prospectus or the Prospectus, including any document incorporated by reference therein and any prospectus supplement deemed to be a part thereof that has not been superseded or modified, or include an untrue statement of a material fact or omitted or would omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances prevailing at the subsequent time, not misleading; provided that the Company makes no representation or warranty with respect to statements in or omissions from any Issuer Free Writing Prospectus in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Underwriter or its representatives specifically for inclusion therein, which information the parties hereto agree is limited to the Underwriter's Information. As used herein, the term "**Prospectus Delivery Period**" means such period of time after the first date of the Offering of the Securities as in the reasonable opinion of counsel for the Underwriter a prospectus relating to the Securities is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Securities by the Underwriter or any Selected Dealers (as defined below).

(j) *Not an Ineligible Issuer.* (i) At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Securities and (ii) at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act ("**Rule 405**").

(k) *Due Incorporation.*

(1) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Nevada, with the corporate power and authority to own its properties and to conduct its business as it is currently being conducted and as described in the Registration Statement, the Prospectus and Disclosure Package. The

Company is duly qualified to transact business and is in good standing as a foreign corporation or other legal entity in each other jurisdiction in which its ownership or leasing of property or the conduct of its business requires such qualification, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect or would reasonably be expected to have a material adverse effect on the assets, business, operations, earnings, properties, condition (financial or otherwise), prospects, stockholders' equity or results of operations of the Company and the subsidiaries taken as a whole, or prevent or materially interfere with consummation of the transactions contemplated hereby (a "**Material Adverse Effect**").

(2) Each of the subsidiaries of the Company has been duly incorporated or formed, as the case may be, and is validly existing and in good standing under the laws of its respective jurisdiction of organization, each with full power and authority (corporate or otherwise) to own its properties and conduct its business as described in the Registration Statement, the Prospectus and the Disclosure Package, and each has been duly qualified as a foreign corporation, limited liability company or limited partnership for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure to be so qualified or in good standing would not result in any Material Adverse Effect.

(l) *Subsidiaries.* Except for NGS Sub. Corp., Arkla Petroleum, L.L.C., NGS Technologies, Inc., Evolution Operating Co. Inc., and Tertiaire Resources Company or as otherwise described in the Registration Statement, the Prospectus and the Disclosure Package, the Company has no subsidiaries and does not own any beneficial interest, directly or indirectly, in any corporation, partnership, joint venture or other business entity.

(m) *Due Authorization and Enforceability.* The Company has the full right, power and authority to enter into this Agreement and to perform and discharge its obligations hereunder; and this Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid, legal and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the rights of creditors generally and subject to general principles of equity. The Certificate of Designation has been duly authorized by the Company and will be filed with the Secretary of State of the State of Nevada on or before the Closing (as defined in *Section 4(a)* hereof).

(n) *The Securities.* The issuance of the Securities has been duly and validly authorized by the Company, and the Securities, when issued, delivered and paid for in accordance with the terms of this Agreement, will have been duly and validly issued and will be fully paid and nonassessable, will not be subject to any statutory or contractual preemptive rights or other rights to subscribe for or purchase or acquire any shares of capital stock of the Company which have not been waived or complied with, and will conform in all material respects to the description thereof contained in the Disclosure Package and the Prospectus and such description conforms in all material respects to the rights set forth in the instruments defining the same.

(o) *Capitalization.* The information set forth under the caption "Capitalization" in the Statutory Prospectus (and any similar sections or information, if any, contained in the Disclosure Package) is fairly presented on a basis consistent with the Company's financial statements. The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in the Preliminary Prospectus and the Prospectus under the captions "Description of Series A Preferred Stock" and "Description of Capital Stock" (and any similar sections or information, if any, contained in the Disclosure Package). The issued and outstanding shares of

capital stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable, and have been issued in compliance with all federal and state securities laws. None of the outstanding shares of capital stock of the Company was issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase or acquire any securities of the Company or any of its subsidiaries. There are no authorized or outstanding shares of capital stock, options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable for, any capital stock of the Company or any of its subsidiaries other than as described in the Registration Statement, the Prospectus and the Disclosure Package. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, as described in the Prospectus and the Disclosure Package, accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights. The issued and outstanding shares of capital stock of each of the Company's subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and, except to the extent set forth in the Disclosure Package and the Prospectus, are owned directly by the Company or by another wholly-owned subsidiary of the Company, are free and clear of any lien, encumbrance, security interest, claim or charge, other than those described in, or incorporated by reference into, the Registration Statement and the Prospectus.

(p) *No Conflict.* Except as described in the Preliminary Prospectus and the Prospectus, the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby, including the issuance and sale of the Securities by the Company, will not (i) conflict with or result in a breach or violation of, or constitute a default under (nor constitute any event which with or without notice, lapse of time or both would result in any breach or violation of or constitute a default under), give rise to any right of termination or other right or the cancellation or acceleration of any right or obligation or loss of a benefit under, or give rise to the creation or imposition of any lien, encumbrance, security interest, claim or charge upon any property or assets of the Company or its subsidiaries pursuant to any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which either the Company or its subsidiaries or any of their properties may be bound or to which any of their property or assets is subject, (ii) result in any violation of the provisions of the charter or by-laws of the Company or any of its subsidiaries, or (iii) result in any violation of any law, statute, rule, regulation, judgment, order or decree of any court or governmental agency or body, domestic or foreign, having jurisdiction over the Company or any of its properties or assets, except, with respect to clauses (i), (ii) (only with respect to the Company's subsidiaries), and (iii), for any such conflict, breach, violation or default as would not, individually or in the aggregate, have a Material Adverse Effect.

(q) *No Consents Required.* No approval, authorization, consent or order of or filing, qualification or registration with, any court or governmental agency or body, foreign or domestic, which has not been made, obtained or taken and is not in full force and effect, is required of the Company in connection with the Company's execution, delivery and performance of this Agreement, the consummation by the Company of the transactions contemplated hereby or the issuance and sale of the Securities other than (i) such as have been obtained, (ii) the filing of the Certificate of Designation with the Secretary of State of the State of Nevada , (iii) such filings as may be required under the Securities Act, (iv) any necessary qualification of the Securities under the securities or blue sky laws of the various jurisdictions in which the Securities are being offered, (v) such filings as may be required by the New York Stock Exchange Amex Equities ("**NYSE Amex**"), or (vi) any required filing on Form 8-K under the Exchange Act.

(r) *Preemptive Rights.* There are no preemptive rights or other rights (other than rights which have been waived in writing in connection with the transactions contemplated by this Agreement or otherwise satisfied or as described in the Prospectus) to subscribe for or to purchase any shares of capital stock of the Company or other equity interests of the Company or any of its subsidiaries, or any agreement or arrangement between the Company and any of the Company's stockholders or between any of the Company's subsidiaries and any of such subsidiary's stockholders, or to the Company's knowledge, between or among any of the Company's stockholders or any of its subsidiaries' stockholders, which grant special rights with respect to any shares of the Company's or any of its subsidiaries' capital stock or which in any way affect any stockholder's ability or right to alienate freely or vote such shares.

(s) *Registration Rights.* There are no contracts, agreements or understandings between the Company or any of its subsidiaries and any person granting such person the right (other than rights which have been waived in writing in connection with the transactions contemplated by this Agreement or otherwise satisfied) to require the Company or any of its subsidiaries to register any securities with the Commission.

(t) *Independent Accountants.* Hein & Associates LLP (the "**Auditor**" or **"Hein"**), whose report on the consolidated financial statements of the Company is incorporated by reference in the Registration Statement, the Prospectus and the Disclosure Package, is, and during the periods covered by its report, was (i) an independent registered public accounting firm within the meaning of the Securities Act, (ii) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**")), and (iii) to the Company's knowledge, not in violation of the auditor independence requirements of the Sarbanes-Oxley Act. Except as disclosed in the Registration Statement and as pre-approved in accordance with the requirements set forth in Section 10A of the Exchange Act, the Auditor has not been engaged by the Company at any time to perform any "prohibited activities" (as defined in Section 10A of the Exchange Act).

(u) *Financial Statements.* The consolidated financial statements of the Company, together with the related schedules and notes thereto, set forth or incorporated by reference in the Registration Statement, the Prospectus and the Disclosure Package comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and present fairly in all material respects (i) the financial condition of the Company and its consolidated subsidiaries as of the dates indicated and (ii) the consolidated results of operations, stockholders' equity and changes in cash flows of the Company and its consolidated subsidiaries for the periods therein specified; and such financial statements and related schedules and notes thereto have been prepared in conformity with United States generally accepted accounting principles, consistently applied throughout the periods involved (except as otherwise stated therein and subject, in the case of unaudited financial statements, to the absence of footnotes and normal year-end adjustments). There are no other financial statements (historical or pro forma) that are required to be included or incorporated by reference in the Registration Statement, the Prospectus or the Disclosure Package; and the Company does not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not disclosed in the Registration Statement, the Disclosure Package and the Prospectus; and all disclosures contained in the Registration Statement, the Disclosure Package and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10(e) of Regulation S-K under the Securities Act, to the extent applicable, and present fairly in all material respects the information shown therein and the Company's basis for using such measures.

(v) **INTENTIONALLY OMITTED**

(w) *Absence of Material Changes.* Subsequent to the respective dates as of which information is given in the Registration Statement, the Prospectus and the Disclosure Package, and except as may be otherwise stated or incorporated by reference in the Registration Statement, the Prospectus and the Disclosure Package, there has not been (i) any Material Adverse Effect, (ii) any transaction which is material to the Company or any of its subsidiaries, (iii) any obligation, direct or contingent (including any off-balance sheet obligations), incurred by the Company or any of its subsidiaries, which is material to the Company or any of its subsidiaries, or (iv) any change in the capital stock (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or the conversion of convertible indebtedness), or material change in the short-term debt or long-term debt of the Company or any of its subsidiaries (other than upon conversion of convertible indebtedness) or any issuance of options, warrants, convertible securities or other rights to purchase the capital stock (other than grants of stock options under the Company's stock option plans existing on the date hereof) of the Company or any of its subsidiaries.

(x) *Legal Proceedings.* Except as disclosed in the Company's filings with the Commission, there are no legal or governmental actions, suits, claims or proceedings pending or, to the Company's knowledge, threatened or contemplated to which the Company or any of its subsidiaries is or would be a party or of which any of their respective properties is or would be subject at law or in equity, before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency, or before or by any self-regulatory organization or other non-governmental regulatory authority which are required to be described in the Registration Statement, the Disclosure Package or the Prospectus or a document incorporated by reference therein and are not so described therein, or which, singularly or in the aggregate, if resolved adversely to the Company or such subsidiary, would reasonably be likely to result in a Material Adverse Effect or prevent or materially and adversely affect the ability of the Company to consummate the transactions contemplated hereby.

(y) *No Violation.* Neither the Company nor any of its subsidiaries is in breach or violation of or in default (nor has any event occurred which with notice, lapse of time or both would result in any breach or violation of, or constitute a default) (i) under the provisions of its charter or bylaws (or analogous governing instrument, as applicable) or (ii) in the performance or observance of any term, covenant, obligation, agreement or condition contained in any indenture, mortgage, deed of trust, bank loan or credit agreement or other evidence of indebtedness, or any license, lease, contract or other agreement or instrument to which the Company or such subsidiary is a party or by which any of its properties may be bound or affected, or (iii) in the performance or observance of any statute, law, rule, regulation, ordinance, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, except, with respect to clauses (i) (only with respect to the Company's subsidiaries), (ii) and (iii) above, to the extent any such contravention has been waived or would not result in a Material Adverse Effect.

(z) *Permits.* The Company and each of its subsidiaries have made all filings, applications and submissions required by, and own or possess all material approvals, licenses, certificates, certifications, clearances, consents, exemptions, marks, notifications, orders, permits and other authorizations issued by, the appropriate federal, state or foreign regulatory authorities necessary to conduct its business as described in the Disclosure Package (collectively, "**Permits**"), and is in compliance in all material respects with the terms and conditions of all such Permits. Except as would not result in a Material Adverse Effect, all such Permits are valid and in full force and effect. Neither the Company nor any of its subsidiaries has received any written notice of any

proceedings relating to revocation or modification of, any such Permit, which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect. Except as may be required under the Securities Act and state and foreign Blue Sky laws, the rules and regulations of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"), and the NYSE Amex, no other Permits are required of the Company for the Company or any of its subsidiaries to enter into, deliver and perform this Agreement and to issue and sell the Securities to be issued and sold by the Company hereunder.

(aa) *Not an Investment Company.* The Company is not or, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Disclosure Package and the Prospectus, will not be (i) required to register as an "investment company" as defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and the rules and regulations of the Commission thereunder or (ii) a "business development company" (as defined in Section 2(a)(48) of the Investment Company Act).

(bb) *No Price Stabilization.* Neither the Company nor any of its subsidiaries, or any of their respective officers, directors, affiliates or controlling persons has taken or will take, directly or indirectly, any action designed to or that would be reasonably expected to cause or result in, or which has constituted or which would reasonably be expected to constitute the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(cc) *Good Title to Property.* The Company and each of its subsidiaries has (i) good and defensible title to all of its oil and gas properties (including oil and gas wells, producing leasehold interests and appurtenant personal property), and title investigations having been carried out by the Company or each of its subsidiaries consistent with the reasonable practice in the oil and gas industry in the areas in which the Company and each of its subsidiaries operate and (ii) good and marketable title to all other real and personal property owned by the Company and each of its subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement and Prospectus or such as would not reasonably be expected to have a Material Adverse Effect; and all of the leases and subleases under which the Company or any of its subsidiaries holds or uses properties described in the Registration Statement and Prospectus are in full force and effect, and neither the Company nor any of its subsidiaries has any notice of any claim of any sort that has been asserted by anyone adverse to the rights of the Company or its subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or any subsidiary thereof to the continued possession or use of the leased or subleased premises, each with such exceptions and claims as would not reasonably be expected to have a Material Adverse Effect. The working interests in oil, gas and mineral leases or mineral interests which constitute a portion of the real property held by the Company reflect in all material respects the right of the Company and each of its subsidiaries to explore, develop or receive production from such real property, and the care taken by the Company and each of its subsidiaries with respect to acquiring or otherwise procuring such leases or mineral interests was generally consistent with standard industry practices in the areas in which the Company and its subsidiaries operate for acquiring or procuring leases and interests therein to explore, develop or produce for hydrocarbons. The Company and each of its subsidiaries have such consents, easements, rights-of-way or licenses from any person ("**rights-of-way**") as are necessary to enable the Company and each of its subsidiaries to conduct its business in the manner described in the Registration Statement and the Prospectus, subject to such qualifications as may be set forth in the Registration Statement and the Prospectus, and except for such rights-of-way the lack of which would not have, individually or in the aggregate, a Material Adverse Effect.

(dd) *Intellectual Property Rights.* The Company and each of its subsidiaries owns or possesses the right to use all patents, trademarks, trademark registrations, service marks, service

mark registrations, trade names, copyrights, licenses, inventions, software, databases, know-how, Internet domain names, trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures, and other intellectual property (collectively, "**Intellectual Property**") necessary to carry on its businesses as currently conducted, and as proposed to be conducted as described in the Disclosure Package and the Prospectus, and the Company is not aware of any claim to the contrary or any challenge by any other person to the rights of the Company or any of its subsidiaries with respect to the foregoing except for those that could not have a Material Adverse Effect. The Intellectual Property licenses described in the Disclosure Package and the Prospectus are, to the knowledge of the Company, valid, binding upon, and enforceable by or against the parties thereto in accordance with their terms. The Company and each of its subsidiaries has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of, any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person of any Intellectual Property license. The Company's and each of its subsidiaries' business as now conducted, does not and will not infringe or conflict with any patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other Intellectual Property or franchise right of any person. Neither the Company nor any of its subsidiaries has received written notice of any claim against the Company or any of its subsidiaries alleging the infringement by the Company or any of its subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company and each of its subsidiaries has taken all reasonable steps to protect, maintain and safeguard its rights in all Intellectual Property, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company's or any of its subsidiaries' right to own, use, or hold for use any of the Intellectual Property as owned, used or held for use in the conduct of the businesses as currently conducted. Neither the Company nor any of its subsidiaries owns any patents or has made application for the issuance of a patent, except as disclosed in the Registration Statement, the Disclosure Package, or the Prospectus, or for such patents which are not material to the Company.

(ee) *No Labor Disputes.* No labor problem or dispute with the employees of the Company or any of the Company's subsidiaries exists, or, to the Company's knowledge, is threatened or imminent, which would reasonably be expected to result in a Material Adverse Effect. The Company is not aware that any key employee or significant group of employees of the Company or any of the Company's subsidiaries plans to terminate employment with the Company or any of the Company's subsidiaries. Except for matters which would not, individually or in the aggregate, result in a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the Company's knowledge, threatened against the Company or any of its subsidiaries before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under collective bargaining agreements is pending or to the Company's knowledge, threatened, (B) no strike, labor dispute, slowdown or stoppage pending or, to the Company's knowledge, threatened against the Company or any of its subsidiaries and (C) no union representation dispute currently existing concerning the employees of the Company or any of its subsidiaries and (ii) to the Company's knowledge, (A) no union organizing activities are currently taking place concerning the employees of the Company or any of its subsidiaries and (B) there has been no violation of any federal, state, local or foreign law relating to discrimination in the hiring, promotion or pay of employees, any applicable wage or hour laws or any provision of the Employee Retirement Income Security Act of 1974 ("**ERISA**") or the rules and regulations promulgated thereunder concerning the employees of the Company or any of its subsidiaries.

(ff) *Taxes.* The Company and each of its subsidiaries (i) has timely filed all necessary federal, state, local and foreign income and franchise tax returns (or timely filed applicable extensions therefor) that have been required to be filed and (ii) is not in default in the payment of any taxes which were payable pursuant to such returns or any assessments with respect thereto, other than any which the Company or any of its subsidiaries is contesting in good faith and for which adequate reserves have been provided and reflected in the Company's financial statements included in the Registration Statement, the Disclosure Package and the Prospectus. Neither the Company nor any of its subsidiaries has any tax deficiency that has been or, to the knowledge of the Company, is reasonably likely to be asserted or threatened against it that would result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries has engaged in any transaction which is a corporate tax shelter or which could be characterized as such by the Internal Revenue Service or any other taxing authority.

(gg) *ERISA.* The Company and each of its subsidiaries is in compliance in all material respects with all presently applicable provisions of ERISA; no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company or any of its subsidiaries would have any liability; neither the Company nor any of its subsidiaries has incurred and does not expect to incur liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or (ii) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "**Code**"); and each "pension plan" for which the Company or any of its subsidiaries would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(hh) *Compliance with Environmental Laws.* The Company and each of its subsidiaries (i) is in compliance with any and all applicable foreign, federal, state and local laws, orders, rules, regulations, directives, decrees and judgments relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of human health and safety or the environment which are applicable to their businesses ("**Environmental Laws**"); (ii) has received and is in compliance with all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business; and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except, with respect to clauses (i), (ii), and (iii) where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, individually or in the aggregate, result in a Material Adverse Effect. There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, individually or in the aggregate, result in a Material Adverse Effect.

(ii) *Insurance.* The Company and each of its subsidiaries maintains or is covered by insurance provided by recognized, financially sound and reputable institutions with insurance policies in such amounts and covering such risks as is adequate for the conduct of its business and the value of its properties and as is customary for companies engaged in similar businesses in similar industries. All such insurance is fully in force on the date hereof and will be fully in force as of the Closing. The Company has no reason to believe that it and its subsidiaries will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has been denied any material insurance policy or coverage for which it has applied. Neither the

Company nor any of its subsidiaries insures risk of loss through any captive insurance, risk retention group, reciprocal group or by means of any fund or pool of assets specifically set aside for contingent liabilities other than as described in the Disclosure Package.

(jj) *Accounting Controls.* The Company maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(kk) *Disclosure Controls.* The Company has established, maintains and evaluates "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act), which (i) are designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and its principal financial officer by others within those entities, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared, (ii) have been evaluated for effectiveness as of the end of the last fiscal period covered by the Registration Statement; and (iii) such disclosure controls and procedures are effective to perform the functions for which they were established. There are no significant deficiencies or material weaknesses in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, or report financial data to management and the Board of Directors of the Company. The Company is not aware of any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls; and since the date of the most recent evaluation of such disclosure controls and procedures, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(ll) *Minute Books.* The minute books of the Company and each of its subsidiaries have been made available (other than certain personnel and other information) upon request to the Underwriter and counsel for the Underwriter, and such books (i) contain a materially complete summary of all meetings and actions of the board of directors (including each board committee) and stockholders of the Company (or analogous governing bodies and interest holders, as applicable), and each of its subsidiaries since the time of its incorporation or organization through the date of the latest meeting and action, to the extent the minutes of such meetings have been reduced to writing as of the date of this Agreement, and (ii) accurately in all material respects reflect all transactions referred to in such minutes.

(mm) *Contracts; Off-Balance Sheet Interests.* There is no document, contract, permit or instrument, or off-balance sheet transaction (including without limitation, any "variable interests" in "variable interest entities," as such terms are defined in Financial Accounting Standards Board Interpretation No. 46) of a character required by the Securities Act or the Rules and Regulations to be described in the Registration Statement or the Disclosure Package or to be filed as an exhibit to the Registration Statement or document incorporated by reference therein, which is not described or filed as required. Each description of a document, contract, permit or instrument in the Registration Statement or the Disclosure Package accurately reflects in all material respects the terms of the underlying document, contract, permit or instrument. The documents, contracts, permits and instruments described in the immediately preceding sentence to which the Company is a party have been duly authorized, executed and delivered by the Company, constitute valid and binding agreements of the Company, are enforceable against and by the Company in accordance

with the terms thereof and are in full force and effect on the date hereof. Neither the Company nor any of its subsidiaries, if a subsidiary is a party, nor to the Company's knowledge, any other party is in default in the observance or performance of any term or obligation to be performed by it under any such agreement, and no event has occurred which with notice or lapse of time or both would constitute such a default, in any case which default or event, individually or in the aggregate, would have a Material Adverse Effect. No default exists, and no event has occurred which with notice or lapse of time or both would constitute a default, in the due performance and observance of any term, covenant or condition, by the Company or a subsidiary, if a subsidiary is a party thereto, of any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or its properties or business or a subsidiary or the subsidiary's properties or business may be bound or affected which default or event, individually or in the aggregate, would have a Material Adverse Effect.

(nn) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any of their affiliates, on the other hand, which is required to be described in the Registration Statement, the Disclosure Package or the Prospectus or a document incorporated by reference therein and which has not been so described.

(oo) *Brokers Fees.* Except as disclosed in the Disclosure Package, there are no contracts, agreements or understandings between the Company and any person (other than this Agreement) that would give rise to a claim against the Company or the Underwriter for a brokerage commission, finder's fee or other like payment in connection with the offering and sale of the Securities.

(pp) *Forward-Looking Statements.* The Company has no actual knowledge that any forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the Disclosure Package or the Prospectus at the time it was made or upon any reaffirmation thereof by the Company, was false or misleading in any material respect.

(qq) *Sarbanes-Oxley Act.* The Company, and to its knowledge, each of the Company's directors or officers, in their capacities as such, are in compliance in all material respects with all applicable effective provisions of the Sarbanes-Oxley Act and any related rules and regulations promulgated by the Commission. Each of the principal executive officer and the principal financial officer of the Company (and each former principal executive officer of the Company and each former principal financial officer of the Company as applicable) has made all certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act with respect to all reports, schedules, forms, statements and other documents required to be filed by him or her with the Commission. For purposes of the preceding sentence, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in the Sarbanes-Oxley Act.

(rr) *Foreign Corrupt Practices.* Neither the Company nor, to the Company's knowledge, any other person associated with or acting on behalf of the Company, including without limitation any director, officer, agent or employee of the Company or any of its subsidiaries has, directly or indirectly, while acting on behalf of the Company or any of its subsidiaries (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity or failed to disclose fully any contribution in violation of law, (ii) made any payment to any federal or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States or any jurisdiction thereof, (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(ss) *Affiliate Transactions.* There are no transactions, arrangements or other relationships between and/or among the Company, any of its affiliates (as such term is defined in Rule 405) and any unconsolidated entity, including, but not limited to, any structured finance, special purpose or limited purpose entity that could reasonably be expected to materially affect the Company's liquidity or the availability of or requirements for its capital resources required to be described in the Disclosure Package and the Prospectus or a document incorporated by reference therein which have not been described as required. The Company does not, directly or indirectly, including through any subsidiary, have any outstanding personal loans or other credit extended to or for any of its directors or executive officers.

(tt) *Statistical or Market-Related Data.* Any statistical, industry-related or market-related data included or incorporated by reference in the Registration Statement, the Prospectus or the Disclosure Package, are based on or derived from sources that the Company reasonably and in good faith believes to be reliable and accurate, and such data agree with the sources from which they are derived.

(uu) *Money Laundering Laws.* The operations of the Company and its subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the USA PATRIOT Act, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending, or to the knowledge of the Company, threatened against the Company or any of its subsidiaries.

(vv) *OFAC.* Neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any affiliate, joint venture partner or other person or entity, which, to the Company's knowledge, will use such proceeds for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

(ww) *Margin Securities.* The Company does not own any "margin securities" as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the "**Federal Reserve Board**"), and none of the proceeds of the sale of the Securities will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Securities to be considered a "purpose credit" within the meanings of Regulation T, U or X of the Federal Reserve Board.

(xx) *Rated Securities.* At the Time of Sale there were, and as of the Closing there will be, no securities of or guaranteed by the Company that are rated by a "nationally recognized statistical rating organization," as that term is defined in Rule 436(g)(2) promulgated under the Securities Act.

(yy) *FINRA Affiliations.* There are no affiliations or associations between (i) any member of the FINRA and (ii) the Company or any of the Company's officers, directors or 5% or greater security holders or any beneficial owner of the Company's unregistered equity securities that were acquired at any time on or after the one hundred eightieth (180th) day immediately preceding the

date the Registration Statement was initially filed with the Commission, except as set forth in the Registration Statement, the Disclosure Package and the Prospectus.

(zz) *Exchange Act Requirements.* The Company has filed in a timely manner all reports required to be filed pursuant to Sections 13(a), 13(e), 14 and 15(d) of the Exchange Act during the preceding 12 months (except to the extent that Section 15(d) requires reports to be filed pursuant to Sections 13(d) and 13(g) of the Exchange Act, which shall be governed by the next clause of this sentence); and the Company has filed in a timely manner all reports required to be filed pursuant to Sections 13(d) and 13(g) of the Exchange Act, except where the failure to timely file could not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

(aaa) *Trading Market.* No approval of the stockholders of the Company under the rules and regulations of any trading market is required for the Company to issue and deliver the Securities.

(bbb) *Reserve Reports.* The information underlying the estimates of the reserves of the Company and its subsidiaries, which was supplied by the Company to W.D. Von Gonten & Co. and Degolyer and MacNaughton (collectively, the "**Reserve Engineers**"), independent petroleum engineers, for purposes of preparing the reserve reports incorporated by reference into the Registration Statement (the "**Reserve Reports**"), including, without limitation, production, volumes, sales prices for production, contractual pricing provisions under oil or gas sales or marketing contracts under hedging arrangements, costs of operations and development, and working interest and net revenue interest information relating to the Company's ownership interests in properties, was true and correct in all material respects on the dates of such Reserve Reports; the estimates of future capital expenditures and other future exploration and development costs supplied to the Reserve Engineers were prepared in good faith and with a reasonable basis; the information provided to the Reserve Engineers by the Company for purposes of preparing the Reserve Reports was prepared in accordance with customary industry practices; the Reserve Engineers were, as of the dates of the Reserve Reports, and are, as of the date hereof, independent petroleum engineers with respect to the Company; other than any decrease in reserves resulting from normal production of the reserves and intervening spot market product price fluctuations or as disclosed in the Preliminary Prospectus Supplement and incorporated by reference into the Registration Statement, to the knowledge of the Company, there are not any facts or circumstances that would adversely affect the reserves in the aggregate, or the aggregate present value of future net cash flows therefrom, as disclosed in the Statutory Prospectus and incorporated by reference into the Registration Statement and reflected in the Reserve Reports such as to cause a material adverse change; estimates of such reserves and the present value of the future net cash flows therefrom as disclosed in the Statutory Prospectus and incorporated by reference into the Registration Statement and reflected in the Reserve Reports comply in all material respects to the applicable requirements of Regulation S-X and Regulation S-K under the Securities Act. The estimates of such proved reserves and standardized measure as described in the Registration Statement and Prospectus and reflected in the reports referenced therein have been prepared in a manner that complies with the applicable requirements of the rules under the Securities Act with respect to such estimates.

(ccc) To the best of the Company's knowledge, information and belief, none of the current directors or officers of the Company or any of its subsidiaries (or such stockholders' respective principals) is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in the U.S. or elsewhere.

(ddd) The Company has not provided and has not authorized any other person to act on its behalf to provide any investor or its respective agents or counsel with any information about the

Company that constitutes or might constitute material, non-public information which is not otherwise disclosed in the Prospectus.

Any certificate signed by any authorized officer of the Company and delivered to the Underwriter or to counsel for the Underwriter in connection with the Offering of the Securities shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

3. *Purchase and Sale of Securities.*

(a) Subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Securities to the public through the Underwriter, and the Underwriter agrees to offer and sell the Securities for the Company on a best efforts basis, at a purchase price equal to the Per Share Price; provided that notwithstanding anything in this Agreement to the contrary, the Company will be under no obligation to sell any Securities hereunder unless, upon the Closing, the Securities would be eligible for listing on the NYSE Amex (i.e., upon Closing at least 100,000 of the Securities must be outstanding and such Securities must be held in the aggregate by at least 100 round lot stockholders holding an aggregate of at least $2,000,000 in shares). The Underwriter shall endeavor to sell the Securities on behalf of the Company to both retail and institutional investors (each an "**Investor**," collectively, the "**Investors**") upon the terms and conditions set forth in the Disclosure Package and the Prospectus.

(b) The Underwriter may retain other brokers or dealers (each a "**Selected Dealer**") which are members in good standing of FINRA and duly registered as broker-dealers under the Exchange Act and under the laws of any states in which the Offering is conducted (except where such registration is not required by law) to assist them and to act as subagents on their behalf in connection with the Offering, and may enter into agreements with such Selected Dealers for the offer and sale of the Securities adopting such provisions of this Agreement for the benefit of the Selected Dealers as the Underwriter deems appropriate; provided, however, that the Company will only be obligated to pay the Underwriter, in accordance with the terms of this Agreement, for services rendered hereunder and shall be under no obligation to make any payment of any kind to any such Selected Dealer.

(c) It is understood and agreed that the Underwriter shall not and is under no obligation to purchase any Securities for its own account and that this Agreement does not create any partnership, joint venture, or other similar relationship between the Underwriter and the Company.

4. *Delivery of the Securities.*

(a) The Securities to be purchased by each Investor hereunder, in definitive form, and registered in such names as the Underwriter (on behalf of the Investors) may request shall be delivered by or on behalf of the Company, to the Investors through the facilities of The Depository Trust Company ("**DTC**") or a custodian designated by DTC for the account of each Investor, against payment by or on behalf of each Investor of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Underwriter at least forty-eight hours in advance. The Company will cause the certificates, if any are to be issued, representing the Securities to be made available for checking and packaging at least twenty-four hours prior to the Closing (as defined below) with respect thereto at the office of DTC or its designated custodian. The delivery and payment shall be 10:00 a.m., New York City time, on such date as may be agreed to as the Closing or such other time as the Underwriter and the Company may agree upon in writing. One or more closings of the transactions contemplated hereby (each, a "**Closing**") may be undertaken during the Offering period.

(b) The documents to be delivered at the Closing by or on behalf of the parties hereto pursuant to *Section 7* hereof, will be delivered at the offices DLA Piper LLP (US), counsel to the Underwriter, at 1251 Avenue of the Americas, New York, New York 10020, or at such other place as the Company and Underwriter may agree (the "**Closing Location**"), and the Securities will be delivered at the office of DTC or its designated custodian, all at the Closing. A meeting will be held at the Closing Location at 3:00 p.m., New York City time, on the New York Business Day next preceding the Closing, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. All actions taken at the Closing shall be deemed to have occurred simultaneously. For the purposes of this *Section 4*, "**New York Business Day**" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. *Certain Agreements of the Company.* The Company agrees with the Underwriter that:

(a) *Filing of Prospectuses.* The Company has filed or will file each Statutory Prospectus and the Prospectus pursuant to and in accordance with Rule 424(b)(2) (or, if applicable and consented to by the Underwriter, subparagraph (5)) not later than the second business day following the earlier of the date it is first used or the execution and delivery of this Agreement. The Company has complied and will comply with Rule 433.

(b) *Filing of Amendments; Response to Commission Requests.* The Company will promptly advise the Underwriter of any proposal to amend or supplement the Registration Statement or any Statutory Prospectus at any time and will offer the Underwriter a reasonable opportunity to comment on any such amendment or supplement; and the Company will also advise the Underwriter promptly of (i) the filing of any such amendment or supplement, (ii) any request by the Commission or its staff for any amendment to the Registration Statement, for any supplement to any Statutory Prospectus or for any additional information, (iii) the institution by the Commission of any stop order proceedings in respect of the Registration Statement or the threatening of any proceeding for that purpose, and (iv) the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities in any jurisdiction or the institution or threatening of any proceedings for such purpose. The Company will use its commercially reasonable efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) *Continued Compliance with Securities Laws.* If, at any time when a prospectus relating to the Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Securities Act by the Underwriter or dealers, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Prospectus to comply with the Securities Act, the Company will promptly notify the Underwriter of such event and will promptly prepare and file with the Commission and furnish, at its own expense, to the Underwriter and the dealers and any other dealers upon request of the Underwriter, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the Underwriter's consent to, nor the Underwriter's delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in *Section 7* hereof.

(d) *Rule 158.* As soon as practicable, but not later than 16 months, after the date of this Agreement, the Company will make generally available to its security holders an earnings statement (which need not be audited) covering a period of at least 12 months beginning after the

date of this Agreement and satisfying the provisions of Section 11(a) of the Securities Act and Rule 158.

(e) *Furnishing of Prospectuses.* The Company will furnish to the Underwriter copies of the Registration Statement, including all exhibits, any Statutory Prospectus, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Underwriter reasonably requests. The Company will pay the expenses of printing and distributing to the Underwriter all such documents.

(f) *Blue Sky Qualifications.* The Company will arrange for the qualification of the Securities for sale under the laws of such jurisdictions as the Underwriter designates and will continue such qualifications in effect so long as required for the distribution; provided that such obligation to qualify the Securities for sale shall not include the obligation to register the Securities in any such jurisdiction in the event that counsel for the Company reasonably determines that such registration is not required pursuant to Section 18 of the Securities Act; and provided further that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified, to register or qualify as a dealer in securities or to take any action that would subject it to service of process in any jurisdiction, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(g) *Reporting Requirements.* For so long as the Securities remain outstanding, the Company will furnish to the Underwriter as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Underwriter (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as the Underwriter may reasonably request. However, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act and is timely filing reports with the Commission on EDGAR, it is not required to furnish such reports or statements to the Underwriter.

(h) *Payment of Expenses.* The Company will pay all expenses incident to the performance of its obligations under this Agreement, including but not limited to any filing fees and other expenses incurred in connection with qualification of the Securities for sale under the laws of such jurisdictions as the Underwriter designates and the preparation and printing of memoranda relating thereto, any fees charged by investment rating agencies for the rating of the Securities, costs and expenses relating to investor presentations or any "road show" in connection with the offering and sale of the Securities including, without limitation, any travel expenses of the Company's officers and employees and any other expenses of the Company including the chartering of airplanes, expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriter and for expenses incurred for preparing, printing and distributing any Issuer Free Writing Prospectuses to investors or prospective investors, all fees and expenses incurred in connection with any filing for the review of the Offering by FINRA and all fees and disbursements of counsel for the Underwriter in connection with the Offering up to $125,000 in the aggregate.

(i) *Use of Proceeds.* The Company will use the net proceeds received in connection with this Offering in the manner described in the "Use of Proceeds" section of the Disclosure Package and the Prospectus and, except as disclosed in the Disclosure Package and the Prospectus, the Company does not intend to use any of the proceeds from the sale of the Securities hereunder to repay any outstanding debt owed to any affiliate of the Underwriter.

(j) *Absence of Manipulation.* The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in,

stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Securities.

(k) *Restriction on Sale of Securities.* The Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Securities Act relating to Series A Preferred Stock or any other substantially similar series of preferred stock of the Company, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Underwriter for a period beginning on the date hereof and ending on the Closing.

(l) *NYSE Amex Listing.* The Company will list, subject to notice of issuance, the Securities on the NYSE Amex.

6. *Free Writing Prospectuses.*

(a) *Issuer Free Writing Prospectuses.* The Company represents and agrees that, unless it obtains the prior consent of the Underwriter, and the Underwriter represents and agrees that, unless it obtains the prior consent of the Company, they have not made and will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission. Any such free writing prospectus consented to by the Company and the Underwriter is hereinafter referred to as a "**Permitted Free Writing Prospectus**." The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including timely Commission filing where required, legending and record keeping.

(b) *Term Sheets.* The Company will prepare a final term sheet relating to the Securities as agreed to by the Company and the Underwriter, containing only information that describes the final terms of the Securities and otherwise in a form consented to by the Underwriter, and will file such final term sheet within the period required by Rule 433(d)(5)(ii) following the date such final terms have been established for all classes of the offering of the Securities. Any such final term sheet is an Issuer Free Writing Prospectus and a Permitted Free Writing Prospectus for purposes of this Agreement. The Company also consents to the use by the Underwriter of a free writing prospectus that contains only (i) (x) information describing the preliminary terms of the Securities or their offering, (y) information permitted by Rule 134, or (z) information that describes the final terms of the Securities or their offering and that is included in the final term sheet of the Company contemplated in the first sentence of this subsection or (ii) other information that is not "issuer information," as defined in Rule 433, it being understood that any such free writing prospectus referred to in clause (i) or (ii) above shall not be an Issuer Free Writing Prospectus for purposes of this Agreement.

7. *Conditions of the Obligations of the Underwriter.* The obligations of the Underwriter hereunder will be subject to the accuracy of the representations and warranties of the Company herein (as though made on the Closing), to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) *Accountants' Comfort Letters.*

(i) On the date hereof, the Underwriter shall have received a letter dated the date hereof (the "**Comfort Letter**"), addressed to the Underwriter and in form and substance reasonably satisfactory to the Underwriter and its counsel, from Hein (i) confirming that it is an independent registered public accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations, and (ii) stating, as of the date

hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Disclosure Package, as of a date not more than three days prior to the date hereof), the conclusions and findings of Hein with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 and Statement of Auditing Standard No. 100 (or successor bulletins), in connection with registered public offerings.

(ii) At the Closing, the Underwriter shall have received from Hein a letter (the "**Bring-Down Letter**"), dated as of the Closing, addressed to the Underwriter and in form and substance reasonably satisfactory to the Underwriter and their counsel, (i) confirming that it is an independent registered public accounting firm with respect to the Company within the meaning of the Securities Act and the Rules and Regulations, (ii) stating, as of the date of the Bring-Down Letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Disclosure Package and the Prospectus, as of a date not more than three days prior to the date of the Bring-Down Letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the Comfort Letter, and (iii) confirming in all material respects the conclusions and findings set forth in the Comfort Letter.

(b) *Filing of Prospectus.* The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and *Section 5(a)* hereof.

(c) *No Stop Orders.* Prior to the Closing: (i) no stop order suspending the effectiveness of the Registration Statement or any part thereof, preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or any part thereof shall have been issued under the Securities Act and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall have been initiated or threatened by the Commission, (ii) no order suspending the qualification or registration of the Securities under the securities or blue sky laws of any jurisdiction shall be in effect and (iii) all requests for additional information on the part of the Commission (to be included or incorporated by reference in the Registration Statement, the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Underwriter. On or prior to the Closing, the Registration Statement or any amendment thereof or supplement thereto shall not contain an untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and neither the Disclosure Package, nor any Issuer Free Writing Prospectus nor the Prospectus nor any amendment thereof or supplement thereto shall contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(d) *Action Preventing Issuance.* No action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency or body which would prevent the issuance or sale of the Securities or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company; and no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Securities or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

(e) *No Material Adverse Change.* Subsequent to the date of the latest audited financial statements included or incorporated by reference in the Disclosure Package, (i) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its

business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in the Disclosure Package, (ii) there has not been any change in the capital stock (other than a change in the number of outstanding shares of Common Stock due to the issuance of shares upon the exercise of outstanding options or warrants or the conversion of convertible indebtedness), or material change in the short-term debt or long-term debt of the Company (other than upon conversion of convertible indebtedness) or any material adverse change, in or affecting the business, assets, general affairs, management, financial position, stockholders' equity or results of operations of the Company, otherwise than as set forth in the Disclosure Package, the effect of which, in any such case described in clause (i) or (ii) of this subsection (e), is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or delivery of the Securities on the terms and in the manner contemplated in the Disclosure Package.

(f) *Representations and Warranties.* Each of the representations and warranties of the Company contained herein shall be true and correct when made and on and as of the Closing, as if made on such date (except that those representations and warranties that address matters only as of a particular date shall remain true and correct as of such date), and all covenants and agreements herein contained to be performed on the part of the Company and all conditions herein contained to be fulfilled or complied with by the Company at or prior to the Closing shall have been duly performed, fulfilled or complied with in all material respects.

(g) *Engineers' Comfort Letters.* The Reserve Engineers shall have furnished to the Underwriter a letter or letters, dated as of the Closing, in form and substance reasonably satisfactory to the Underwriter.

(h) *Opinion of Counsel for Company.* The Underwriter shall have received from Adams and Reese LLP, counsel to the Company, such counsel's written opinion, addressed to the Underwriter and dated as of the Closing, in form and substance reasonably satisfactory to the Underwriter and its counsel. Such counsel to the Company shall also have furnished to the Underwriter a written statement ("**Negative Assurances**"), addressed to the Underwriter and dated the Closing, in form and substance reasonably satisfactory to the Underwriter and its counsel.

(i) *Opinion of Counsel for Underwriter.* The Underwriter shall have received from DLA Piper LLP (US), counsel for the Underwriter, such opinion or opinions, dated as of the Closing, with respect to such matters as the Underwriter may reasonably require, and the Company shall have furnished to such counsel such documents as it requests to enable it to pass upon such matters.

(j) *Officer's Certificate.* The Underwriter shall have received on the Closing a certificate, addressed to the Underwriter and dated as of the Closing, of the chief executive or chief operating officer and the chief financial officer or chief accounting officer of the Company to the effect that:

(i) each of the representations, warranties and agreements of the Company contained in this Agreement were true and correct when originally made and are true and correct as of the Time of Sale and the Closing as if made on each such date (except that those representations and warranties that address matters only as of a particular date remain true and correct as of each such date); and the Company has, in all material respects, complied with all agreements and satisfied all the conditions on its part required under this Agreement to be performed or satisfied at or prior to the Closing;

(ii) there has not been, subsequent to the date of the most recent audited financial statements included or incorporated by reference in the Disclosure Package, any Material Adverse Effect except as set forth in the Prospectus;

(iii) no stop order suspending the effectiveness of the Registration Statement or any part thereof or any amendment thereof or the qualification of the Securities for offering or sale, nor suspending or preventing the use of the Disclosure Package, the Prospectus or any Issuer Free Writing Prospectus shall have been issued, and no proceedings for that purpose or pursuant to Section 8A under the Securities Act shall be pending or to their knowledge, threatened by the Commission or any state or regulatory body;

(iv) the Registration Statement and each amendment thereto, at the Time of Sale and as of the date of this Agreement and as of the Closing did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Disclosure Package, as of the Time of Sale and as of the Closing, any Issuer Free Writing Prospectus as of its date and as of the Closing, the Prospectus and each amendment or supplement thereto, as of the respective date thereof and as of the Closing, did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading; and

(v) no event has occurred as a result of which it is necessary to amend or supplement the Registration Statement, the Prospectus or the Disclosure Package in order to make the statements therein not untrue or misleading in any material respect, and in the case of the Prospectus and Disclosure Package, in the light of the circumstances in which they were made.

(k) *Certificate of Designation.* The Certificate of Designation shall have been filed with the Secretary of State of the State of Nevada.

(l) *NYSE Amex Listing.* The Securities shall have been approved for listing on the NYSE Amex, subject only to official notice of issuance.

(m) *Additional Documents.* The Company shall have furnished to the Underwriter such further information, certificates or documents as the Underwriter shall have reasonably requested.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriter.

8. *Indemnification and Contribution.*

(a) *Indemnification of Underwriter and Selected Dealers.* The Company will indemnify and hold harmless the Underwriter, Selected Dealers and their partners, members, directors, officers, employees, agents, affiliates and each person, if any, who controls the Underwriter or Selected Dealers within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each, an "**Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Securities Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and in the case of the Statutory Prospectus, the Prospectus or any Issuer Free Writing Prospectus, in light of the circumstances in which they were made, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending against any loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Indemnified Party is a party

thereto), whether threatened or commenced, and in connection with the enforcement of this provision with respect to any of the above as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by the Underwriter specifically for use therein, it being understood and agreed that the only such information furnished by the Underwriter consists of the information described as such in subsection (b) below.

(b) *Indemnification of Company.* The Underwriter will indemnify and hold harmless the Company and its directors and officers who sign a Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each, an "**Underwriter Indemnified Party**"), against any losses, claims, damages or liabilities to which the Underwriter Indemnified Party may become subject, under the Securities Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of the Registration Statement at any time, any Statutory Prospectus as of any time, the Prospectus, or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or the alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and in the case of the Statutory Prospectus, the Prospectus or any Issuer Free Writing Prospectus, in light of the circumstances in which they were made, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Underwriter or their representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Underwriter Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not the Underwriter Indemnified Party is a party thereto), whether threatened or commenced, based upon any such untrue statement or omission, or any such alleged untrue statement or omission as such expenses are incurred, it being understood and agreed that the only such information furnished by or on behalf of the Underwriter or their representatives consists of the information (the "**Underwriter's Information**") identified in the Prospectus in Paragraphs 9 and 10 under the caption "Underwriting" furnished on behalf of the Underwriter.

(c) *Actions against Parties; Notification.* Promptly after receipt by an Indemnified Party or Underwriter Indemnified Party under this *Section 8(c)* of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel selected by the indemnifying party and reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this *Section 8(c)* for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than

reasonable costs of investigation. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party; (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party; provided, however, the indemnifying party shall not be responsible for paying the fees, costs and expenses for more than one separate counsel for all indemnified parties in any one jurisdiction. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) *Contribution.* If the indemnification provided for in this *Section 8* is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other, from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses but after deducting underwriting discounts and commissions) received by the Company bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by the Underwriter and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from

any person who was not guilty of such fraudulent misrepresentation. The Company and the Underwriter agree that it would not be just and equitable if contribution pursuant to this *Section 8(d)* was determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this *Section 8(d)*.

9. *Termination.*

(a) The Underwriter shall have the right to terminate this Agreement by giving notice to the Company as hereinafter specified at any time in writing at or prior to the Closing, without liability on the part of the Underwriter to the Company, if (i) since the time of execution of this Agreement or since the date as of which information is given in the Prospectus (A) any Material Adverse Effect, or any development that has occurred that is reasonably likely to have a Material Adverse Effect has occurred or in the sole judgment of the Underwriter makes it impractical or inadvisable to market the Securities or to enforce contracts for the sale of the Securities, (B) trading in securities generally shall have been suspended on or by the New York Stock Exchange, the NYSE Amex, the NASDAQ Global Market or in the over the counter market (each, a "**Trading Market**"), (C) trading in any of the securities of the Company shall have been suspended on any Trading Market or by the Commission, (D) a general moratorium on commercial banking activities shall have been declared by federal or New York state authorities or a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States, (E) there shall have occurred any outbreak or material escalation of hostilities or acts of terrorism involving the United States or there shall have been a declaration by the United States of a national emergency or war, (F) there shall have occurred any other calamity or crisis or any material change in general economic, political or financial conditions in the United States, if the effect of any such event specified in clause (E) or (F), in the sole judgment of the Underwriter, is material and adverse and makes it impractical or inadvisable to proceed with the completion of the sale of and payment for such Securities at the applicable Closing on the terms and in the manner contemplated by this Agreement, the Disclosure Package and the Prospectus, (ii) the Company shall have failed, refused or been unable to comply with the terms of or perform any agreement or obligation under this Agreement in any material respect, other than by reason of a default by the Underwriter, or (iii) any condition to the Underwriter's obligations hereunder is not fulfilled in any material respect. Any such termination shall be without liability of any party to any other party except that the provisions of *Section 5(h)* (Payment of Expenses), *Section 8* (Indemnification and Contribution), *Section 10* (Survival of Certain Representations and Obligations), *Section 15* (Applicable Law) and *Section 16* hereof shall remain in full force and effect notwithstanding such termination. If the Underwriter elects to terminate this Agreement as provided in this *Section 9(a)*, the Underwriter shall provide the required notice as specified in *Section 11* (Notices). For purposes of clarification, if the closing of the Offering is not completed by July 1, 2011, this Agreement will automatically expire and terminate without any further action required by the parties hereto.

(b) If this Agreement is terminated in accordance with *Section 9(a)* or the purchase of the Securities pursuant to the terms of this Agreement is not consummated for any reason, Company will reimburse the Underwriter for all reasonable documented out of pocket expenses (including reasonable fees and disbursements of counsel) incurred by them in connection with the offering of the Securities, up to a maximum of $125,000, and the Company will have no further obligation or liability hereunder except as set forth in *Sections 5(h)* , *8*, and *9* hereof and the Underwriter will have no further obligation or liability hereunder except as set forth in *Section 8* hereof.

10. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the Underwriter set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Underwriter, the

Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Securities.

11. *Notices.* All notices or other communications required or permitted to be given by any party to any other party pursuant to the terms of this Agreement shall be in writing and if sent to the Underwriter, shall be mailed, delivered or sent by facsimile transmission and confirmed to:

McNicoll, Lewis & Vlak, LLC
1251 Avenue of the Americas, 41st Floor
New York, New York 10020
Attention: Patrice McNicoll, Chief Executive Officer
Facsimile No.: (212) 317-1515

with a copy to (which shall not constitute notice):

DLA Piper LLP (US)
1251 Avenue of the Americas
New York, NY 10020
Attention: Daniel I. Goldberg
Facsimile No.: (212) 884-8466

and if to the Company, shall be mailed, delivered or sent by facsimile transmission and confirmed to:

Evolution Petroleum Corporation
2500 CityWest Blvd., Suite 1300
Houston, Texas 77042
Attention: Sterling McDonald, Chief Financial Officer
Facsimile No.: (713) 935-0199

with a copy (which shall not constitute notice) to:

Adams and Reese LLP
One Houston Center
1221 McKinney, Suite 4400
Houston, Texas 77010
Attention: Michael T. Larkin
Facsimile No.: (713) 308-0103

Any such statements, requests, notices or agreements shall be effective only upon receipt. Any party to this Agreement may change such address for notices by sending to the parties to this Agreement written notice of a new address for such purpose.

12. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in *Section 8*, and no other person will have any right or obligation hereunder.

13. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. *Absence of Fiduciary Relationship.* The Company acknowledges and agrees that:

(a) *No Other Relationship.* The Underwriter has been retained solely to act as an underwriter in connection with the sale of Securities and that no fiduciary, advisory or agency relationship between the Company and the Underwriter has been created in respect of any of the transactions contemplated by this Agreement or the Prospectus, irrespective of whether the Underwriter has advised or are advising the Company on other matters;

(b) *Arms' Length Negotiations.* The price of the Securities set forth in this Agreement was established by the Company following discussions and arms-length negotiations with the Underwriter, and the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) *Absence of Obligation to Disclose.* The Company has been advised that the Underwriter and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Underwriter has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(d) *Waiver.* The Company waives, to the fullest extent permitted by law, any claims it may have against the Underwriter for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Underwriter shall have no liability (whether direct or indirect) to the Company in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

15. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

16. The Company and the Underwriter hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company and the Underwriter irrevocably and unconditionally waive any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in Federal and state courts in the Borough of Manhattan in The City of New York and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum.

[*Remainder of page intentionally left blank.*]

If the foregoing is in accordance with the Underwriter's understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement among the Company and the Underwriter in accordance with its terms.

Very truly yours,

EVOLUTION PETROLEUM CORPORATION

By: /s/ ROBERT S. HERLIN

Name: Robert S. Herlin
Title: President and Chief Executive Officer

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

By: MCNICOLL, LEWIS & VLAK LLC

By: /s/ PATRICE MCNICOLL

Name: Patrice McNicoll
Title: *Chief Executive Officer*

SCHEDULE I

1. General Use Free Writing Prospectuses (included in the Disclosure Package):

Free Writing Prospectus filed by the Company on June 27, 2011

Free Writing Prospectus filed by the Company on June 28, 2011

2. Other Information Included in the Disclosure Package:

None

QuickLinks

Exhibit 1.1
EXECUTION COPY

EVOLUTION PETROLEUM CORPORATION Series A Preferred Stock UNDERWRITING AGREEMENT
SCHEDULE I

Exhibit 3.1

EVOLUTION PETROLEUM CORPORATION

CERTIFICATE OF DESIGNATION OF RIGHTS AND PREFERENCES

8.5% SERIES A CUMULATIVE PREFERRED STOCK

(Pursuant to Section 78.1955 of the Nevada Corporations Code)

Evolution Petroleum Corporation, a corporation organized and existing under the Corporations Law of the State of Nevada, as amended (the "*NRS*"), in accordance with Section 78.1955 of the NRS, does hereby certify that:

1. The name of the corporation is Evolution Petroleum Corporation (the "*Corporation*").

2. The original Articles of Incorporation of the Corporation was filed with the Secretary of State of the State of Nevada on January 23, 2002.

3. Pursuant to the authority conferred upon the Board of Directors by the Articles of Incorporation of the Corporation, as amended (the "*Articles of Incorporation*"), and pursuant to the provisions of Sections 78.1955 of the NRS, said Board of Directors, pursuant to a unanimous written consent dated as of June 15, 2011, adopted a resolution establishing the rights, preferences, privileges and restrictions of, and the number of shares comprising, the Corporation's 8.5% Series A Cumulative Preferred Stock, which resolution is as follows:

RESOLVED, that, pursuant to authority given by Article IV of the Articles of Incorporation (which authorized 5,000,000 shares of preferred stock, par value $0.001 per share), a new series of Preferred Stock in the Corporation, having the rights, preferences, privileges and restrictions, and the number of shares constituting such series and the designation of such series, set forth below be, and it hereby is, authorized by the Board of Directors as follows:

Section 1. *Number of Shares and Designation.* This series of Preferred Stock shall be designated as 8.5% Series A Cumulative Preferred Stock, par value $0.001 per share (the "*Series A Preferred Stock*"), and the number of shares that shall constitute such series shall be 1,000,000.

Section 2. *Definitions.* For purposes of the Series A Preferred Stock and as used in this Certificate, the following terms shall have the meanings indicated:

"*Board of Directors*" shall mean the Board of Directors of the Corporation or any committee of members of the Board of Directors authorized by such Board of Directors to perform any of its responsibilities with respect to the Series A Preferred Stock.

"*Business Day*" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"*Call Date*" shall mean the date fixed for redemption of the Series A Preferred Stock and specified in the notice to holders required under paragraph (e) of Section 5 as the Call Date.

"*Certificate*" shall mean this Certificate of Designations of Rights and Preferences of the Series A Preferred Stock.

A "*Change of Ownership or Control*" shall be deemed to have occurred on the date (i) that a "person," "group" or "entity" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act) becomes the ultimate "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have beneficial ownership of all shares of Voting Stock that such person or group has the right to acquire regardless of when such right is first exercisable), directly or indirectly, of Voting Stock representing more than 50% of the total voting power of the total Voting Stock of the Corporation; (ii) that the Corporation sells, transfers or

otherwise disposes of all or substantially all of its assets; or (iii) of the consummation of a merger or share exchange of the Corporation with another entity where the Corporation's stockholders immediately prior to the merger or share exchange would not beneficially own, immediately after the merger or share exchange, securities representing 50% or more of the outstanding Voting Stock of the entity issuing cash or securities in the merger or share exchange (without consideration of the rights of any class of stock to elect directors by a separate group vote), or where members of the Board of Directors immediately prior to the merger or share exchange would not, immediately after the merger or share exchange, constitute a majority of the board of directors of the entity issuing cash or securities in the merger or share exchange.

"*Common Stock*" shall mean the shares of Common Stock, par value $0.001 per share, of the Corporation.

"*Dividend Default* " shall have the meaning set forth in paragraph (b) of Section 3.

"*Dividend Payment Date*" shall have the meaning set forth in paragraph (a) of Section 3.

"*Dividend Periods*" shall mean monthly dividend periods commencing on the first day of each calendar month and ending on and including the day preceding the first day of the next succeeding Dividend Period; provided, however, that any Dividend Period during which any Series A Preferred Stock shall be redeemed pursuant to Section 5 shall end on and include the Call Date only with respect to the Series A Preferred Stock being redeemed.

"*Dividend Rate*" shall mean the dividend rate accruing on the Series A Preferred Stock, as applicable from time to time pursuant to the terms hereof.

"*Dividend Record Date*" shall have the meaning set forth in paragraph (a) of Section 3.

"*Exchange Act*" shall mean the Securities Exchange Act of 1934, as amended.

"*Junior Shares*" shall have the meaning set forth in paragraph (b) of Section 7.

"*Listing Default*" shall have the meaning set forth in paragraph (c) of Section 3.

"*Market Value*" of a given security shall mean the average of the daily Trading Price per share of such security for the ten consecutive Trading Days immediately prior to the date in question.

"*National Market Listing*" shall mean the listing or quotation, as applicable, of securities on or in the New York Stock Exchange, the NYSE Amex, The NASDAQ Global Market, The NASDAQ Global Select Market or The NASDAQ Capital Market or any comparable national securities exchange or national securities market.

"*Quarterly Dividend Period*" shall mean quarterly dividend periods commencing on January 1, April 1, July 1 and October 1 of each year and ending on and including the day preceding the next succeeding Quarterly Dividend Period.

A "*Quarterly Dividend Default*" shall occur if the Corporation fails to pay cash dividends on the Series A Preferred Stock in full during any Dividend Period within a Quarterly Dividend Period, provided that only one Quarterly Dividend Default may occur during each Quarterly Dividend Period and only four Quarterly Dividend Defaults may occur during any calendar year.

"*Parity Shares*" shall have the meaning set forth in paragraph (a) of Section 7.

"*Penalty Rate*" shall mean 10.5% per annum.

"*Person*" shall mean any individual, firm, partnership, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

"*SEC*" shall have the meaning set forth in Section 9.

"*Series A Preferred Stock*" shall have the meaning set forth in Section 1.

"*set apart for payment*" shall be deemed to include, without any further action, the following: the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry that indicates, pursuant to an authorization by the Board of Directors and a declaration of dividends or other distribution by the Corporation, the initial and continued allocation of funds to be so paid on any series or class of shares of stock of the Corporation; provided, however, that if any funds for any class or series of Junior Shares or any class or series of Parity Shares are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series A Preferred Stock shall mean irrevocably placing such funds in a separate account or irrevocably delivering such funds to a disbursing, paying or other similar agent.

"*Stated Rate*" shall mean 8.5% per annum.

"*Trading Day*" shall mean, if a security is listed or admitted to trading on The NASDAQ Global Market, The NASDAQ Capital Market or The NASDAQ Global Select Market (each, a "*NASDAQ Stock Market*"), the New York Stock Exchange, the NYSE Amex or another national securities exchange or national securities market, a full day on which the NASDAQ Stock Market or such other national securities exchange or national securities market on which the security is traded is open for business and on which trades may be made thereon.

"*Trading Price*" of a security on any Trading Day (excluding any after-hours trading as of such date) shall mean:

(a) the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and ask prices, regular way, in either case as reported by the principal consolidated transaction reporting system with respect to securities listed or admitted to trading or quoted on the NYSE Amex, or if such security is not listed or admitted to trading or quoted on the NYSE Amex, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange or national securities market on or in which such security is listed or admitted to trading;

(b) if such security is not listed on, admitted to trading or quoted on the NYSE Amex or a national securities exchange or national securities market on that date, the last price quoted by Interactive Data Corporation for that security on the date, or if Interactive Data Corporation is not quoting such price, a similar quotation service selected by the Corporation;

(c) if such security is not so quoted, the average mid-point of the last bid and ask prices for such security on that date from at least two dealers recognized as market-makers for such security selected by the Corporation for this purpose; or

(d) if such security is not so quoted, the average of the last bid and ask prices for such security on that date from a dealer engaged in the trading of such securities selected by the Corporation for such purpose.

"*Transfer Agent*" means Continental Stock Transfer & Trust Co., or such other agent or agents of the Corporation as may be designated by the Board of Directors or its duly authorized designee as the transfer agent, registrar and dividend disbursing agent for the Series A Preferred Stock.

"*Voting Preferred Stock*" shall have the meaning set forth in Section 8.

"*Voting Stock*" shall mean stock of any class or kind having the power to vote generally for the election of directors.

Section 3. *Dividends.*

(a) Holders of issued and outstanding Series A Preferred Stock shall be entitled to receive, when and as declared by the Board of Directors out of funds of the Corporation legally available for the payment of distributions, cumulative preferential cash dividends at a rate per annum equal to the Dividend Rate of the $25.00 per share stated liquidation preference of the Series A Preferred Stock. Except as otherwise provided in paragraphs (b) and (c) of this Section 3, the Dividend Rate shall be equal to the Stated Rate. Such dividends shall accrue and accumulate on each issued and outstanding share of the Series A Preferred Stock on a daily basis from (but excluding) the original date of issuance of such share and shall be payable monthly in equal amounts in arrears on the last calendar day of each Dividend Period (each such day being hereinafter called a "*Dividend Payment Date*"); provided that (i) Series A Preferred Stock issued during any Dividend Period after the Dividend Record Date for such Dividend Period shall only begin to accrue dividends on the first day of the next Dividend Period; and provided further that (ii) if any Dividend Payment Date is not a Business Day, then the dividend that would otherwise have been payable on such Dividend Payment Date may be paid on the next succeeding Business Day with the same force and effect as if paid on such Dividend Payment Date, and no interest or additional dividends or other sums shall accrue on the amount so payable from such Dividend Payment Date to such next succeeding Business Day. Any dividend payable on the Series A Preferred Stock for any partial Dividend Period shall be prorated and computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends shall be payable to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable record date, which shall be the fifteenth day of each month, or such other date designated by the Board of Directors or an officer of the Corporation duly authorized by the Board of Directors for the payment of dividends that is not more than 30 nor less than ten days prior to such Dividend Payment Date (each such date, a "*Dividend Record Date*").

(b) Upon the occurrence of four accumulated, accrued and unpaid Quarterly Dividend Defaults, whether consecutive or non-consecutive (a "*Dividend Default*"), then:

(i) the Dividend Rate shall increase to the Penalty Rate, commencing on the first day after the Dividend Payment Date on which a Dividend Default occurs and for each subsequent Dividend Payment Date thereafter until such time as the Corporation has paid all accumulated accrued and unpaid dividends on the Series A Preferred Stock in full and has paid accrued dividends for all Dividend Periods during the two most recently completed Quarterly Dividend Periods in full in cash, at which time the Dividend Rate shall revert to the Stated Rate;

(ii) on the next Dividend Payment Date following the Dividend Payment Date on which a Dividend Default occurs, and continuing until such time as the Corporation has paid all accumulated accrued and unpaid dividends on the Series A Preferred Stock in full and has paid accrued dividends for all Dividend Periods during the two most recently completed Quarterly Dividend Periods in full in cash, the Corporation shall pay all dividends on the Series A Preferred Stock, including all accumulated accrued and unpaid dividends, on each Dividend Payment Date either in cash or, if not paid in cash, subject to applicable National Market Listing rules by issuing to the holders thereof (A) if the Common Stock are then subject to a National Market Listing, registered Common Stock with a value equal to the amount of dividends being paid, calculated based on the then current Market Value of the Common Stock, plus cash in lieu of any fractional Common Share; or (B) if the Common Stock are not then subject to a National Market Listing, additional Series A Preferred Stock with a value equal to the amount of dividends being paid, calculated based on the stated $25.00 liquidation preference of the Series A Preferred Stock, plus cash in lieu of any fractional Series A Preferred Stock (and dividends on any such Series A Preferred Stock upon

issuance shall accrue at the Penalty Rate and accumulate until such time as the Dividend Rate shall revert to the Stated Rate in accordance with subparagraph (i) of this paragraph (b));

(iii) until such time as the Dividend Rate reverts to the Stated Rate pursuant to subparagraph (i) of this paragraph (b), the holders of Series A Preferred Stock will have the voting rights described below in Section 8; and

(iv) to the extent that the Corporation determines a shelf registration statement to cover resales of Common Stock or Series A Preferred Stock is required in connection with the issuance of, or for resales of, such Common Stock or Series A Preferred Stock issued as payment of a dividend, the Corporation will use its commercially reasonable efforts to file and maintain the effectiveness of such a shelf registration statement until such time as all shares of such stock have been resold thereunder or such shares are eligible for resale pursuant to Rule 144(b)(1) under the Securities Act of 1933, as amended.

Following any Dividend Default that has been cured by the Corporation as provided above in subparagraph (i) of this paragraph (b), if the Corporation subsequently fails to pay cash dividends on the Series A Preferred Stock in full for any Dividend Period and such payment remains unpaid until the next succeeding Dividend Payment Date, such subsequent failure shall constitute a separate Dividend Default, and the foregoing provisions of subparagraphs (i), (ii), (iii) and (iv) of this paragraph (b) shall immediately apply until such subsequent Dividend Default is cured as so provided.

(c) Once the Series A Preferred Stock become initially eligible for National Market Listing, if the Corporation fails to maintain a National Market Listing for the Series A Preferred Stock for 180 consecutive days or longer (a "*Listing Default*"), then:

(i) the Dividend Rate shall increase to the Penalty Rate, commencing on the day after the Listing Default and continuing until such time as the Corporation has cured the Listing Default by again subjecting the Series A Preferred Stock to a National Market Listing, at which time the Dividend Rate shall revert to the Stated Rate; and

(ii) until such time as the Dividend Rate reverts to the Stated Rate pursuant to subparagraph (i) of this paragraph (c), the holders of Series A Preferred Stock will have the voting rights described below in Section 8.

Following any Listing Default that has been cured by the Corporation as provided above in subparagraph (i) of this paragraph (c), if the Series A Preferred Stock subsequently ceases to be subject to a National Market Listing for 90 consecutive days or longer, such event shall constitute a separate Listing Default, and the foregoing provisions of subparagraphs (i) and (ii) of this paragraph (c) shall immediately apply until such time as the Series A Preferred Stock are again subject to a National Market Listing.

(d) The Corporation shall at all times keep reserved a sufficient number of Common Stock or Series A Preferred Stock for the payment of any accumulated, accrued and unpaid dividends on the Series A Preferred Stock as described above in paragraph (b) of this Section 3, and if a dividend is paid in shares of stock an amount equal to the aggregate par value of the shares issued shall be designated as capital in respect of such shares.

(e) No dividend on the Series A Preferred Stock will be declared by the Corporation or paid or set apart for payment by the Corporation at such time as the terms and provisions of any agreement of the Corporation, including any agreement relating to its indebtedness, prohibit such declaration, payment or setting apart for payment or provide that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting aside of funds is restricted or prohibited under the NRS or other

applicable law; provided, however, notwithstanding anything to the contrary contained herein, dividends on the Series A Preferred Stock shall continue to accrue and accumulate regardless of whether: (i) any or all of the foregoing restrictions exist; (ii) the Corporation has earnings or profits; (iii) there are funds legally available for the payment of such dividends; or (iv) such dividends are authorized by the Board of Directors. Accrued and unpaid dividends on the Series A Preferred Stock will accumulate as of the Dividend Payment Date on which they first become payable or on the date of redemption of the Series A Preferred Stock, as the case may be.

(f) Except as provided in the next sentence, if any Series A Preferred Stock are outstanding, no dividends will be declared or paid or set apart for payment on any Parity Shares or Junior Shares, unless all accumulated accrued and unpaid dividends are contemporaneously declared and paid in cash or declared and a sum of cash sufficient for the payment thereof set apart for such payment on the Series A Preferred Stock for all past Dividend Periods with respect to which full dividends were not paid on the Series A Preferred Stock either in cash or in Common Stock or Series A Preferred Stock. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart for payment) upon the Series A Preferred Stock and upon all Parity Shares, all dividends declared, paid or set apart for payment upon the Series A Preferred Stock and all such Parity Shares shall be declared and paid pro rata or declared and set apart for payment pro rata so that the amount of dividends declared per share of Series A Preferred Stock and per share of such Parity Shares shall in all cases bear to each other the same ratio that accumulated dividends per share of Series A Preferred Stock and such other Parity Shares (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such other Parity Shares do not bear cumulative dividends) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on Series A Preferred Stock which may be in arrears, whether at the Stated Rate or at the Penalty Rate.

(g) Except as provided in paragraph (f) of this Section 3, unless all accumulated accrued and unpaid dividends on the Series A Preferred Stock are contemporaneously declared and paid in cash or declared and a sum of cash sufficient for the payment thereof is set apart for payment for all past Dividend Periods with respect to which full dividends were not paid on the Series A Preferred Stock either in cash or in Common Stock or Series A Preferred Stock, no dividends (other than in Common Stock or Junior Shares ranking junior to the Series A Preferred Stock as to dividends and upon liquidation) may be declared or paid or set apart for payment upon the Common Stock or any Junior Shares or Parity Shares, nor shall any Common Stock or any Junior Shares or Parity Shares be redeemed, purchased or otherwise acquired directly or indirectly for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such stock) by the Corporation (except by conversion into or exchange for Junior Shares or by redemption, purchase or acquisition of stock under any employee benefit plan of the Corporation).

(h) Holders of Series A Preferred Stock shall not be entitled to any dividend, whether payable in cash, property or shares, in excess of all accumulated accrued and unpaid dividends on the Series A Preferred Stock as described in this Section 3. Any dividend payment made on the Series A Preferred Stock shall first be credited against the earliest accumulated accrued and unpaid dividend due with respect to such shares which remains payable at the time of such payment.

Section 4. *Liquidation Preference.*

(a) Subject to the rights of the holders of Parity Shares, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made

to or set apart for the holders of Junior Shares, as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation, each holder of the Series A Preferred Stock shall be entitled to receive an amount of cash equal to $25.00 per share of Series A Preferred Stock plus an amount in cash equal to all accumulated accrued and unpaid dividends thereon (whether or not earned or declared) to the date of final distribution to such holders. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series A Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Shares as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation, then such assets, or the proceeds thereof, shall be distributed among the holders of Series A Preferred Stock and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series A Preferred Stock and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, none of (i) a consolidation or merger of the Corporation with one or more corporations or other entities, (ii) a sale, lease or transfer of all or substantially all of the Corporation's assets or (iii) a statutory share exchange shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Subject to the rights of the holders of Parity Shares upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series A Preferred Stock, as provided in this Section 4, any other series or class or classes of Junior Shares shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series A Preferred Stock shall not be entitled to share therein.

Section 5. *Redemption.*

(a) The Series A Preferred Stock shall not be redeemable by the Corporation prior to July 1, 2014, except following a Change of Ownership or Control as provided below in paragraph (b) of this Section 5. On and after July 1, 2014, the Corporation may redeem the Series A Preferred Stock, in whole at any time or from time to time in part, at the option of the Corporation, for cash, at a redemption price of $25.00 per share of Series A Preferred Stock, plus the amounts indicated in paragraph (c) of this Section 5.

(b) Following a Change of Ownership or Control, within 90 days following the date on which the Change of Ownership or Control has occurred, the Corporation or the acquiring entity in such Change of Ownership or Control will have the right, but not the obligation, to redeem the Series A Preferred Stock, in whole but not in part, for cash at the following price per share of Series A Preferred Stock, plus the amounts indicated in paragraph (c) of this Section 5:

(i)	if the Call Date is on or before July 1, 2012	$ 25.75
(ii)	if the Call Date is after July 1, 2012 and on or before July 1, 2013	$ 25.50
(iii)	if the Call Date is after July 1, 2013 and on or before July 1, 2014	$ 25.25
(iv)	if the Call Date is on or after July 2, 2014	$ 25.00

(c) Upon any redemption of Series A Preferred Stock pursuant to this Section 5, the Corporation (or, if applicable, the acquiring entity) shall, subject to the next sentence, pay any accumulated accrued and unpaid dividends in arrears for any Dividend Period ending on or prior to the Call Date. If the Call Date falls after a Dividend Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series A Preferred Stock at the close of business on such Dividend Record Date shall be entitled to the dividend payable on such shares

on the corresponding Dividend Payment Date notwithstanding the redemption of such shares before such Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series A Preferred Stock called for redemption.

(d) If all accumulated accrued and unpaid dividends on the Series A Preferred Stock and any other class or series of Parity Shares of the Corporation have not been paid in cash, Common Stock or Series A Preferred Stock (or, with respect to any Parity Shares, in Parity Shares), or declared and set apart for payment in cash, Common Stock or Series A Preferred Stock (or, with respect to any Parity Shares, in Parity Shares) the Series A Preferred Stock shall not be redeemed under this Section 5 in part and the Corporation shall not purchase or acquire Series A Preferred Stock, otherwise than (i) pursuant to a purchase or exchange offer made on the same terms to all holders of Series A Preferred Stock and Parity Shares or (ii) in exchange for Junior Shares.

(e) Notice of the redemption of any Series A Preferred Stock under this Section 5 shall be mailed by first class mail to each holder of record of Series A Preferred Stock to be redeemed at the address of each such holder as shown on the Corporation's records, not less than 30 nor more than 60 days prior to the Call Date. Neither the failure to mail any notice required by this paragraph (e), nor any defect therein or in the mailing thereof, to any particular holder, shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the notice. Each such mailed notice shall state, as appropriate: (1) the Call Date; (2) the number of Series A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price per share of Series A Preferred Stock (determined as set forth in paragraph (a) or (b) of this Section 5, as applicable) plus accumulated accrued and unpaid dividends through the Call Date (determined as set forth in paragraph (c) of this Section 5); (4) if any shares are represented by certificates, the place or places at which certificates for such shares are to be surrendered; (5) that dividends on the shares to be redeemed shall cease to accrue on such Call Date except as otherwise provided herein; and (6) any other information required by law or by the applicable rules of any exchange or national securities market upon which the Series A Preferred Stock may be listed or admitted for trading. Notice having been mailed as aforesaid, from and after the Call Date (unless the Corporation (or, if applicable, the acquiring entity) shall fail to make available an amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the Series A Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series A Preferred Stock shall cease (except the right to receive cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon).

(f) The Corporation's (or, if applicable, the acquiring entity's) obligation to provide cash in accordance with the preceding subsection shall be deemed fulfilled if, on or before the Call Date, the Corporation (or, if applicable, the acquiring entity) shall irrevocably deposit funds necessary for such redemption, in trust, with a bank or trust company that has, or is an affiliate of a bank or trust company that has, capital and surplus of at least $50,000,000, with irrevocable instructions that such cash be applied to the redemption of the Series A Preferred Stock so called for redemption, in which case the notice to holders of the Series A Preferred Stock will (i) state the date of such deposit, (ii) specify the office of such bank or trust company as the place of payment of the redemption price and (iii) require such holders to surrender the certificates, if any, representing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the Call Date) against payment of the redemption price (including all

accumulated accrued and unpaid dividends to the Call Date, determined as set forth in paragraph (c) of this Section 5). No interest shall accrue for the benefit of the holders of Series A Preferred Stock to be redeemed on any cash so set aside by the Corporation (or, if applicable, the acquiring entity). Subject to applicable escheat laws, any such cash unclaimed at the end of six months from the Call Date shall revert to the general funds of the Corporation (or, if applicable, the acquiring entity) after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation (or, if applicable, the acquiring entity) for the payment of such cash.

(g) As promptly as practicable after the surrender in accordance with said notice of the certificates, if any, for any such shares so redeemed (properly endorsed or assigned for transfer, if the Corporation (or, if applicable, the acquiring entity) shall so require and if the notice shall so state), such shares shall be exchanged for any cash (without interest thereon) for which such shares have been redeemed. If fewer than all the outstanding Series A Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the Series A Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares shall be issued without cost to the holder thereof.

Section 6. *Status of Acquired Shares.* All Series A Preferred Stock issued and redeemed by the Corporation in accordance with Section 5 above, or otherwise acquired by the Corporation, shall be restored to the status of authorized but unissued shares of undesignated Preferred Stock of the Corporation.

Section 7. *Ranking.* Any class or series of shares of stock of the Corporation shall be deemed to rank:

(a) on a parity with the Series A Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series A Preferred Stock, if the holders of such class or series and the Series A Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("*Parity Shares*"); and

(b) junior to the Series A Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be the Common Stock or any other class or series of shares of stock of the Corporation now or hereafter issued and outstanding over which the Series A Preferred Stock have preference or priority in the payment of dividends and in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation ("*Junior Shares*").

Section 8. *Voting Rights.* The Series A Preferred Stock shall have no voting rights, except as set forth in this Section 8.

In the event of a Dividend Default or a Listing Default as identified in subparagraphs (b) and (c) of Section 3 hereof, the number of directors then constituting the Board of Directors shall increase by two, and the holders of Series A Preferred Stock, together with the holders of shares of every other series of Parity Shares upon which like voting rights have been conferred and are exercisable (any such other series, the "*Voting Preferred Stock*"), voting as a single class regardless of series, shall be entitled to elect two additional directors at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of the Series A Preferred Stock and the Voting Preferred

Stock called as hereinafter provided. Such voting rights shall continue until terminated as provided in subparagraph (b) or (c) of Section 3 hereof, as applicable, whereupon the terms of all persons elected as directors by the holders of the Series A Preferred Stock and the Voting Preferred Stock shall terminate and the number of directors constituting the Board of Directors shall decrease accordingly. At any time after such voting power shall have been so vested in the holders of Series A Preferred Stock and the Voting Preferred Stock, the Secretary of the Corporation may, and upon the written request of any holder of Series A Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series A Preferred Stock and of the Voting Preferred Stock for the election of the two directors to be elected by them as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 75 days after receipt of any such request, then any holder of Series A Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the share records of the Corporation for the Series A Preferred Stock and Voting Preferred Stock. The directors elected at any such special meeting shall serve until the next annual meeting of the stockholders or special meeting held in lieu thereof and until their successors are duly elected and qualified, if such term shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by the holders of the Series A Preferred Stock and the Voting Preferred Stock, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by the holders of the Series A Preferred Stock and the Voting Preferred Stock or the successor of such remaining director, if any, to serve until the next annual meeting of the stockholders or special meeting held in place thereof and until their successors are duly elected and qualified, if such term shall not have previously terminated as provided above.

So long as any Series A Preferred Stock are outstanding, the affirmative vote of the holders of at least two-thirds of the Series A Preferred Stock and the Voting Preferred Stock at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(a) Any amendment, alteration or repeal of any of the provisions of the Articles of Incorporation or these terms of the Series A Preferred Stock that materially and adversely affects the rights, preferences or voting power of the Series A Preferred Stock or the Voting Preferred Stock; provided, however, that the amendment of the provisions of the Articles of Incorporation so as to authorize or create, or to increase or decrease (but not less than the number of shares outstanding plus any shares reserved for issuance as required in Section 3(d) hereof) the authorized amount of, the Series A Preferred Stock, any Junior Shares that are not senior in any respect to the Series A Preferred Stock or the Voting Preferred Stock, or any shares of any class ranking, as to receipt of dividends or distribution of assets upon liquidation, dissolution or winding up of the Corporation, on a parity with the Series A Preferred Stock or the Voting Preferred Stock shall not be deemed to materially or adversely affect the rights, preferences or voting power of the Series A Preferred Stock or the Voting Preferred Stock; and provided, further, that if any such amendment, alteration or repeal would materially and adversely affect any voting powers, rights or preferences of the Series A Preferred Stock or another series of Voting Preferred Stock that are not enjoyed by some or all of the other series otherwise entitled to vote in accordance herewith, the affirmative vote of at least two-thirds of the votes entitled to be cast by the holders of all series similarly affected, similarly given, shall be required in lieu of the affirmative vote of at least two-thirds of the votes entitled to be cast by the holders of the Series A Preferred Stock and the Voting Preferred Stock otherwise entitled to vote in accordance herewith;

(b) A statutory share exchange that affects the Series A Preferred Stock, a consolidation with or merger of the Corporation into another entity, or a consolidation with or merger of another

entity into the Corporation, unless in each such case each share of Series A Preferred Stock (i) shall remain outstanding without a material and adverse change to its terms, voting powers, preferences and rights or (ii) shall be converted into or exchanged for Preferred Stock of the surviving entity having preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or distributions, qualifications and terms or conditions of redemption thereof identical to that of a share of Series A Preferred Stock (except for changes that do not materially and adversely affect the Series A Preferred Stock); provided, however, that if any such share exchange, consolidation or merger would materially and adversely affect any voting powers, rights or preferences of the Series A Preferred Stock or another series of Voting Preferred Stock that are not enjoyed by some or all of the other series otherwise entitled to vote in accordance herewith, the affirmative vote of at least two-thirds of the votes entitled to be cast by the holders of all series similarly affected, similarly given, shall be required in lieu of the affirmative vote of at least two-thirds of the votes entitled to be cast by the holders of the Series A Preferred Stock and the Voting Preferred Stock otherwise entitled to vote in accordance herewith; or

(c) The authorization, reclassification or creation of, or the increase in the authorized amount of, any shares of any class or any security convertible into or exchangeable for shares of any class ranking senior to the Series A Preferred Stock or the Voting Preferred Stock in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends; provided, however, that no such vote of the holders of Series A Preferred Stock shall be required on or after July 1, 2014, or in connection with a Change of Ownership or Control if, at or prior to the time when such amendment, alteration, repeal, share exchange, consolidation or merger is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, a deposit is made for the redemption in cash of all Series A Preferred Stock at the time outstanding as provided in paragraph (e) of Section 5 hereof for a redemption price determined under the appropriate paragraph of Section 5.

For purposes of the foregoing provisions of this Section 8, each share of Series A Preferred Stock shall have one vote per share, except that when any other series of Voting Preferred Stock shall have the right to vote with the Series A Preferred Stock as a single class on any matter, then the Series A Preferred Stock and such other series shall have with respect to such matters one vote per $25.00 of stated liquidation preference. Except as set forth herein, the Series A Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any corporate action.

No amendment to these terms of the Series A Preferred Stock shall require the vote of the holders of Common Stock (except as required by law) or any series of Preferred Stock other than the Voting Preferred Stock.

Section 9. *Information Rights*. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Exchange Act and any Series A Preferred Stock are outstanding, the Corporation shall (a) transmit by mail to all holders of Series A Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, copies of the annual reports and quarterly reports that the Corporation would have been required to file with the Securities and Exchange Commission (the "*SEC*") pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation was subject to such Sections (other than any exhibits that would have been required); and (b) promptly upon written request, supply copies of such reports to any prospective holder of Series A Preferred Stock. The Corporation shall mail the reports to the holders of Series A Preferred Stock within 15 days after the respective dates by which the Corporation would have been required to file the reports with the SEC if the Corporation were then subject to Section 13 or 15(d) of the Exchange Act, assuming the Corporation is a "non-accelerated filer" in accordance with the Exchange Act.

Section 10. *Record Holders.* The Corporation and the Transfer Agent shall deem and treat the record holder of any Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary,

Section 11. *Sinking Fund.* The Series A Preferred Stock shall not be entitled to the benefits of any retirement or sinking fund.

Section 12. *Conversion.* The Series A Preferred Stock shall not be convertible into or exchangeable for any stock or other securities or property of the Corporation.

Section 13. *Book Entry.* The Series A Preferred Stock shall be issued initially in the form of one or more fully registered global certificates ("*Global Preferred Stock*"), which shall be deposited on behalf of the purchasers represented thereby with the Transfer Agent, as custodian for a securities depositary (the "*Depositary*") that is a clearing agency under Section 17A of the Exchange Act (or with such other custodian as the Depositary may direct), and registered in the name of the Depositary or its nominee, duly executed by the Corporation and authenticated by the Transfer Agent. The number of Series A Preferred Stock represented by Global Preferred Stock may from time to time be increased or decreased by adjustments made on the records of the Transfer Agent and the Depositary as hereinafter provided. Members of, or participants in, the Depositary ("*Agent Members*") shall have no rights under these terms of the Series A Preferred Stock with respect to any Global Preferred Stock held on their behalf by the Depositary or by the Transfer Agent as the custodian of the Depositary or under such Global Preferred Stock, and the Depositary may be treated by the Corporation, the Transfer Agent and any agent of the Corporation or the Transfer Agent as the absolute owner of such Global Preferred Stock for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Corporation, the Transfer Agent or any agent of the Corporation or the Transfer Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices of the Depositary governing the exercise of the rights of a holder of a beneficial interest in any Global Preferred Stock.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be duly executed and acknowledged by Robert S. Herlin its Chief Executive Officer as of this 28th day of June, 2011.

EVOLUTION PETROLEUM CORPORATION

By: /s/ ROBERT S. HERLIN

Name: Robert S. Herlin
Title: *President and Chief Executive Officer*

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Exhibit 3.1

EVOLUTION PETROLEUM CORPORATION CERTIFICATE OF DESIGNATION OF RIGHTS AND PREFERENCES 8.5% SERIES A CUMULATIVE PREFERRED STOCK (Pursuant to Section 78.1955 of the Nevada Corporations Code)

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Exhibit 5.1

[ADAMS AND REESE LETTERHEAD]

June 29, 2011

Evolution Petroleum Corporation
2500 City West Boulevard, Suite 1300
Houston, Texas 77042

Re: Registration and Issuance of Securities of Evolution Petroleum Corporation

Ladies and Gentlemen:

At your request, we have examined the Registration Statement (the "Registration Statement") on Form S-3 (File No. 333-168107) of Evolution Petroleum Corporation, a Nevada corporation (the "Company"), that became effective on September 2, 2010, the related base prospectus, which forms a part of and is included in the Registration Statement, the preliminary prospectus supplement filed with the Securities and Exchange Commission (the "Commission") on June 23, 2011, and the final prospectus supplement filed with the Commission on June 29, 2011 (collectively, the "Prospectus") pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the registration under the Securities Act of the offer and sale to the public through McNicoll, Lewis & Vlak LLC (the "Underwriters"), acting as agent and on a best efforts basis, of an aggregate of 220,000 shares (such shares, the "Preferred Shares") of the Company's 8.5% Series A Cumulative Preferred Stock, par value $0.001 per share and liquidation preference $25.00 per share (the "Series A Preferred Stock"). The Preferred Shares are being offered and sold pursuant to an underwriting agreement, dated June 28, 2011, by and between the Company and the Underwriter (the "Underwriting Agreement"), and the Certificate of Designation of Rights and Preferences with respect to the Series A Preferred Stock, adopted by the Company's Board of Directors on June 15, 2011 (the "Certificate of Designation").

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies or photocopies, and the authenticity of originals of such latter documents. The opinions expressed herein are limited exclusively to applicable federal laws of the United States of America, the laws of the State of Texas and applicable provisions of the Nevada Revised Statutes and reported judicial interpretations of such law, in each case as currently in effect, and we are expressing no opinion as to the effect of the laws of any other jurisdiction. We expressly disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments that might affect any matter or opinion set forth herein.

Based upon the foregoing, and having due regard for such legal considerations as we deem relevant, we are of the opinion that the Preferred Shares are duly and validly authorized for issuance and, upon payment for and delivery of the Preferred Shares in accordance with the Underwriting Agreement, the Prospectus, and the Certificate of Designation, will be duly and validly issued, fully paid and non-assessable. We do not by this letter express any other opinion with respect to the Preferred Shares or any other matter.

We hereby consent to the use of this opinion as an exhibit to the Company's Current Report on Form 8-K to be filed with the Commission on the date hereof and to the reference to this firm under the heading "Legal Matters" in the Prospectus constituting part of the Registration Statement. By giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/S/ ADAMS AND REESE LLP

ADAMS AND REESE LLP

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Exhibit 5.1

[ADAMS AND REESE LETTERHEAD]

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Exhibit 99.1

Company Contact:
Sterling McDonald, VP & CFO
(713) 935-0122
smcdonald@evolutionpetroleum.com

Lisa Elliott/lelliott@drg-l.com
Jack Lascar/jlascar@drg-l.com
DRG&L/713-529-6600

FOR IMMEDIATE RELEASE

Evolution Petroleum Announces Pricing of Public Offering of 8.5% Series A Preferred Stock

Houston, TX, June 28, 2011—Evolution Petroleum Corporation (NYSE Amex: EPM) today reported that it has priced an underwritten public offering of 220,000 shares of its perpetual non-convertible 8.5% Series A Cumulative Preferred Stock (liquidation preference of $25.00 per share) at a public offering price of $23.00 per share. The effective current yield of the 8.5% Series A Cumulative Preferred Stock is 9.24%. The offering is expected to close on July 1, 2011, subject to customary closing conditions.

The offering is being made on a "best efforts" basis pursuant to an effective shelf registration statement that the Company previously filed with the Securities and Exchange Commission. Upon issuance, the Company anticipates that the 8.5% Series A Cumulative Preferred Stock will be listed for trading on the NYSE Amex under the ticker symbol "EPM.PR.A."

McNicoll, Lewis & Vlak LLC is acting as book running manager for the offering.

The net proceeds to the Company from the offering will be approximately $4.6 million after deducting underwriting discounts, commissions and estimated offering expenses. The Company intends to use the net proceeds from the offering for general corporate purposes that may include, without limitation, capital expenditures on oil and gas properties. Pending any specific application, the Company may initially invest funds in short-term marketable securities.

A final prospectus supplement relating to the offering will be filed with the SEC. A copy can be obtained at the Securities and Exchange Commission's website, *http://www.sec.gov*, or by written request to Evolution Petroleum Corporation, 2500 CityWest Blvd, Suite 1300, Houston, Texas 77042, Attention: Chief Financial Officer. Alternatively, you may obtain this document by contacting the book-running manager as follows:

McNicoll, Lewis & Vlak LLC
Randy Billhardt
212-542-5882/*rbillhardt@mlvco.com*

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Evolution Petroleum

Evolution Petroleum Corporation develops incremental petroleum reserves and shareholder value by applying conventional and specialized technology to known oil and gas resources, onshore in the United States. Principal assets as of June 30, 2010 include 12.4 MMBOE of proved and 7.2 MMBOE of probable reserves. Producing assets include a CO_2-EOR project with growing production in Louisiana's Delhi Field, horizontal wells in the Giddings Field of Central Texas and initial test wells in south Texas and eastern Oklahoma. Other assets include approximately 14,900 net acres in an emerging Woodford shale gas project in Eastern Oklahoma and a proprietary artificial lift technology designed to extend the life of horizontal wells with oil or associated water production. Additional information, including the Company's annual report on Form 10-K and its quarterly reports on Form 10-Q, is available on its website at (*www.evolutionpetroleum.com*)

Cautionary Statement

All statements contained in this press release regarding potential results and future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future events, or otherwise. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, those factors that are disclosed under the heading "Risk Factors" and elsewhere in our documents filed from time to time with the United States Securities and Exchange Commission and other regulatory authorities. Statements regarding our ability to complete transactions, successfully apply technology applications in the re-development of oil and gas fields, realize future production volumes, realize success in our drilling and development activity and forecasts of legal claims, prices, future revenues and income and cash flows and other statements that are not historical facts contain predictions, estimates and other forward-looking statements. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved and these statements will prove to be accurate. Important factors could cause actual results to differ materially from those included in the forward-looking statements.

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Exhibit 99.1

Evolution Petroleum Announces Pricing of Public Offering of 8.5% Series A Preferred Stock