

EVOLUTION PETROLEUM CORP

Form S-3

July 14, 2010

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As filed with the Securities and Exchange Commission on July 14, 2010

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form S-3**

**REGISTRATION STATEMENT**

**UNDER THE**

**SECURITIES ACT OF 1933**

**EVOLUTION PETROLEUM CORPORATION**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or organization)  
**Evolution Petroleum Corporation**  
**2500 City West Blvd., Suite 1300**  
**Houston, Texas 77042**

**41-1781991**  
(IRS Employer  
Identification No.)  
**Robert S. Herlin**  
**President and Chief Executive Officer**  
**Evolution Petroleum Corporation**

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(713) 935-0122

2500 City West Blvd., Suite 1300

Houston, Texas 77042

(713) 935-0122

(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)

(Name and address, including zip code, and telephone  
number, including area code, of agent for service)

**copy to:**

**Michael T. Larkin, Esq.**

Adams and Reese LLP

One Houston Center

1221 McKinney, Suite 4400

Houston, Texas 77010

(713) 652-5151

**Approximate date of commencement of proposed sale of securities to the public: From time to time after the effective date of this registration statement.**

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462 (c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered /proposed maximum offering price per unit/ proposed maximum offering price(1)(2)	Amount of registration fee
Common Stock(3)		
Preferred Stock(2)		
Securities Warrants(2)		
Debt Securities(2)		
<b>Total</b>	\$ 50,000,000	\$ 3,565(4)
(1)	There are being registered an indeterminate principal amount or number of common stock, preferred stock, securities warrants and debt securities as shall have an aggregate initial offering price of the securities issued or sold under this Registration Statement not to exceed \$50,000,000. Separate consideration may or may not be received for securities that are being registered that are issued in exchange for, or upon conversion or exercise of, the preferred stock, securities warrants or debt securities being registered hereunder.	
(2)	Subject to footnote (1), this registration statement also covers an indeterminate amount of Common Stock, Preferred Stock and/or Debt Securities that may be issued in exchange for, or upon conversion or exercise of, the preferred stock, securities warrants or debt securities being registered. Any securities being registered may be sold separately or as units with other securities being registered.	
(3)	Includes preferred share purchase rights. Until the occurrence of certain prescribed events, none of which has occurred, the preferred share purchase rights are not exercisable, are evidenced by certificates representing shares of the common stock, and will be transferred only with shares of the common stock. The value, if any, attributable to the rights is included in the market price of the common stock.	
(4)	Calculated in accordance with Rule 457(o).	

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**



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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**PROSPECTUS**

**Subject to completion, dated July 14, 2010**

**EVOLUTION PETROLEUM CORPORATION**

**\$50,000,000**

**Common Stock**

**Preferred Stock**

**Warrants**

**Debt Securities**

We may offer and sell, from time to time in one or more offerings, up to \$50,000,000 in the aggregate of common stock, preferred stock, or warrants to purchase our common stock or preferred stock, or debt securities (which may or may not be guaranteed by one or more of our subsidiaries), at prices and on terms that we will determine at the time of the offering. Preferred stock and debt securities may be convertible into preferred stock, common stock, or debt securities.

Each time we sell securities, to the extent required by applicable law, we will provide a supplement to this prospectus that contains specific information about the offering and the terms of the securities being offered. The supplement may also add, update or change information contained in this prospectus. **You should carefully read this prospectus, all prospectus supplements and all other documents incorporated by reference in this prospectus before you invest in our securities.**

We will offer the securities in amounts, at prices and on terms to be determined by market conditions at the time of the offerings. The securities may be offered separately or together in any combination.

We may offer the securities directly or through underwriters, agents or dealers. The supplements to this prospectus will designate the terms of our plan of distribution. See the discussion under the heading **Plan of Distribution** for more information on the topic.

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Our executive offices are located at 2500 City West Blvd., Suite 1300, Houston, Texas 77042, and our telephone number is (713) 935-0122. Our common stock trades on the NYSE Amex under the symbol EPM. On July 13, 2010, the closing price for our common stock, as reported on the NYSE Amex, was \$5.14 per share.

**Investing in our securities involves risk. Please see Risk Factors beginning on page 1 for a discussion of certain risks that you should consider before investing in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

**The date of this prospectus is July 14, 2010.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission using a shelf registration process. Using this process, we may sell any combination of the securities described in this prospectus in one or more offerings up to a total dollar amount of \$50,000,000.

Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will describe the specific terms of the offering. The prospectus supplement may also add to or update other information contained in this prospectus.

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement we may authorize to be delivered to you. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. You may obtain a copy of this information, without charge, as described in the

Where You Can Find More Information section. We have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it.

You should not assume that the information appearing in this prospectus is accurate as of any date other than the date on the front cover of this prospectus. You should not assume that the information contained in the documents incorporated by reference in this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations, reserves and prospects may have changed since that date.

We encourage you to read this entire prospectus together with the documents incorporated by reference into this prospectus before making a decision whether to invest in our securities.

**ABOUT EVOLUTION PETROLEUM CORPORATION**

*In this prospectus, Evolution, we, our, and us refer to Evolution Petroleum Corporation*

We are a petroleum company engaged primarily in the acquisition, exploitation and development of properties for the production of crude oil and natural gas. We acquire known, underdeveloped oil and natural gas resources and exploit them through the application of capital and technology to increase production, ultimate recoveries, or both.

We are a Nevada corporation. Our principal executive offices are located at 2500 City West Blvd., Suite 1300, Houston, Texas 77042. Our telephone number is (713) 935-0122. We maintain a Web site at [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com), which contains information about us. Our Web site and the information contained on it and connected to it will not be deemed incorporated by reference into this prospectus. Our common



stock is listed on the NYSE Amex under the symbol EPM.

### **RISK FACTORS**

An investment in our securities involves a high degree of risk. You should carefully consider the factors contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2009 under the heading "Risk Factors" and updated, if applicable, in our Quarterly Reports on Form 10-Q before investing in our securities. You should also consider similar information contained in any Annual Report on Form 10-K, Quarterly Report on Form 10-Q or other document filed by us with the SEC after the date of this prospectus before deciding to invest in our securities. If any of these risks were to occur, our business, financial condition or results of operations could be adversely affected. In that case, the trading price of our common stock or other securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

Certain information included in this prospectus may be deemed to be forward-looking statements. Where any forward-looking statement includes a statement of the assumptions or bases underlying the forward-looking statement, we caution that, while we believe these assumptions or bases to be reasonable and made in good faith, assumed facts or bases almost always vary from the actual results, and the differences between assumed facts or bases and actual results can be material, depending upon the circumstances. Where, in any forward-looking statement, we or our management express an expectation or belief as to future results, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. We cannot assure you, however, that the statement of expectation or belief will result or be achieved or accomplished. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "predict," "project," "will," "phrases, including references to assumptions. These statements are contained in the section "Risk Factors" and other sections of this prospectus. These forward looking statements involve risks and uncertainties that may cause our actual future activities and results of operations to be materially different from those suggested or described in this prospectus. These risks include the risks that are identified in the "Risk Factors" section of this prospectus, and also include, among others, expectations regarding the following:

- amount, nature and timing of capital expenditures;

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- drilling of wells and other planned exploitation activities;
- timing and amount of future production of oil and natural gas;
- increases in production growth and proved reserves;
- operating costs such as lease operating expenses, administrative costs and other expenses;
- our future operating or financial results;
- cash flow and anticipated liquidity;
- our business strategy and the availability of acquisition opportunities;
- hedging strategy;
- exploration and exploitation activities and property acquisitions;
- marketing of oil and natural gas;
- governmental and environmental regulation of the oil and gas industry;
- environmental liabilities relating to potential pollution arising from our operations;

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- our level of indebtedness;
- timing and amount of future dividends;
- industry competition, conditions, performance and consolidation;
- natural events such as severe weather, hurricanes, floods, fire and earthquakes; and
- uncertainties and difficulties associated with the integration and operation of recently acquired properties.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or otherwise. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected.

### THE COMPANY

We are a petroleum company engaged primarily in the acquisition, exploitation and development of properties for the production of crude oil and natural gas. We acquire known, underdeveloped oil and natural gas resources and exploit them through the application of capital and technology to increase production, ultimate recoveries, or both.

Within this overall strategy, our initiatives include:

- I Enhanced oil recovery ( EOR ), using miscible and immiscible gas flooding;
- II Conventional redevelopment of bypassed primary resources within mature oil and natural gas fields utilizing modern technology and our expertise; and
- III Unconventional gas resource development, using modern stimulation and completion technologies.

Our most significant asset is our EOR project in the 13,636 acre Delhi Field, located in northeast Louisiana. Our interests consist of 7.4% in overriding and mineral royalty interests, a 25% after pay-out reversionary working interest (20% revenue interest) in the Delhi Field Holt Bryant Unit, and a 25% working interest (20% revenue interest) in certain other depths in the Delhi Field, resulting from the Farmout we completed on June 12, 2006, with Denbury Onshore LLC, a subsidiary of Denbury Resources Inc. (the Operator ) (the Delhi Farmout ). The Holt Bryant Unit in the Delhi Field is currently being redeveloped by the Operator, using CO2 enhanced oil recovery technology and a dedicated portion of the Operator's proved CO2 reserves in the Jackson Dome, located approximately 100 miles east of Delhi. Following several years of development by the Operator, CO2 injection had begun in the Holt Bryant Unit in the Delhi Field in November 2009, followed by initial oil production in March 2010.

Since our closing of the Delhi Farmout, we have focused on developing projects in our other initiatives through conventional redevelopment of oil and rich gas in the Giddings Field using horizontal drilling, development of gas resources in the shallow portion of the Woodford and Caney Shale Trend in Eastern Oklahoma, development of potential oil reserves in the mature Lopez Field within our Neptune oil project in South Texas and development of our proprietary artificial lift technology intended to extend the life of horizontal wells with oil or associated water production.

Our long-term strategy and primary focus continue to be on increasing share value through the identification and acquisition of

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resources and conversion of those resources into proved reserves through our expertise and technology.

**RATIOS OF EARNINGS TO FIXED CHARGES AND TO COMBINED FIXED CHARGES AND  
PREFERRED STOCK DIVIDENDS**

Our ratios of earnings to fixed charges and our ratios of earnings to combined fixed charges and tax-adjusted preferred stock dividends were as follows for the periods indicated in the table below. See Exhibit 12 for explanation of the calculations and key terms.

(Dollar amounts in thousands)	Nine Months Ended March 31, 2010	2009	2008	Year ended June 30,		2006	2005
				2007			
Earnings (loss) from continuing operations, pre-tax and before fixed charges	\$ (2,884)	\$ (3,618)	\$ (2,656)	\$ (2,449)	\$ 40,706	\$ (2165)	
Fixed Charges	\$ 38	\$ 50	\$ 47	\$ 27	\$ 2,615	\$ 402	
Tax-adjusted Preferred Stock Dividends	\$	\$	\$	\$	\$	\$	
Ratio of Earnings to Fixed Charges					17		
Fixed charges coverage deficiency	\$ 38	\$ 50	\$ 47	\$ 27			