

December 17, 2010

Elizabeth M. Murphy

Secretary, Securities and Exchange Commission

100 F Street, NE  
Washington, DC 20549-1090

**File No. S7-33-10: Proposed Rules for Implementing the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934**

Evolution Petroleum Corporation is a small independent oil and gas producer, headquartered in Houston, Texas, with a market capitalization of approximately \$165 million as of December 16, 2010. Our petroleum operations began in September of 2003 and we became a public company in May 2004. Our common stock is traded on the NYSE Amex under the ticker symbol EPM.

We appreciate the opportunity to comment. Below we have indicated the specific comments that we wish to address.

***Comment 1. In other provisions of these Proposed Rules - e.g., Proposed Rule 21F-15 - we propose that whistleblowers not be paid awards based on monetary sanctions arising from their own misconduct, based on the notion that the statute is not intended to reward persons for blowing the whistle on their own misconduct. Consistent with this approach, should we define the term “whistleblower” to expressly state that it is an individual who provides information about potential violations of the securities laws “by another person”?***

Yes, we believe that the definition of “whistleblower” should expressly state that a “whistleblower” is an individual who is providing information with respect to the misconduct of others. But we also believe that the definition of “whistleblower” should explicitly state that an individual would be excluded, if he or she was complicit in the misconduct, either directly, or indirectly. An individual would be complicit, indirectly, if he or she knowingly failed in their own responsibilities, which, if they had not, could have prevented the misconduct from occurring. For instance, if an employee with the authority to approve final invoicing, knowingly allows over-billing on a government contract, for the sole purpose of becoming a “whistleblower” to receive an award, then this individual is complicit in the misconduct even though the he or she was not responsible for the over-billing and would not have directly benefited from the misconduct.

Furthermore, any individual that is found guilty of participating in reported fraud in criminal or civil proceedings should be excluded from the definition of “whistleblower” and not be eligible for an award.

***Comment18. Should the Commission consider other ways to promote continued robust corporate compliance processes consistent with the requirements of Section 21F? If so, what alternative requirements should be adopted? Should the Commission consider a rule that, in some fashion, would require whistleblowers to utilize employer-sponsored complaint and reporting procedures? What would be the appropriate contours of such a rule, and how could it be implemented without undermining the purposes of Section 21F? Are there other incentives or processes the Commission could adopt that would promote the purposes of Section 21F while still preserving a critical role for corporate self-policing and self-reporting?***

Yes. We believe that the current rules, as proposed, would certainly subvert many existing and costly internal corporate efforts, including employer-sponsored complaint and reporting procedures, implemented by companies. Many businesses have put in place very costly internal control procedures that are designed to identify and correct misconduct by employees. The rules, as proposed, would provide incentive to employees to disregard these corporate processes. We believe that for companies that have procedures in place for employees to submit confidential allegations, “whistleblowers” may not receive an award if the individual had not first utilized the companies’ procedures. We believe that the company who has put in proper procedures and have made their employees aware of such procedures, should be afforded the opportunity to resolve the matter, as appropriate.

Regards,

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