

ECHELON PETROLEUM CORP.

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September 18, 2013

Trading Symbol: ECH – (TSX.V)

**ECHELON ENTERS INTO DEFINITIVE AGREEMENT FOR
ACQUISITION OF INTEREST IN OIL & GAS PROPERTY**

September 18, 2013, Vancouver, Canada – Echelon Petroleum Corp. (“Echelon” or the “Company”) announces that it has entered into an Oil & Gas Turnkey Participation and Operating Agreement dated September 13, 2013 (the “Agreement”) with Circle Star Energy Corp. (“Circle Star”), whereby the Company proposes to acquire a 50% working interest before payout (40% net revenue interest) and a 37.5% working interest after payout (30% net revenue interest) in certain oil and gas project wells to be located within an oil and gas prospect commonly known as the Lynd Family Trust 1360 prospect (the “Prospect”) which is situated on approximately 1,360 acres in Trego County, Kansas (the “Transaction”).

Under the Agreement, the Company is required to contribute its pro-rata share of the turnkey payment with respect to the initial well and for additional wells, if any. The Company’s share of the turnkey payment for the initial well is expected to be USD\$331,640. Also, the Company has been granted the right of first refusal to participate in the development of new project wells in addition to the initial well on the terms and conditions set out in the Agreement.

The Agreement replaces and supersedes the letter of intent dated March 29, 2013 (the “LOI”) for this transaction, which was announced by news release dated April 2, 2013. The USD\$168,300 previously advanced to Circle Star by the Company as a due diligence payment pursuant to the LOI will be reimbursed in part to the Company pursuant to the Agreement. The due diligence payment was used to shoot 3D seismic on the Prospect.

Additional information about the Prospect will be made available when a geological report is approved and filed on SEDAR.

The Company has agreed to pay a finder’s fee consisting of the issuance of 165,800 common shares of the Company (the “Finder’s Fee Shares”) at a deemed price of \$0.15 per Finder’s Fee Share in connection with the closing of the Transaction. The Finder’s Fee Shares are expected to be subject to a hold period that will expire four months and one day after the date of issuance of the Finder’s Fee Shares.

Closing of the Transaction and the issuance of the Finder’s Fee Shares are subject to approval of the TSX Venture Exchange.

About Echelon Petroleum Corp.

Echelon is now focusing its exploration efforts towards the US oil and gas industry with a specific emphasis on low cost opportunities with significant upside potential. Our first foray into this arena is within the established Central Kansas Uplift.

About the Central Kansas Uplift

The Central Kansas Uplift is recognized as a major low amplitude post-Mississippian structure in central Kansas. The Lynd Family Trust 1360 acreage lies on the western flank of this massive 5,700 square mile structure. The large northwestward trending structure separates the Hugoton Embayment on the west from the Salina and Sedgwick Basins to the east. Stress and strain during

rock movement has resulted in many local anticlinal and synclinal developments often called “arches” for the highs and “basins” for the lows. These basins provide excellent traps for hydrocarbons. The Lynd Family Trust 1360 acreage appears to be associated with these secondary features and is in the optimum position to capture hydrocarbons from both the deeper pre-Mississippian sediments (Arbuckle) and post-Mississippian (Marmaton and Lansing-Kansas City) formations.

ON BEHALF OF THE BOARD

ECHELON PETROLEUM CORP.

Per: “Alexander Helmel”
Alexander Helmel
CEO and Director

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Company. Forward-looking statements consist of statements that are not purely historical, including but not limited to, any statements regarding beliefs, plans, expectations concerning the Company’s plans to close the Transaction on the terms set out in the Agreement, the Company’s portion of the turnkey payment for the initial well and the Company’s intention to pay such amount, the Company’s expectations as to reimbursement of the due diligence payment made pursuant to the LOI, the Company’s plans to complete and file a geological report, the Company’s plans to issue the Finder’s Fee Shares, the Company’s expectations regarding approval of the TSX Venture Exchange and the Company’s expectations or intentions regarding the future. Forward-looking statements in this news release include statements regarding management’s expectations regarding the Transaction, Agreement and related matters. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including without limitation the risks that the Transaction may not close for any reason whatsoever, the Company’s portion of the turnkey payment for the initial well may be different than stated in this news release, Circle Star may not reimburse the due diligence payment to the Company as set out in the Agreement, a geological report may not be completed as expected or at all, the Finder’s Fee Shares may not be issued or the number and deemed price of such shares may be different than as stated in this news release, the TSX Venture Exchange may not approve the Transaction for any reason whatsoever, and other risks which are beyond the control of the Company. No assurance can be given that any of the events anticipated by the forward-looking statements in this news release will occur or, if they do occur, what benefits the Company will obtain from them. The Company does not intend to update the forward-looking statements in this news release, except as required by law.