



VOTE TODAY TO PROTECT YOUR INVESTMENT

June 14, 2017

Dear Fellow Shareholders,

The value of your investment is at risk and your vote at the June 27th shareholder meeting of Eagle Energy Inc. (Eagle) has never been more important. A dissident group, Kingsway Financial Services Inc. and Daniel Gundersen, is trying to take over Eagle by proposing to replace your current Board of Directors with its less qualified nominees.

Shareholders should be aware that if the dissidents win, they will:

- Assume control of Eagle without paying you, the shareholder, a premium.
- Replace your experienced Board with the dissidents' less qualified nominees.
- Sell Eagle's valuable assets into a depressed market for short-term gain for the dissidents' benefit.
- Have Eagle face the possibility of bankruptcy should they not be able to repay the loan and associated fees upon a change of control.

If the dissidents want control of Eagle, make them offer YOU a fair premium for your shares under a formal take-over offer. Stop the dissidents by voting the **YELLOW proxy FOR Eagle's current Board of Directors.**

INSTITUTIONAL SHAREHOLDERS SERVICES INC. (ISS) RECOMMENDATION

"The dissidents' disclosed business plan does not appear to provide any new detailed long-term strategic initiatives."

ISS Report dated June 14, 2017

ISS, a leading independent advisor to institutional investors on corporate governance and proxy voting analysis, has recommended that shareholders vote using only Eagle's **YELLOW** proxy and DO NOT VOTE the dissidents' blue proxy for the following reasons:

- *Given that control of the board is being sought, the dissidents' disclosed business plan does not appear to provide any new detailed long-term strategic initiatives.*
- *...while the proposed board reconstitution might trigger a default event under the new loan, no specific alternative financing was proposed by the dissidents.*
- *The timing and urgency of the [dissidents'] proposed liquidation execution for some of the company's assets (in order to repay debt) do not appear to represent an optimal risk-reward combination for the shareholders in the long-run given current depressed valuations and given loss of potential upside associated with such liquidated assets.*
- *...the company's assets are of a high quality, while at the same time, the dissidents propose to sell a portion of these assets in what appears to be not ideal market conditions.*
- *... not so long ago, one of the dissidents offered to buy one of the company's assets, which might indicate that even the dissidents themselves think that being on a buying side of energy assets transaction[s] appears to be more attractive at this time.*

About ISS

ISS recommendations are intended to assist shareholders in making choices regarding proxy voting decisions. In making its recommendations, ISS meets with both sides in the proxy contest, and carefully considers the validity of their respective arguments and the outcome that is in the best interests of shareholders. ISS provides comprehensive analyses and vote recommendations for approximately 40,000 meetings in 117 countries yearly.

DISSIDENTS' QUESTIONABLE PLAN AND INEXPERIENCED NOMINEES

The dissidents have not provided any viable proposals which are superior to current management's pursuit of its plan, nor have they identified an experienced and credible new board.

The dissidents have not been forthright in their disclosure and have been purposely vague, providing no details of their plan that will see Eagle's valuable assets sold at the bottom of the market. **Once this is done, what is next?** It is disconcerting to know that the dissidents and their nominees lack the experience required to steward Eagle forward in this difficult market, should they gain control.

- ✘ Kingsway has no real experience with the oil and gas industry in Canada or the United States. Its only oil and gas investment is in assets that have one well producing 23 barrels of oil per day.
- ✘ Mr. Gundersen's only experience as a CEO and a director of a public company is 14 months at Maple Leaf Royalties Corp., which owned a small royalty interest in Alberta, had no employees and operated no oilfield properties.
- ✘ One nominee has no oil and gas company experience. His only public company director experience is five months at a capital pool company (a shell company with no business, assets or operations).
- ✘ None of the dissident nominees have any meaningful U.S. energy sector experience.

ARE YOU WILLING TO PLACE EAGLE'S FUTURE INTO THE HANDS OF UNPROVEN AND SELF-INTERESTED DISSIDENTS TO STEWARD EAGLE THROUGH A DEPRESSED MARKET?

DO NOT BE MISGUIDED BY THE DISSIDENTS' MISLEADING STATEMENTS

The dissidents are trying to gain shareholder support by distorting facts.

- **The dissidents gloss over the real possibility that Eagle could face bankruptcy should they take control.**

If the dissidents win, the change to Eagle's Board will trigger an event of default under Eagle's loan with White Oak Global Advisors, LLC. If the condition is not waived by the lender, this may see Eagle having to immediately repay CA \$78 million of the loan principal and CA \$11 million of make-whole and repayment fees or face the possibility of bankruptcy. The dissidents contacted White Oak without our knowledge. White Oak advised us of this contact and told us that they will not amend the lender's rights under the loan agreement to accommodate the dissidents' plan. The dissidents know this, but have proposed no alternative financing.

- **The North Texas Asset is not "High Risk" as they claim.**

If the dissidents were truly experienced with the U.S. oil and gas industry, then they would recognize that the North Texas asset is not "high risk" as they claim. We have spent over two years developing our plan for these assets, including completion of substantial technical subsurface and engineering work. Eagle's independent reserves evaluator has assigned proved undeveloped reserves to this asset. It is a development drilling project with solid well control and production history.

- **The dissidents falsely accuse Eagle of issuing free shares to its directors and management.**

The awards are not granted "for free". The dissidents neglect to mention that they are referring to performance-based equity awards that have been granted to Eagle's employees, officers and directors under Eagle's long-term, deferred compensation plan, which was approved last year by Eagle's shareholders including Mr. Gundersen himself. This plan is consistent with industry norms. The dissidents themselves have received such awards under similar compensation plans in other companies.

THE DISSIDENTS RESORT TO MISLEADING SHAREHOLDERS TO DEFLECT FOCUS AWAY FROM THEIR SELF-INTERESTED AND SHORT-TERM MOTIVES

SUPPORT EAGLE'S CURRENT BOARD TO ENSURE EAGLE'S FUTURE SUCCESS

Under the guidance of its current board and management, Eagle has survived the worst oil price collapse in recent memory while many others have not. We have a viable plan to enhance value and are positioned to take advantage of strength in commodity prices.

- We believe our strategic growth plan, including the development of the North Texas asset, will maximize shareholder value. Instead of selling off valuable assets at bargain prices and issuing dilutive equity, we believe Eagle's plan to develop its existing assets provides the better way to create sustainable growth.
- Your directors, David Fitzpatrick, Richard Clark, Warren Steckley and Bruce Gibson possess the expertise required for Eagle to execute its plan.
- Bruce Gibson, a chartered accountant, has served as a CFO of three public oil and gas companies over 18 years. David Fitzpatrick and Warren Steckley, both engineers, have served as CEOs, presidents or COOs of public oil and gas companies over 20 years. Richard Clark has been a legal advisor to public company CEOs over 19 years.
- Messrs. Fitzpatrick, Gibson and Steckley each have over 35 years' experience in the oil and gas industry. Mr. Clark has over 27 years' experience. Over the past 20 years, they have served as directors of many public oil and gas companies, both large and small. They also have solid energy sector experience in both Canada and the United States; a MUST to guide Eagle and achieve the best outcome for its shareholders.

CHANGE FOR THE SAKE OF CHANGE IS NOT ALWAYS THE BEST CHOICE

- Change without a concrete plan will place your investment at risk.
- Change to replace a skilled and experienced board with unqualified candidates will only place Eagle's future in question.

This is what the dissidents offer you.

Don't let them take control of Eagle without paying you a fair premium for your shares under a formal take-over offer.

We are confident that there is upside ahead with Eagle's assets. The oil and gas industry has faced tough years with weak demand and low prices. However, as the sector begins to emerge from its upheaval, your current Board and management team are better suited to move Eagle forward and work for the benefit of all Eagle shareholders. Support a dedicated team focused on long term value for ALL Eagle shareholders by voting your **YELLOW** proxy FOR Eagle's current Board.

With respect and appreciation,

Signed "*David Fitzpatrick*"

David Fitzpatrick
Chairman of the Board

Signed "*Richard Clark*"

Richard Clark
Chief Executive Officer

YOUR VOTE IS EXTREMELY IMPORTANT. VOTE YOUR **YELLOW** PROXY TODAY.

Vote for Eagle's Board using only the enclosed **YELLOW** voting form. Discard the dissidents' voting form. (Voting on the dissidents' voting form, even if it is against their nominees, will cancel your previous vote using the **YELLOW** form.) If you have already voted using the dissidents' voting form, you can change your vote by simply voting using the enclosed **YELLOW** voting form. It is the later-dated voting form that will be counted.

Due to the essence of time, vote online or by telephone to ensure your vote is received in a timely manner.

The proxy voting deadline is June 23rd at 10 a.m. Calgary Time.

For assistance with voting or if you have any questions, you may contact Eagle's Proxy Solicitor,



Toll Free at 1-877-452-7184 or by
E-mail at assistance@laurelhill.com

Your investment is at risk.

We urge you to protect it by not allowing a dissident group to obtain control of Eagle.

Vote the **YELLOW Proxy or Voting Instruction Form well in advance. The Deadline to vote **YELLOW** is 10:00 a.m. (Calgary time) on Friday, June 23, 2017.**

Voting Method	Registered Shareholders If your shares are held in your name and represented by a physical certificate or in a direct registration system.	Beneficial Shareholders If your shares are held with a broker, bank or other intermediary.
Internet 	www.investorvote.com	www.proxyvote.com
Telephone 	North American Toll Free: 1-866-732-VOTE (8683) Outside North America: 1-312-588-4290	Call the toll-free number listed on your YELLOW Voting Instruction Form and vote using the control number provided therein.
Facsimile 	North American toll free: 1-866-249-7775 Outside North America: 1-416-263-9524	Complete, date, and sign the YELLOW Voting Instruction Form and fax it to the number listed therein.
Mail 	Complete, date and sign the YELLOW Proxy and return in the enclosed postage paid envelope to: Computershare Investor Services Inc. 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.	Complete, date and sign the YELLOW Voting Instruction Form and return it in the enclosed postage paid envelope.

QUESTIONS OR REQUESTS FOR ASSISTANCE WITH VOTING MAY BE DIRECTED TO THE PROXY SOLICITOR FOR EAGLE:



**NORTH AMERICAN TOLL FREE:
1-877-452-7184**

**COLLECT CALLS OUTSIDE NORTH AMERICA:
1-416-304-0211**

EMAIL: ASSISTANCE@LAURELHILL.COM