EAGLE ENERGY ™
TRUST

PRESS RELEASE

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EAGLE ENERGY TRUST PROVIDES 2012 REVISED GUIDANCE AFTER CLOSING PERMIAN BASIN ACQUISITION

Calgary, Alberta — May 25, 2012: Eagle Energy Trust (the "Trust") (TSX: "EGL.UN") is pleased to provide a guidance update for its subsidiary Eagle Energy Acquisitions LP ("**Eagle**"), following the closing on May 18, 2012 of Eagle's asset acquisition in Martin County, Texas.

This press release contains statements that are forward looking. Investors should read the "Note Regarding Forward-Looking Statements" at the end of this press release. Figures within this press release are presented in Canadian dollars unless referring to West Texas Intermediate oil pricing ("WTI"), NYMEX natural gas pricing, or otherwise indicated.

Revised Guidance

- Average working interest production for the second half of 2012 of 3,600 barrels of oil equivalent ("**boe**") per day (consisting of 98% oil and liquids and 2% natural gas). This includes previous Salt Flat production guidance plus production from Eagle's recent acquisition.
- 2012 full year average operating costs of approximately $15.00 per boe. This includes an expected increase in Salt Flat operating costs of approximately $4.00 per boe above previous guidance due to the use of diesel generators in the first half of 2012 to bring production on stream.
- 2012 full year capital budget of US$32 million, consisting of:
    - US$20 million for Salt Flat (a US$6 million increase). This includes 16 (12.8 net) horizontal oil wells (an increase of 6 wells), 3 (2.1 net) side track re-entry wells (an increase of 1 well), 2 (1.6 net) salt water disposal wells (an increase of 1 well), 2.5 (2 net) new batteries (an increase of 1 battery) and completing the electrification of the balance of the Salt Flat field.
    - US$12 million to drill 6 (5.5 net) vertical oil wells on the Martin County assets.
- 2012 full year funds flow from operations of $50 million (assuming oil is US$95 WTI and natural gas is US$2.68 NYMEX).
- Current US$29 million of debt drawn on a US$48.5 million credit facility.

- Current oil hedges locking in 1,000 barrels per day at WTI US$85 to US$108 pricing.

"We are pleased to have added the Martin County assets and have already begun working to increase production from this multi-zone, stacked pay resource," said Richard Clark, President and CEO. "We expect to exit the year at approximately 1,000 boe per day from our new properties, up from approximately 600 boe per day at the time of acquisition. In addition, we have expanded our capital program in the Salt Flat field, adding 6 horizontal wells. As these wells will come on production at the end of the fourth quarter, we do not expect them to have any impact on our 2012 average production levels from Salt Flat; however, they position us for meaningful growth in production early in 2013."

Mr. Clark continued, "Eagle maintains its guidance for distributions at the current rate of $1.05 per unit per year. Eagle now has an inventory of over 125 prospective drilling locations. With our working capital, debt capacity and cash flow, we believe we are well positioned to exploit these assets."

Sustainability of Distributions

Eagle's strategy is to target a sustainability ratio below 100%. Eagle calculates this ratio as follows:

$$\frac{\text{Capital Expenditures + Unitholder Distributions}}{\text{Funds flow from Operations}} = \text{Sustainability Ratio}$$

Eagle's 2012 sustainability ratio will be approximately 120% due to the recent acquisition and the accelerated near term capital program for those properties. This program is expected to more than double current production over the next 18 months and will allow Eagle to move toward its target.

Payout Ratio

Eagle's strategy is to target a 50% payout ratio. Eagle calculates this ratio as follows:

$$\frac{\text{Unitholder Distributions}}{\text{Funds flow from Operations}} = \text{Payout Ratio}$$

Eagle's 2012 payout ratio will be approximately 60% due to the recent acquisition and the accelerated near term capital program for those properties. This program is expected to more than double current production over the next 18 months and will allow Eagle to move toward its target.

Growth by Acquisitions

Eagle continues to actively pursue its stated strategy of acquiring additional producing properties in the continental United States. Eagle is well positioned to compete for additional accretive acquisitions in 2012.

Non-IFRS Financial Measures

Statements throughout this press release make reference to the terms "funds flow from operations", "distributions", "payout ratio" and "sustainability ratio" which are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Investors should be cautioned that these measures should not be construed as an alternative to net income calculated in accordance with IFRS. Management believes that “funds flow from operations”, “payout ratio” and “sustainability ratio” provide useful information to investors and management since these terms reflect the quality of production, the level of profitability, the ability to drive growth through the funding of future capital expenditures and the sustainability of distributions to unitholders. Funds flow from operations is calculated before changes in non-cash working capital. References to “distributions” are to cash distributions to unitholders in accordance with the distribution policies of the Trust. Distributable cash is a measure generally used by Canadian open-ended trusts as an indicator of financial performance and management believes that prospective investors may consider the cash distributed by the Trust relative to the price of the Units when assessing an investment in Units.

Note Regarding Forward-Looking Statements

Certain of the statements made and information contained in this press release are forward-looking statements and forward looking information (collectively referred to as “forward-looking statements”) within the meaning of Canadian securities laws. All statements other than statements of historic fact are forward-looking statements.

Forward-looking statements include those pertaining to Eagle's expectations regarding its average production for the second half of 2012, 2012 average operating costs, 2012 capital budget amount and specific uses, anticipated funds flow from operations for 2012, commodity prices, distributions, sustainability and payout ratio targets, production from the Martin County assets, and its plans and ability to acquire additional producing properties in the United States of America.

In determining its drilling program, timing for bringing wells onto production, production rates from the wells and operating costs, management has made assumptions relating to, among other things, anticipated future production from the wells in the Salt Flat field and Martin County, regulatory approvals, future commodity prices and US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S. and Texas, the ability to market future production from the Salt Flat and Martin County assets and future capital expenditures. These assumptions necessarily involve known and unknown risks and uncertainties inherent in the oil and gas industry such as geological, environmental, technical, drilling and processing problems, the volatility of oil and gas prices, commodity supply and demand, fluctuations in currency and interest rates, obtaining regulatory approvals, competition for services and supplies as well as other business risks that are set out in the Trust’s Annual Information Form dated March 22, 2012 under the heading “Risk Factors”.

The success of Eagle's drilling program is a key assumption in the production estimates for the 2012 financial year. The primary risk factors which could lead to Eagle not meeting its production targets are: (i) production additions from drilling activity are less than expected; (ii) a lack of access to drilling rigs and related equipment on a timely basis and at reasonable prices due to high industry demand or poor weather; and (iii) unexpected operational delays and challenges. Increases in capital costs from forecast amounts can result from the foregoing reasons as well as general cost inflation in the industry. Additionally, Eagle may choose to decrease capital expenditures from those anticipated in its budget projections, therefore affecting production estimates for the 2012 financial year. There are many factors that could result in production levels being less than anticipated, including greater than anticipated declines in existing production due to poor reservoir performance, the unanticipated encroachment of water or other fluids into the producing formation, mechanical failures or human error or inability to access production facilities, among other factors.

As a result of these risks, actual performance and financial results in 2012 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements.

Eagle's production rates for the last half of 2012, operating costs and capital budget for 2012, and the Trust's distributions, are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, commodity prices and industry conditions and regulations. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those set out in this press release. New factors emerge from time to time, and it is not possible for management to predict all of these factors or to assess in advance the impact of each such factor on the operations of Eagle, or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward looking statements will not occur. Although management believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date the forward-looking statements were made, there can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Trust and its unitholders.

Oil and Gas Measures

This press release contains disclosure expressed as "boe". All oil and natural gas equivalency volumes have been derived using the conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head.

About the Trust

Eagle Energy Trust is an energy trust created to provide investors with a publicly traded, oil and natural gas focused, distribution producing investment with favourable tax treatment relative to taxable Canadian corporations.

All material information pertaining to Eagle Energy Trust may be found under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.EagleEnergyTrust.com.

The Trust's units are traded on the Toronto Stock Exchange under the symbol EGL.UN.

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