PRESS RELEASE

FOR IMMEDIATE RELEASE: August 10, 2012

EAGLE ENERGY TRUST APPOINTS VICE PRESIDENT, FINANCE AND PROVIDES SECOND QUARTER FINANCIAL INFORMATION, OUTLOOK AND OPERATIONAL UPDATE

Calgary, Alberta: Eagle Energy Trust (the "Trust") (TSX: EGL.UN) is pleased to announce the appointment of James Elliott as Vice President, Finance. "James is a Chartered Accountant who brings 16 years of experience in corporate finance and financial accounting, with 14 years of direct experience in the oil and gas industry," said Kelly Tomyn, Chief Financial Officer. "He will be a valuable addition to the Eagle team."

Eagle is also pleased to report on its financial and operating results for the second quarter 2012, as well as provide an outlook and operational update. The Trust's unaudited interim condensed consolidated financial statements for the six months ended June 30, 2012 and related management's discussion and analysis have been filed with the securities regulators and will be available shortly under the Trust's issuer profile on the SEDAR website at www.sedar.com, and are available on the Trust's website at www.EagleEnergyTrust.com.

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. In this press release, references to "Eagle" include the Trust and its operating subsidiaries.

Highlights for the three month period ended June 30, 2012

- Acquired 92.5% working interest in certain Permian Basin properties, located near Midland, Texas for total cash consideration, including closing adjustments, of $115,680,000. Working interest production from the acquired assets was approximately 600 barrels of oil equivalent ("boe") per day ("boe/d") comprised of 88% oil and natural gas liquids and 12% natural gas.
- Closed a bought deal financing of 7,730,000 trust units at a price of $11.00 per trust unit for proceeds of $85,030,000. In addition, the underwriters were granted an over-allotment option, and purchased an additional 950,000 trust units for additional proceeds of $10,450,000.
- Negotiated an expanded $US 48.5 million credit facility (from $US 31 million), with $US 24.8 million of credit available at June 30, 2012.
- Drilled eight (6.5 net) oil wells. Seven (5.6 net) horizontal wells were drilled in the Salt Flat Field and one (0.9 net) vertical well was drilled in the Permian Basin. In addition, one (0.8 net) salt water disposal well was drilled in the Salt Flat Field.

Eagle Energy Inc.
900, 639-5th Avenue SW, Calgary, AB Canada T2P 0M9
T 403 531 1575 F 403 266 4124 E info@EagleEnergyTrust.com W EagleEnergyTrust.com

- Tied in seven (5.6 net) oil wells, five (3.7 net) horizontal wells in the Salt Flat Field and two (1.9 net) vertical wells in the Permian Basin.
- Achieved average working interest sales volumes of 2,400 boe/d.
- Recorded funds flow from operations of $7.2 million ($33.13 per boe or $0.31 per unit), up approximately 44% from $5 million in the second quarter of 2011 ($45.51 per boe or $0.28 per unit).
- Maintained unitholder distributions of $0.26 per unit for the quarter ($0.0875 per unit per month).
- Negotiated a new six month (September 2012 through February 2013) marketing arrangement that, when combined with its existing marketing agreement, will create an average $5.20 per barrel positive swing in the oil price differential at Salt Flat for the July through December 2012 period.

Summary of quarterly results

The following table shows selected information for the Trust's second fiscal quarter of 2012 and information for the comparative period in 2011.

	Three months ended June 30, 2012	**Three months ended June 30, 2011**	**Six months ended June 30, 2012**	**Six months ended June 30, 2011**
($000's except for boe/d and per unit amounts)				
Sales volumes – boe/d	2,400	1,214	2.284	1,241
Revenue, net of royalties	13,077	7,305	27,024	14,440
per boe	59.90	66.10	65.01	64.27
Funds flow from operations	7,233	5,029	16,351	10,221
per boe	33.13	45.52	39.34	45.49
per unit – basic	0.31	0.28	0.79	0.58
Income (loss)	8,567	1,703	7,615	(208)
per unit – basic	0.37	0.10	0.37	(0.01)
Cash distributions declared	6,628	4,775	11,651	9,503
per issued unit	0.2625	0.2625	0.2625	0.5250
Current assets	18,758	20,067	18,758	20,067
Current liabilities	28,158	7,299	28,158	7,299
Total assets	291,273	150,351	291,273	150,351
Total non-current liabilities	27,192	4,496	27,192	4,496
Unitholders' equity	235,923	138,556	235,923	138,556
Units outstanding for accounting purposes	27,895(1)	17,894(1)	27,895(1)	17,894(1)
Units issued	28,283	18,282	28,283	18,282

Note:

(1) Units outstanding for accounting purposes exclude 387,500 units issued due to the performance conditions that have to be met to enable such units to be released from escrow.

Working interest sales volumes for the six months ended June 30, 2012 averaged 2,284 boe/d (98% oil and natural gas liquids), an 84% increase from June 30, 2011 levels. Second quarter 2012 volumes benefitted from 30 (23.9 net) horizontal oils wells being tied in and brought on stream since the second quarter of 2011, as well as production from the Permian Basin properties from the acquisition closing date of May 18, 2012. Subsequent to the end of the first quarter 2012, Eagle commenced its main 2012 drilling program and has now drilled ten wells. Eagle has contracted a drilling rig to complete the balance of the 2012 drilling program.

The benchmark WTI price decreased by 8.8% from second quarter 2011, with $US realized prices and Canadian dollar realized prices decreasing by a commensurate amount. During the quarter, benchmark WTI averaged $US 93.51 per barrel of oil and the Trust realized a field netback of $44.96 per boe.

Related infrastructure investment and construction of a power trunk line in the Salt Flat Field continued throughout the second quarter with the objective to remove all generators currently in use as soon as possible to reduce operating costs. With power installation now complete at Salt Flat, the only generators still in use are temporary generators that will continue to be used from time to time until recently drilled well sites are electrified. Management's decision to temporarily incur higher operating costs due to generator usage enabled Eagle to bring significant production on-stream prior to when the power trunk line could otherwise have been completed.

Total administrative expenses for the second quarter were $2.8 million, approximately $1.4 million, or 102%, above second quarter 2011 levels. On a per boe basis, general and administrative expenses during second quarter 2012 were 2% higher than second quarter 2011 levels. The second quarter 2012 figure includes approximately $1.5 million of one-time transaction costs associated with the acquisition of the Permian Basin properties. On a go-forward basis, per boe general and administration costs are expected to trend lower due to increased production.

Income (loss) on a quarterly basis often does not move directionally nor by the same amount as movements in funds flow from operations. This is primarily due to items of a non-cash nature that factor into the calculation of income (loss), which are required to be fair valued at each quarter end, such as unit-based compensation or the mark-to-market value of existing commodity pricing contracts. During the second quarter of 2012, the weakening commodity pricing environment caused a large unrealized gain on risk management contracts, compared to a loss for the first quarter of 2012.

At June 30, 2012, the Trust had a working capital deficiency of $9.4 million (which becomes a $2.1 million surplus when the non-cash current portion of unit-based compensation is excluded) and $24.1 million drawn on its $US 48.5 million bank credit facility.

Outlook

- Eagle expects its average working interest production for the full year 2012 to be approximately 2,900 boe/d. Eagle maintains its previous guidance of average working interest production for the second half of 2012 to be approximately 3,600 boe/d.
- Eagle also maintains its previous guidance of 2012 full year average operating costs of approximately $15.00 per boe, which includes an increase in Salt Flat operating costs of approximately $4.00 per boe due to the use of diesel generators in the first half of 2012 to bring production on stream.

- Eagle has revised its 2012 full year capital budget to $US 42 million (previously $US 32 million), consisting of:
  - $US 24.5 million for Salt Flat (a $US 4.5 million increase), which includes 16 (12.8 net) horizontal oil wells, 3 (2.1 net) sidetrack re-entry wells, 2 (1.6 net) salt water disposal wells, 2.5 (2 net) batteries, completion of the electrification of the Salt Flat Field, and increased capital in 5 wells due to increased costs.
  - $US 17.5 million (a $US 5.5 million increase) to drill 8 (7.4 net) wells and tie-in 7 (6.5 net) wells on the Permian Basin properties.
- Eagle expects its 2012 full year funds flow from operations to be approximately $46.4 million (assuming $US 88 WTI, natural gas $US 2.68 NYMEX and 2012 average working interest production of 2,900 boe/d).

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 is expected to be approximately 150% due to the recent acquisition of the Permian Basin properties and the accelerated near term capital 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.

A table showing the sensitivity of Eagle's sustainability ratio to production and pricing is set out below under the heading "Sensitivities".

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 is expected to be approximately 60% due to the recent acquisition of the Permian Basin properties and accelerated near term capital for those properties.

A table showing the sensitivity of Eagle's payout ratio to production and pricing is set out below, under the heading "Sensitivities".

Eagle Energy Inc.
900, 639-5th Avenue SW, Calgary, AB Canada T2P 0M9
T 403 531 1575 F 403 266 4124 E info@EagleEnergyTrust.com W EagleEnergyTrust.com

Sensitivities

The following tables describe the sensitivity of Eagle's cashflow, payout ratio and sustainability ratio to production levels and commodity prices.

Sensitivity of Cashflow ($ millions) to Production and Commodity Price

		2012 (Jul. – Dec.) Average WTI		
		$78.00	**$88.00**	**$98.00**
2012 Average WI Production (boe/d)	**2,700**	$41.4	$42.8	$44.9
	2,900	$44.7	$46.4	$48.8
	3,100	$48.0	$50.0	$52.7

Sensitivity of Payout Ratio to Production and Commodity Price

		2012 (Jul. – Dec.) Average WTI		
		$78.00	**$88.00**	**$98.00**
2012 Average WI Production (boe/d)	**2,700**	63%	61%	58%
	2,900	58%	56%	53%
	3,100	54%	52%	49%

Sensitivity of Sustainability Ratio to Production and Commodity Price

		2012 (Jul. – Dec.) Average WTI		
		$78.00	**$88.00**	**$98.00**
2012 Average WI Production (boe/d)	**2,700**	164%	159%	151%
	2,900	152%	146%	139%
	3,100	141%	136%	129%

Assumptions:

1. Annual distributions are held at current levels of $1.05 per unit per year.
2. No new equity issued, other than distribution reinvestment program.
3. Field operating costs, including transportation, of approximately $15.00 per boe.
4. Capital budget of $US 42 million.
5. Differential to WTI held constant at WTI plus $0.20 per barrel of oil for Salt Flat (July to December, 2012), not including transportation.
6. Foreign exchange rate: $1.00 CDN = $1.00 USD.
7. Effects of hedging have been considered. See "Commodity Hedging" below.

Commodity Hedging

To mitigate the effects of fluctuating prices on a portion of its production, the following contracts are in place:

	Volume	*Measure*	*Beginning*	*Term*	*Floor $US*	*Ceiling $US*
Oil Fixed Price						
NYMEX (i)	200	bbls/d	Nov-11	Oct-12	91.00	91.00
NYMEX (ii)	500	bbls/d	Jan-12	Dec-12	92.00	105.00
NYMEX (ii)	300	bbls/d	May-12	Apr-13	95.00	108.25
NYMEX (i)	200	bbls/d	Jan-13	Apr-13	103.45	103.45
NYMEX (ii)	250	bbls/d	Aug-12	Jul-13	87.00	89.70
NYMEX (ii)	250	bbls/d	Sep-12	Aug-13	90.00	91.60
NYMEX (i)	500	bbls/d	May-13	Dec-13	103.45	103.45
NYMEX (i)	400	bbls/d	Jan-14	Dec-14	98.00	98.00

(i) Represents a fixed price financial swap transaction with a set forward sale price (WTI reference prices).
(ii) Represents costless collar transactions created by buying puts and selling calls (WTI reference prices).

Power and Marketing Contracts

With power installation now complete at Salt Flat, the only generators still in use are temporary generators that will continue to be used from time to time until recently drilled well sites are electrified. In addition, Eagle recently negotiated a revision to its current electrical contract that will result in a 37% lower per-kilowatt-hour rate than what is currently being charged for the remainder of 2012 and a new contract for two years beyond. Fuel and power, and utilities and equipment rentals (generators) account for 43% of operating costs during the second quarter of 2012.

There is a quality differential between the benchmark West Texas Intermediate (“WTI”) price and the $US sales price realized by Eagle. Eagle recently negotiated a six month (September 2012 through February 2013) marketing agreement that pegs the reference price in the Salt Flat area to Louisiana Light Sweet instead of Cushing, Oklahoma. When combined with its existing marketing agreement, Eagle expects its July through December 2012 average oil price differential at Salt Flat to go from its present negative differential to a positive $US 0.20 per barrel differential and its January 2013 to February 2013 price differential to be a positive $US 1.66 per barrel. Eagle continues to monitor these differentials to ensure that volumes will be marketed at differentials to the WTI posted price that are deemed by management to be optimal.

Sensitivity of Distributions to Foreign Exchange

Management is assuming foreign exchange to be at par for 2012. The impact of fluctuations in the US dollar versus Canadian dollar foreign exchange rates on Trust distributions is reduced since substantially all of Eagle’s funds flow from operations is in US dollars. Also, a targeted 50% payout ratio further reduces the impact of foreign exchange on distributions. Based on a 2012 pricing assumption of $US 88 WTI per barrel of oil, average production of 2,900 boe/d and other assumptions as listed in the “Sensitivities” section above, a weakening of the Canadian dollar by $0.02 relative to the US dollar results in a decrease in the payout ratio from 56% to 55% and a decrease in the sustainability ratio from 146% to 145%.

Non-IFRS Financial Measures

Statements throughout this press release make reference to the terms “field netback” and “funds flow from operations” which are non-International Financial Reporting Standards ("**IFRS**") financial measures that do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management believes that “field netback” and “funds flow from operations” provide useful information to investors and management since such measures 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. Field netback is calculated by subtracting royalties and operating costs from revenues. See the “Non-IFRS financial measures” section of the MD&A for a reconciliation of funds flow from operations and field netback to income for the period, the most directly comparable measure in the Trust’s audited annual consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

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 2012 average working interest production, 2012 average operating costs, 2012 capital expenditures, foreign exchange rate, 2012 funds flow from operations, commodity prices, amount of and sustainability of unitholder distributions, sustainability and payout ratio targets, and sensitivities of the sustainability and payout ratios and funds flow from operations to production rates and commodity prices. In determining its production rates and operating costs, management has made assumptions relating to, among other things, anticipated future production from the wells in the Salt Flat Field and Permian Basin properties, 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 Permian Basin 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 natural 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 average working interest production rates for 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. Unlike fixed income securities, Eagle has no obligation to distribute any fixed amount and reductions in, or suspension of, cash distributions may occur that would reduce future yield.

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 Natural Gas Measures

This press release contains disclosure expressed as "boe" or "boe/d". All oil and natural gas equivalency volumes have been derived using the conversion ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf: 1 bbl 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. In addition, given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 Mcf: 1 bbl would be misleading as an indication of value.

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.

For further information on Eagle Energy Trust please contact:

Richard W. Clark
President and Chief Executive Officer
403.531.1575
info@EagleEnergyTrust.com