EAGLE ENERGY™
TRUST

PRESS RELEASE

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Eagle Energy Trust Releases First Quarter Financial Results, Increases Capital Spending and Funds Flow Guidance: Trust Earns $4.1 Million in Q1 on Funds Flow of $11.9 Million

Calgary, Alberta: Eagle Energy Trust (the "Trust") (TSX: EGL.UN) is pleased to report its financial and operating results for the first quarter 2013. The Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2013 and related management's discussion and analysis have been filed with the securities regulators and are available on the Trust's website at www.EagleEnergyTrust.com or on SEDAR at www.sedar.com.

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

Highlights for the three months ended March 31, 2013

- First quarter 2013 average working interest sales volumes of 2,928 barrels of oil equivalent per day ("boe/d") exceeded Eagle's first quarter plan and were unchanged from fourth quarter 2012 production levels.
- Eagle maintained fourth quarter 2012 production levels throughout the first quarter of 2013 while spending less than 20% of its 2013 capital budget. Over 60% of Eagle's 2012 capital program occurred in the last half of 2012, resulting in a substantial portion of fourth quarter 2012 production from new wells being comprised of normal flush production. Eagle's first quarter 2013 results demonstrate both improved operations execution as well as a significantly lower corporate decline rate compared to market consensus regarding prior periods.
- Average working interest production was 2,928 boe/d (87% oil, 7% natural gas liquids, 6% natural gas). From this base, the Trust remains on track to meet its 2013 full year production guidance of 2,900 to 3,100 boe/d. Eagle commenced its 2013 drilling program in April.
- Achieved a 37% reduction in field operating costs (excluding transportation) compared to first quarter 2012, and a 20% reduction compared to the fourth quarter 2012. Total field operating costs, including transportation, were $11.18 per boe. The significant reduction was primarily due to improved operating procedures, including reducing salt water disposal costs, resizing submersible pumps and negotiating lower power contracts.

- 2013 funds flow from operations was $11.9 million, up 30% from the first quarter of 2012 and up 20% from the fourth quarter of 2012.
- Top-decile first quarter field netbacks were $52.59 per boe. Canadian dollar realized oil prices were 103% of benchmark $US WTI. Premium pricing negotiated by Eagle in its 2013 marketing arrangements contributed to top decile per boe field and operating netbacks, giving Eagle a substantial revenue advantage over producers of Canadian oil.
- First quarter distributions held steady at $0.26 per unit or $0.0875 per unit per month without increasing debt per unit from the fourth quarter 2012.
- On April 22, 2013, Eagle acquired the remaining 7.5% interest in its oil and natural gas properties in the Permian Basin located near Midland for cash consideration of approximately $US 8.5 million (the "**Acquisition**"). The Acquisition adds approximately 70 boe/d of production. The Trust now owns 100% working interest these properties.
- Upon completion of the 2012 year end reserves report and the closing of the Acquisition, the borrowing base under Eagle's credit facility was increased from $US 48.5 million to $US 61.0 million. The credit facility was syndicated to include a second major Canadian chartered bank as a new lender.

Richard Clark, President and Chief Executive Officer of Eagle stated, "Eagle's first quarter 2013 performance validates our stated business strategy of acquiring assets with substantial early stage growth capability, executing on that growth, and then entering into a harvest mode where the borrowing base is expected to increase due to increasing levels of lending base reserves (proved developed producing reserves). Under this strategy, expected increases in borrowing capacity will provide additional low cost capital for future drilling and additional acquisitions."

Mr. Clark continued, "Eagle's distribution strategy remains supported by a low-risk balance sheet, top decile per boe returns, and a solid recycle ratio in excess of 1.9 to 1 on capital deployed."

Operations Update

Eagle is drilling its second Permian well of the five well 2013 Midland program. Eagle's first 2013 Permian well is expected to be on production within 45 days. Open hole logs indicate better than expected production potential in Wolfcamp, Cline and Leonard shales. In Luling, permitting and location construction is underway, with the six well Salt Flat Field 2013 drilling program scheduled to begin in June.

Outlook

This outlook section is intended to provide unitholders with information about Eagle's expectations as at the date hereof for production and capital expenditures for 2013. Readers are cautioned that the information may not be appropriate for any other purpose. This information constitutes forward-looking information. Readers should note the assumptions, risks and discussion under "Note regarding forward-looking statements".

2013 Updated guidance

Following completion of the Acquisition, the Trust updated its guidance as set forth below.

	Updated 2013 Guidance	Previous 2013 Guidance	Notes
Capital Budget	$US 26.0 mm	$US 24.0 mm	(1)
Working Interest Production	2,900 – 3,100 boe/d	2,900 – 3,100 boe/d	(2)
Operating Costs (inclusive of transportation)	$12.00 - $14.00 per boe	$12.00 - $14.00 per boe	(2)
Funds Flow from Operations	$45.0 mm	$41.0 mm	(3)

Notes:

(1) Increased due to the Acquisition. Eagle now owns a 100% working interest in its Midland properties. Note that the capital budget amount excludes the initial $US 8.5 million cost of the Acquisition.

(2) The Acquisition is expected to add approximately 70 boe/d to production volumes. This results in no change to previously stated production range guidance or operating cost guidance.

(3) 2013 funds flow from operations of $45.0 million (previous funds flow guidance of $41.0 million) has been estimated using the following assumptions:

a. based on actual results through to March 31, 2013 and the Acquisition;

b. full year average working interest production of 3,100 boe/d, which is at the upper end of the guidance range (previous funds flow guidance assumption used 3,000 boe/d, which was at the mid-point of the guidance range);

c. April - December pricing unchanged from previous funds flow guidance assumptions: $US 90.00 per barrel West Texas Intermediate ("WTI") oil, $US 2.90 per Mcf NYMEX gas and $US 39.60 per barrel NGLs (NGLs price is calculated as 44% of the WTI price);

d. April - August field marketing contracts currently in place for both Midland and Luling, as described in the "Revenue" section of the MD&A;

e. September - December $2.23 per barrel discount from WTI in Midland (excluding transportation) and a $1.71 per barrel discount from WTI in Luling (excluding transportation), which is based on assumptions used in the latest reserve report, since no field marketing contracts yet are in place for this period;

f. April - December average operating costs (inclusive of transportation) unchanged from previous funds flow guidance assumption of $13.00 per boe; and

g. April - December foreign exchange unchanged from previous funds flow guidance assumption at $1.00 CDN/US.

A table showing the sensitivity of Eagle's 2013 funds flow to changes in production and commodity prices is set out below under the heading "2013 Sensitivities".

Calculations and commentary regarding the sustainability of Eagle's distributions

The following table sets out Eagle's 2013 updated guidance with respect to its projected payout ratios, debt to trailing cashflow, and percentage to be drawn on its credit facility at the end of 2013.

	Updated 2013 Guidance	Previous 2013 Guidance	Notes
Payout Ratios (as a percentage of funds flow)			
Basic Payout Ratio (i.e., Distribution at $1.05/unit)	71%	77%	(1)
Plus: Capital Expenditures	57%	59%	(2)
Equals: Corporate Payout Ratio	128%	136%	(3)
Adjusted Payout Ratio (i.e., Distribution - DRIP proceeds + Capital Expenditures)	83%	85%	(4)
Financial Strength			
Debt to trailing cashflow	0.88x	0.78x	(5)
% Drawn on existing credit facility at end of period	66%	66%	(6)

Notes:

(1) Eagle calculates its basic payout ratio as follows:

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

A table showing the sensitivity of Eagle's basic payout ratio to production and pricing is set out below under the heading "2013 Sensitivities".

(2) Capital expenditures generally exclude corporate and property acquisitions because these are evaluated separately on their own merits. The initial acquisition capital of $US 8.5 million relating to the Acquisition has therefore been excluded from this percentage.

(3) Eagle calculates its corporate payout ratio as follows:

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

A table showing the sensitivity of Eagle's corporate payout ratio to production and pricing is set out below under the heading "2013 Sensitivities".

(4) Assumes 65% unitholder participation in Eagle's Premium Drip™ and distribution reinvestment programs is unchanged throughout 2013. As is the case with any manner of equity funding, Eagle weighs the benefits from this method of financing and will make adjustments as deemed prudent.

(5) Increased due to the $US 8.5 million Acquisition being financed by bank debt.

(6) Effective April 22, 2013, the borrowing base under the credit facility was increased to $US 61.0 million.

2013 Sensitivities

The following tables show the sensitivity of Eagle's funds flow, corporate payout ratio and basic payout ratio to changes in commodity price and production.

Sensitivity of Funds Flow ($ millions) to Commodity Price and Production

		2013 (Apr – Dec) Average WTI		
		$US 80.00	$US 90.00	$US 100.00
2013 Average Working Interest Production (boe/d)	2,900	40.7	42.0	44.1
	3,100	44.1	45.0	48.1
	3,300	47.4	49.4	52.2

Sensitivity of Corporate Payout Ratio to Commodity Price and Production

		2013 (Apr – Dec) Average WTI		
		$US 80.00	$US 90.00	$US 100.00
2013 Average Working Interest Production (boe/d)	2,900	144%	140%	133%
	3,100	133%	128%	122%
	3,300	124%	119%	112%

Sensitivity of Basic Payout Ratio to Commodity Price and Production

		2013 (Apr – Dec) Average WTI		
		$US 80.00	$US 90.00	$US 100.00
2013 Average Working Interest Production (boe/d)	2,900	79%	77%	73%
	3,100	73%	71%	67%
	3,300	68%	65%	62%

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 $13.00 per barrel.

The Trust remains on track to meet its 2013 guidance and to add additional production with the start of its 2013 capital program, beginning in April with five planned wells at Midland, followed by six planned wells in Luling beginning in June.

The Midland drilling program will continue to target multiple pay zones from the Clearfork through to the Atoka. Several horizontal plays are also being drilled by other operators in the Martin county area. Eagle is focusing on three zones for potential horizontal drilling on its acreage next year. The Salt Flat program will continue to primarily target the Edwards "A" zone; however, the Edwards "B" and "C" zones have also been shown to be productive by the Trust on our acreage. Eagle anticipates further development in these zones as its technical team continues to enhance its understanding of the subsurface.

Acquisition of remaining interest in the Trust's Midland area properties

On April 22, 2013, the Trust's operating subsidiary completed the Acquisition and acquired all of the remaining interest in its oil and natural gas properties in the Permian Basin located near Midland for cash consideration of $US 8.5 million, subject to closing adjustments and effective as of January 1, 2013. The Trust now owns a 100% working interest in its Midland area properties.

The Acquisition was made pursuant to the terms and conditions of the April 2012 purchase and sale agreement for the Trust's initial acquisition of its interest in the Midland area properties. Under the terms of the purchase and sale agreement, the Trust agreed to purchase the seller's remaining 7.5% undivided interest by April 30, 2013.

Increase to Eagle's credit facility

Effective April 22, 2013, the Trust announced an increase in the borrowing base under its credit facility, with a Canadian chartered bank acting as agent. The borrowing base was increased to $US 61.0 million from $US 48.5 million. In addition, the credit facility has been syndicated to include a second Canadian chartered bank as a new lender. As of the end of the first quarter 2013, the Trust had 38% undrawn on its expanded credit facility.

Summary of quarterly results

The following table shows selected information for the Trust's first fiscal quarter of 2013 and information for the comparative period in 2012.

	Q1/2013	**Q1/2012**
($000's except for boe/d and per unit amounts)		
Sales volumes – boe/d	2,928	2,169
Revenue, net of royalties	16,805	13,947
per boe	63.77	70.67
Funds flow from operations	11,884	9,118
per boe	45.10	46.20
per unit – basic & diluted	0.40	0.50
Income (loss)	4,080	(952)
per unit – basic and diluted	0.14	(0.05)
Cash distributions declared	7,828	5,024
per issued unit	0.2625	0.2625
Current assets	9,913	16,447
Current liabilities	11,982	20,319
Total assets	283,112	156,477
Total non-current liabilities	39,873	489
Unitholders' equity	231,257	135,669
Units outstanding for accounting purposes	29,960(1)	18,847(1)
Units issued	30,066	19,234

Notes:

(1) Units outstanding for accounting purposes exclude those 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 first quarter 2013 averaged 2,928 boe/d (87% oil, 7% natural gas liquids, 6% natural gas), a 35% increase from the first quarter 2012 (which was 100% oil). The increase is attributable to the May

2012 Midland area acquisition, 9 (8.2 net) additional oil wells being tied-in in the Midland area and an additional 16 (12.8 net) oil wells being brought on stream in the Luling area since March 31, 2012.

The Trust's quarterly revenue is 99% derived from oil and natural gas liquids. Canadian dollar realized oil prices were 103% of benchmark $US WTI for the first quarter of 2013 while natural gas liquid prices were approximately 35% of benchmark $US WTI.

A key part of the Trust's strategy is to acquire US properties which are close to markets and, in so doing, realize premium sales prices compared to Canadian production. The Trust enters into marketing contracts in the field to obtain the most favorable pricing. For example, in the Luling area, the Trust had a marketing agreement in place from September 2012 through February 2013 where the Trust's reference price was set to Louisiana Light Sweet instead of WTI. This resulted in a premium to the WTI price of $US 3.53 per barrel (excluding transportation costs). Additionally, from March 2013 through August 2013, the Trust has a marketing agreement in place that sets the Trust's reference price to Louisiana Light Sweet instead of WTI, which results in a premium to the WTI price of $US 4.75 per barrel (excluding transportation costs).

In the Midland area, the Trust had a marketing agreement in place from October 2012 through February 2013 which limited the discount from the WTI price to $US 2.36 per barrel (excluding transportation costs). Additionally, from March 2013 through August 2013, the Trust has a marketing agreement in place which limits the discount from the WTI price to $US 2.06 per barrel (excluding transportation costs). Management monitors pricing regularly and endeavors to maximize realized sales prices while minimizing counterparty risk.

Income (loss) on a quarterly basis often does not move directionally or 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), and those that are required to be fair valued at each quarter end. By way of example, first quarter 2013 funds flow from operations increased 30% from the first quarter 2012 while first quarter 2013 income increased by a much larger percentage. This is primarily due to a lower unit price at the end of the first quarter of 2013 that caused a unit based compensation recovery to be recorded upon performing a fair market valuation of future unit based payments.

2013 Annual and Special Meeting

The Trust's 2013 Annual and Special Meeting of the unitholders will be held on June 5, 2013 at 3:00 p.m. (Mountain Daylight Time) at the Calgary Petroleum Club, 319, Fifth Avenue S.W. Calgary, Alberta. The record date for the meeting is April 26, 2013. The Trust is pleased to take advantage of the new rules allowing companies to deliver meeting materials over the internet to its Unitholders. You can obtain an electronic version of the Management Information Circular on the following websites: www.envisionreports.com/EABQ, www.eagleenergytrust.com and under the Trust's issuer's profile on www.sedar.com.

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 earnings (loss) for the period, the most directly comparable measure in the Trust's condensed consolidated interim 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 2013 capital budget amount and specific uses, average working interest production for 2013, drilling inventory and drilling program for 2013 and beyond, 2013 operating costs, commodity prices, funds flow from operations, cash available from the distribution reinvestment and Premium Drip™ programs, payout ratios, debt to trailing cash flow and percentage to be drawn on its credit facility at the end of 2013 and specific uses, sensitivities of the payout ratios and funds flow to commodity price and production, sustainability of production, and amount of and sustainability of distributions on the Trust's units. In determining its drilling program, timing for bringing wells onto production, production rates from the wells, operating costs and funds flow from operations, management has made assumptions relating to, among other things, anticipated future production from wells in the Salt Flat field and Midland area, 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 field and Midland area, future capital expenditures and the geological and engineering reserves estimates in respect of Eagle's properties in the Salt Flat Field and Midland area. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

The success of Eagle's drilling program is a key assumption in the production estimates for 2013. 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 2013. There are many risk factors inherent in the oil and gas industry in general that could result in production levels being less than anticipated from petroleum reserves, including such risk factors as 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.

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, 2013 under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2013 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's production rates, operating costs and 2013 capital budget, 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 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 Eagle Energy Trust

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

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

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