NEWS RELEASE

EAGLE ENERGY™
TRUST

FOR IMMEDIATE RELEASE:

Eagle Energy Trust Releases Second Quarter Financial Results: Posts Funds Flow of $10.5 million and Executes Final Stages of 2014 Capital Program

Calgary, Alberta: August 14, 2014 (TSX: EGL.UN): Eagle Energy Trust (the **"Trust"** or **"Eagle**") is pleased to report its financial and operating results for the second quarter of 2014.

Eagle reported increased production volumes and revenue in the second quarter of 2014 compared to the second quarter of 2013. The Trust also reported premium netbacks during the quarter and distributed $8.8 million to its unitholders.

The Trust's unaudited interim condensed consolidated financial statements for the six months ended June 30, 2014 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 addition, the Trust has posted video commentary from its Chief Operating Officer regarding its second quarter operational results on its website at the following link: http://www.eagleenergytrust.com/videos.

In this news release, references to "Eagle" include the Trust and its operating subsidiaries. This news release contains statements that are forward-looking. Investors should read the Note regarding forward-looking statements at the end of this news release.

Highlights for the three months ended June 30, 2014

- Reported second quarter average working interest production of 3,341 barrels of oil equivalent per day ("boe/d") (82% oil, 9% natural gas liquids, 9% natural gas), an 11% increase from the first quarter of 2014 and an 11% increase from the comparable 2013 quarter.
- Generated second quarter 2014 funds flow from operations of $10.5 million ($0.32 per unit), consistent with first quarter 2014 results.
- Posted premium second quarter field netbacks of $53.10 per boe. Canadian dollar realized oil prices were $109.17 per barrel (approximately $US 100 per barrel), giving Eagle a substantial revenue advantage compared to producers of oil in Canada.
- Maintained second quarter unitholder distributions at $0.26 per unit ($0.0875 per unit per month).
- Drilled, completed and brought on stream 2 (2 net) wells in Midland during the quarter. To date, 75% of Eagle's $US 28 million capital program has been executed, with results performing to expectations.

Sale of Permian properties and outlook

On August 13, 2014 the Trust announced that its US operating subsidiary has entered into a binding agreement to sell its entire working interest in its oil and natural gas properties in the Permian Basin, located near Midland, Texas, to an undisclosed buyer for cash consideration of $US 140 million before closing adjustments. The disposition is expected to close on August 29, 2014, with an effective date of July 1, 2014**.**

In the August 13, 2014 news release, Mr. Richard Clark, President and Chief Executive Officer of Eagle, concluded, “This transaction signals a new era at Eagle. I am excited about our opportunities to move forward, to distinguish ourselves as a more sustainable business than in the past. We will continue to pursue growth through accretive acquisitions of assets which can be sustained from future cashflow, while also supporting our distribution.” For further commentary regarding the sale of the Permian properties, please refer to Eagle’s news release of August 13, 2014.

Excluding the Permian Basin assets, Eagle’s working interest production as of July 1, 2014 was approximately 1,940 barrels of oil per day. The Trust intends to use the net proceeds to fully retire its outstanding advances under its existing credit facility, expects to have approximately $US 50 million of cash remaining (before transaction costs and closing adjustments) and an estimated $US 55 million of undrawn credit on its remaining assets.

As a result of the announcement of the sale of its Permian properties, Eagle has withdrawn its current guidance and expects to provide revised guidance after an announcement is made regarding its re-deployment of the sale proceeds.

Eagle also announced that it has set its distribution at $0.0875 per unit per month for August, September and October 2014 to provide an additional level of certainty surrounding Eagle’s distribution while Eagle moves to replace the cashflow from the Permian properties.

Effective September 1, 2014, Eagle intends to terminate the premium (“Premium Distribution™” or “Premium DRIP”) component of its Distribution Reinvestment Plan, but will maintain the regular component of its Distribution Reinvestment Plan. The Premium DRIP comprises more than 90% of total Distribution Reinvestment Plan participation. Eagle also intends to reduce the market discount that units can be acquired for under its regular Distribution Reinvestment Plan from 5% to 2%.

Operations update

Eagle has negotiated a new power contract for all of its operated assets. This new contract is below five cents per kwh and will ensure flat electrical costs for the next three years. This is particularly important at Eagle’s Salt Flat Properties where electricity is one of its largest operating costs.

Hardeman Properties

Eagle recompleted one well on its Hardeman properties in June 2014 with results meeting expectations.

Eagle continues to evaluate its seismic data to add more drilling locations to its inventory. To date, Eagle has identified three drilling locations with drilling to commence in the fourth quarter of 2014. The opportunity also exists to evaluate other zones, while primarily targeting the Chappell formation, during future drilling.

Eagle began operating its first Hardeman property in January 2014 and its second Hardeman property in March 2014. During this short period, expenses have been reduced (as described below) and costs related to the property acquired in January are trending downward. Eagle is now applying this knowledge to the property acquired in March 2014.

Initiatives continue to reduce water disposal and power costs, which collectively comprise 80% of field operating costs. During the second quarter, Eagle renegotiated water hauling rates and optimized water hauling routes. Eagle plans to drill a salt water disposal well to achieve its targeted water disposal costs but this may be deferred to 2015 pending land issues and rig availability. Propane is utilized at wells remotely situated from the electricity grid. To reduce costs, Eagle acquired and repaired an inactive natural gas sharing system and recompleted a well to displace propane as fuel. Further initiatives include well-site electrification, the installation of additional natural gas sharing lines and movement of existing gas engines to further optimize fuel usage.

Salt Flat Properties

The two wells drilled on the Salt Flat properties during the first quarter continue to meet production expectations and Eagle installed eight horizontal pumps with good success. In aggregate, the Salt Flat capital program has exceeded expectations.

Monthly operating costs at Salt Flat are lower than originally budgeted. Year over year field operating expense reductions continue at Salt Flat with expenses expected to be 5% - 7% lower than 2013. On a dollar basis, this would result in a year over year cost savings in the range of $600,000 to $800,000.

Eagle has started preliminary work for a seismic program to identify additional drilling locations in the Edwards formation at Salt Flat and expects to have data in-house by the fourth quarter of 2014.

Summary of quarterly results

	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013
($000's except for boe/d and per unit amounts)					
Sales volumes – boe/d	3,341	3,010	2,994	3,052	3,022
Revenue, net of royalties	21,363	19,457	17,733	19,517	17,162
per boe	70.26	71.82	64.37	69.51	62.42
Field netback	16,144	14,705	13,106	15,945	14,352
per boe	53.10	54.29	47.58	56.79	52.20
Funds flow from operations	10,471	10,341	8,794	11,615	11,977
per boe	34.44	38.18	31.93	41.37	43.56
per unit – basic	0.32	0.32	0.28	0.37	0.39
per unit – diluted	0.28	0.25	0.28	0.37	0.39
Income (loss)	(23,158)	2,218	156	(3,241)	3,919
per unit – basic	(0.70)	0.07	0.00	(0.10)	0.13
per unit - diluted	(0.70)	0.02	0.00	(0.10)	0.13
Cash distributions declared	8,775	8,555	8,376	8,204	8,026
per issued unit	0.2625	0.2625	0.2625	0.2625	0.2625
Current assets	8,802	9,116	9,889	9,950	11,443
Current liabilities	32,878	33,348	30,461	20,942	19,874
Total assets	320,182	356,332	335,679	306,021	311,271
Total non-current liabilities	80,126	79,684	70,521	55,069	50,654
Unitholders' equity	207,178	243,300	234,697	230,010	240,743
Units outstanding for accounting purposes	33,739	32,836	32,149	31,469	30,707(1)
Units issued	33,739	32,836	32,149	31,469	30,813

Notes:

(1) Units outstanding for accounting purposes exclude those units issued subject due to performance conditions that had to be met to enable such units to be released from escrow.

Field netback and funds flow from operations are non-IFRS measures. See "Non-IFRS Financial Measures".

Working interest sales volumes for the second quarter of 2014 averaged 3,341 boe/d (82% oil, 9% natural gas liquids, 9% natural gas).

The Trust's quarterly revenue is 97% derived from oil and natural gas liquids. Realized oil prices were comparable to benchmark $US WTI, while natural gas liquid prices were approximately 39% of benchmark $US WTI.

The Trust enters into marketing contracts in the field to obtain the most favorable pricing. For the Salt Flat properties, the field marketing contracts use Louisiana Light Sweet ("LLS") as a benchmark reference price instead of WTI. The April contract and the May through November contract hold all other field pricing adjustments fixed and allows the LLS-WTI differential to float.

For the Permian properties, the field marketing contracts use WTI as a reference price. The April contract had all other pricing adjustments float (except for a per barrel marketing fee). For May through November, the contract holds all other field pricing adjustments fixed and lets the Midland-Cushing differential float.

For Hardeman properties, the field marketing contracts from May through November use WTI as a reference price. These contracts hold all other field pricing adjustments fixed.

Eagle will continue to monitor the spread on the floating price components and has the ability to fix these in the future.

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 non-cash items 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, second quarter 2014 funds flow from operations increased 1% from the first quarter while Eagle reported a loss in the second quarter after reporting income in the first quarter. This occurred for three reasons. First, a stronger forward commodity price environment decreased the fair market valuation of Eagle's forward commodity contracts. Second, depreciation, depletion and amortization increased when compared to the first quarter 2014 as a result of the additional Hardeman properties purchased in the first quarter 2014 being added to the depletable base. Third, a non-cash impairment for the Permian properties was recorded in the second quarter of 2014 as the disposition proceeds are less than the book value of the assets.

As of June 30, 2014, the Trust had approximately $US 10.5 million of unused credit on its $US 80 million revolving credit facility and was fully drawn on its $US 10 million non-revolving term credit facility, both of which are held with a syndicate of Canadian chartered banks. See "Sale of Permian properties and Outlook" for an updated credit facility discussion.

Capital expenditures

Capital expenditures during the three and six months ended June 30, 2014 and June 30, 2013 were as follows:

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	%	**Six Months Ended June 30, 2014**	Six Months Ended June 30, 2013	%
(000's)	**$**	$		**$**	$	
Exploration and evaluation[(1)]	-	37	(100)	16	56	(71)
Acquisition of Hardeman county	99	-	100	5,409	-	100
Acquisition of Permian Basin Properties - 7.5% interest	-	8,831	(100)	-	8,831	(100)
Intangible drilling and completions	4,537	12,423	(63)	13,555	16,343	(17)
Seismic	747	-	100	2,947	-	100
Well equipment and facilities	1,126	933	21	1,409	1,112	27
Other	10	406	(98)	21	456	95
	$ 6,519	22,630	(71)	**23,357**	26,798	(13)

Notes:

(1) Exploration and evaluation expenditures relate to amounts spent on land to which no proven reserves are yet assigned.

During the second quarter of 2014, the Trust spent $5.5 million to drill, complete and tie in two wells on the Permian properties. Additionally, $0.2 million was spent to recomplete two existing wells on the Permian properties and $0.7 million was spent on seismic processing for Hardeman and preparation for the seismic shoot on the Salt Flat properties.

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Acquisitions

On February 27, 2014, the U.S. subsidiary of the Trust acquired additional undeveloped acreage and an average 66% working interest in producing properties in Hardeman County, Texas and Greer, Harmon and Jackson Counties, Oklahoma for cash consideration of $5.4 million ($US 4.8 million). The acquisition had an effective date of December 1, 2013 and increased Eagle's initial position it established in Hardeman County in the fall of 2013.

The acquisition has been accounted for as a business combination with the fair value of the net assets as follows:

Identifiable assets acquired and liabilities assumed ($CA):		
Oil and gas properties	$	5,497
Decommissioning liabilities		(88)
	$	**5,409**

Activity Summary

Wells drilled (rig-released)	**Three Months Ended June 30, 2014**		Three Months Ended June 30, 2013		**Six Months Ended June 30, 2014**		Six Months Ended June 30, 2013	
	Gross	**Net**	Gross	Net	**Gross**	**Net**	Gross	Net
Salt Flat	-	-	3	2.4	2	1.6	3	2.4
Permian	2	2.0	4	4.0	2	2	4	4.0
Hardeman	-	-	-	-	-	-	-	-
Total	**2**	**2.0**	7	6.4	**4**	**3.6**	7	6.4

Wells brought on-stream	**Three Months Ended June 30, 2014**		Three Months Ended June 30, 2013		**Six Months Ended June 30, 2014**		Six Months Ended June 30, 2013	
	Gross	**Net**	Gross	Net	**Gross**	**Net**	Gross	Net
Salt Flat	-	-	3	2.4	2	1.6	3	2.4
Permian	2	2.0	2	2.0	2	2	3	2.9
Hardeman	-	-	-	-	-	-	-	-
Total	**2**	**2.0**	5	4.4	**4**	**3.6**	6	5.3

Refer to the "Operations update" section at the beginning of this news release.

Internal Reorganization

Effective June 16, 2014, the Trust's subsidiaries completed an internal reorganization pursuant to which the Trust's new indirect U.S. subsidiary, Eagle Hydrocarbons Inc., acquired all of the assets and assumed all of the obligations of Eagle Energy Acquisitions LP and its general partner, Eagle Hydrocarbons LLC. Management and the directors of Eagle Hydrocarbons Inc. remain the same as management and the directors of Eagle Hydrocarbons LLC. In due course, Eagle Energy Acquisitions LP and Eagle Hydrocarbons LLC will be wound up. When it undertook the internal reorganization, the Trust was required to make minor amendments to its Trust Indenture, which amendments are not materially prejudicial to the rights of the unitholders and, as such, do not require unitholders' approval. In summary, the amendments (i) added reference, where applicable, to the Trust's new subsidiary, Eagle Energy Holdings Inc., which holds all of the securities of Eagle Hydrocarbons Inc., (ii) broadened the reference, where applicable, to any securities held by the Trust, not just the securities of Eagle Energy Commercial Trust, (iii) added permission to the Trust's administrator to instruct the Trust's trustee as to how to vote the shares of Eagle Energy Holdings Inc., (iv) amended the approval requirements relating to the amending provision from unanimous to that of a special resolution (66 2/3% of the votes cast) to cure a defective provision in the Trust Indenture because obtaining unanimous consent from the Trust's thousands of unitholders would not be achievable, and (v) made some other minor non-substantive corrections. The amended and restated Trust Indenture dated as of June 16, 2014 is available online under the Trust's issuer profile at www.sedar.com.

Non-IFRS financial measures

Statements throughout this news 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 a 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 management discussion and analysis 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

This news release includes 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 the following: the disposition of Eagle's Permian properties, including the amount of the sale proceeds and closing date; the intended use of the sale proceeds from the disposition including, but not limited to, the repayment in full of Eagle's outstanding advances under its existing credit facility; the estimated amount of cash that will remain (before transaction costs) and the estimated amount that will be available on the borrowing base on its remaining assets after the disposition is completed; the timing of when Eagle expects to provide revised guidance; Eagle's intentions, after the Disposition is completed, regarding its Premium Distribution™ and Distribution Reinvestment Plan and the level of participation in the Plan; Eagle's intentions regarding its distributions per unit in August, September and October 2014.

With respect to forward-looking statements contained in this news release, assumptions have been made regarding, among other things: that the disposition of the Permian properties will be completed on the date and for the amount of sale proceeds set out above; future oil, natural gas liquid and natural gas prices and weighting; future currency exchange rates; future recoverability of reserves; future distribution levels; future capital expenditures and the ability of the Trust to obtain financing on acceptable terms for its capital projects and future acquisitions; the Trust's 2014 capital budget, which is subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations; not including capital required to pursue future acquisitions in the forecasted capital expenditures; estimates of anticipated future production, which is based on the proposed drilling program with a success rate that, in turn, is based upon historical drilling success and an evaluation of the particular wells to be drilled; projected operating costs, which are based on historical information and anticipated increases in the cost of equipment and services; the level of unitholder participation in Eagle's Premium Distribution™ and Distribution Reinvestment Plan; and the regulatory framework governing taxes in the US and Canada and the Trust's status as a "mutual fund trust" and not a "SIFT trust".

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. The Trust's actual results could differ materially from those anticipated in these forward-looking statements as a result of the following risk factors: the disposition of the Permian properties is not completed; the volatility of oil, natural gas liquid, and natural gas prices; commodity supply and demand; fluctuations in currency and interest rates; inherent risks and changes in costs associated in the development of petroleum properties; ultimate recoverability of reserves; timing, results and costs of drilling and production activities; availability of financing and capital; and new regulations and legislation that apply to the Trust and the operations of its subsidiaries. Additional risks and uncertainties affecting the Trust are contained in the Trust's Annual Information Form dated March 20, 2014 under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2014 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, drilling program, capital budget, funds flow from operations, debt, Premium Distribution™ and

Distribution Reinvestment Plan, payout and sustainability ratios, and distributions are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, commodity prices and industry conditions and regulations. 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 Trust's business, 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. The Trust does not undertake any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise.

Note regarding barrel of oil equivalency

This news 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 wellhead. 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.

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

All material information about Eagle may be found on its website at www.eagleenergytrust.com or under Eagle's issuer profile at www.sedar.com.

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