

# NEWS RELEASE



**FOR IMMEDIATE RELEASE:**

## **Eagle Energy Trust Announces Closing of Sale of Permian Properties**

**Calgary, Alberta:** August 29, 2014 (TSX: EGL.UN): Eagle Energy Trust (the “Trust” or “Eagle”) is pleased to announce that its US operating subsidiary has closed the sale of 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”).

The Disposition means Eagle’s go-forward corporate product mix moves from about 82% oil to 96% oil, which is expected to increase its average netback per barrel of oil equivalent. The \$US 140 million sale proceeds (before transaction costs and closing adjustments) exceed the proved plus probable reserve value (discounted at 10%) of the Permian Basin properties in Eagle’s independent December 31, 2013 reserves report by \$US 42.7 million. Based on the Trust units currently outstanding, this excess equates approximately to \$CA 1.34 per unit above Eagle’s previously stated reserve value.

Eagle’s working interest production as of July 1, 2014, excluding the Permian Basin assets, was approximately 1,940 barrels of oil equivalent per day. The Trust intends to use the net proceeds from the Disposition to fully retire its outstanding advances under its existing credit facility and expects to have approximately \$US 55 million of cash remaining (before closing adjustments). In addition, Eagle’s borrowing base after giving effect to the Disposition has been redetermined to \$US 55 million, which also constitutes its semi-annual September 1, 2014 borrowing base. Eagle intends to re-deploy the capital to acquire other assets expeditiously with a view to significantly improve its sustainability and lower its payout ratio.

### **Note Regarding Forward-Looking Statements**

Certain of the statements made and information contained in this news 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 the following: the amount of the Disposition sale proceeds; the intended use of the sale proceeds 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 closing adjustments) and the estimated amount that will be available on the borrowing base on its remaining assets after the Disposition is completed; the expected change after the Disposition is completed in Eagle’s go-forward corporate product mix from about 82% oil to 96% oil, which is expected to increase its average netback per barrel of oil equivalent; and Eagle’s expectations regarding the redeployment of the net proceeds from the Disposition, including for the acquisition of other assets that are expected to significantly improve Eagle’s sustainability and lower its payout ratio.

With respect to forward-looking statements contained in this news release, assumptions have been made regarding, among other things: 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; 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".

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 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<sup>TM</sup> 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.

## 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](http://www.eagleenergytrust.com) or under Eagle's issuer profile at [www.sedar.com](http://www.sedar.com).

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