NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Trust Announces $15.0 Million 2015 Capital Budget, 2015 Guidance and 2015 Distribution

Calgary, Alberta – December 17, 2014 - (TSX: EGL.UN): Eagle Energy Trust (the "**Trust**" or "**Eagle**") is pleased to announce:

- A 2015 capital budget of $ 15.0 million ($US 11.8 million for its operations in the United States and $ 1.4 million for its operations in Canada), which is 54% below 2014 levels.
- 2015 production guidance of 2,950 to 3,150 barrels of oil equivalent per day ("boe/d") (including production from Eagle's recently announced acquisition of assets in Dixonville, Alberta).
- Commencing with the December 2014 distribution to be paid in January 2015, a distribution of $0.03 per unit per month ($0.36 per unit annualized), which, in a $US 70.00 West Texas Intermediate ("WTI") oil price environment and assuming a foreign exchange rate of $US 1.00 equal to $CA 1.16, reduces Eagle's corporate payout ratio to 93%.
- Continued balance sheet strength, with December 31, 2015 ending debt to trailing cash flow expected to be approximately 1.4 times.

In this news release, references to "Eagle" include the Trust and its operating subsidiaries. Figures are presented in Canadian dollars unless otherwise indicated.

2015 Guidance

Eagle's 2015 guidance for its capital budget, production, operating costs and funds flow from operations is as follows:

	2015 Guidance	Notes
Capital Budget	$15 mm	1
Working Interest Production	2,950 to 3,150 boe/d	2
Operating Costs per Month	$1.8 to $2.0 mm	3
Funds Flow from Operations	$29.5 mm	4

Notes:

1. The 2015 capital budget of $15 million consists of $US 11.8 million for Eagle's operations in the United States and $1.4 million for Eagle's operations in Canada. At an assumed $US 70.00 WTI oil

price, the 2015 capital budget is expected to deliver a distribution of $0.03 per unit per month ($0.36 per unit annualized), and reduces the corporate payout ratio to 93%.

2. 2015 production is forecast to consist of 97% oil, 1% natural gas liquids ("NGLs") and 2% gas.

3. 2015 operating costs are forecast to result in field netbacks of approximately $38.70 per boe at $US 70.00 WTI.

4. Funds flow from operations in 2015 is expected to be approximately $29.5 million based on the following assumptions:

   (a) average working interest production of 3,050 boe/d (the mid-point of the guidance range);

   (b) pricing at $US 70.00 per barrel WTI oil, $US 4.00 per Mcf NYMEX gas and $US 24.50 per barrel of NGL (NGL price is calculated as 35% of the WTI price);

   (c) differential to WTI is $US 4.63 discount per barrel in Salt Flat, $US 2.40 discount per barrel in Hardeman and $CA 15.00 discount per barrel in Dixonville;

   (d) average operating costs of $1.9 million per month ($US 1.0 million per month for Eagle's operations in the United States and $0.7 million per month for Eagle's operations in Canada) the mid-point of the guidance range; and

   (e) foreign exchange rate of $US 1.00 equal to $CA 1.16.

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

2015 Capital Budget

Eagle's Board of Directors has approved a 2015 capital budget of $15.0 million ($US 11.8 million in the US and $1.4 million in Canada), consisting of the following:

- Salt Flat, Texas
  - 3 (2.4 net) horizontal oil wells
  - Seismic processing, pump changes

- Hardeman, Texas and Oklahoma
  - 4 (4.0 net) vertical wells
  - 1 (1.0 net) salt water disposal well
  - 2 recompletions, facilities capital

- Dixonville, Alberta (non-operated)
  - Maintenance capital on waterflood

The capital budget excludes corporate and property acquisitions, which are evaluated separately on their own merit.

December 2014 Distribution

Consistent with its history, Eagle continues to be committed to protecting its balance sheet. Given the current and expected commodity price environment, Eagle has reduced its distribution to $0.03 per unit per month ($0.36 per unit annualized) beginning with the distribution declared in December 2014. Accordingly, the cash distribution to be paid on

January 23, 2015, in respect of the period from and including December 1, 2014 to December 31, 2014, for unitholders of record on December 31, 2014 will be $0.03 per trust unit.

Richard Clark, Eagle's President and Chief Executive Officer stated, "Given the abrupt downturn in commodity prices, a key focus for Eagle is balance sheet strength. We have made a commitment to operate a sustainable business and will manage our resources to ensure we operate within our means."

Calculations Regarding Eagle's Distributions

Eagle calculates its payout ratios and financial strength as follows:

Payout Ratios (as a percentage of cash flow)	**2015 Guidance**	**Notes**
Basic Payout Ratio	43 %	1
Plus: Capital Expenditures	50 %	
Equals: Corporate Payout Ratio	93 %	2
Adjusted Payout Ratio (i.e.: Distribution - minus Distribution Reinvestment Plan (DRIP) proceeds plus Capital Expenditures)	91 %	3
Financial Strength		
Debt to Trailing Cash Flow	1.4x	

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 changes in production and commodity pricing is set out below under the heading "Sensitivities".

2. Eagle calculates the 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 changes in production and commodity pricing is set out below under the heading "Sensitivities".

3. Assumes 5% unitholder participation in Eagle's distribution reinvestment program.

Underlying Asset Quality Benchmarks

Oil and Gas Fundamentals	2015 Guidance	Notes
Oil Weighting	97 %	
Gas Weighting (@ 6 Mcf:1 bbl)	2 %	
NGL Weighting	1 %	
Operating costs per month	$1.8 to $2.0 million	1
Field Netbacks per boe	$38.70	2
% Hedged	36 %	3

Notes:

1. Operating costs are stated on a per month basis rather than per boe due to the mostly fixed nature of the costs.

2. This figure assumes average operating costs of $1.9 million per month (the mid-point of the guidance range) at a $US 70.00 WTI price.

3. Hedging supports sustainability in a volatile commodity price environment. For the first half of 2015, 1,600 barrels of oil per day is hedged at an average price of $US 90.00. For the second half of 2015, 590 barrels of oil per day is hedged at an average price of $US 87.00.

Sustaining versus Growth Capital

	2015 Guidance	Notes
Base Production (boe/d) – December 2014 average (including the Dixonville acquisition)	3,050	
Corporate Decline Rate %	15%	
Required Make-up (boe/d)	458	
Capital Efficiency Statistic ($ per boe/d)	$33,000	1

Note:

1. This is the cost for which Eagle estimates it can replace a barrel of production (*i.e.*, the cost of replacing declines).

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

		2015 Average WTI		
		$US 60	$US 70	$US 80
2015 average working interest production (boe/d)	2,950	$24.8	$28.4	$31.7
	3,050	$25.7	$29.5	$33.1
	3,150	$26.5	$30.7	$34.5

Sensitivity of Corporate Payout Ratio to Commodity Price and Production

		2015 Average WTI		
		$US 60	$US 70	$US 80
2015 average working interest production (boe/d)	2,950	111%	97%	87%
	3,050	107%	93%	83%
	3,150	104%	90%	80%

Sensitivity of Net Debt to Cash Flow to Commodity Price and Production

		2015 Average WTI		
		$US 60	$US 70	$US 80
2015 average working interest production (boe/d)	2,950	1.8x	1.5x	1.2x
	3,050	1.8x	1.4x	1.2x
	3,150	1.7x	1.4x	1.1x

Assumptions:

1. Annual distributions are $0.36 per unit.
2. No new equity issued other than under the DRIP (expected to be 160,000 units for the year).
3. Operating costs of $1.9 million per month (the mid-point of the guidance range).
4. Differential to WTI held constant.
5. The foreign exchange rate is assumed to be as follows $US 1.00 equal to $CA 1.16.
6. The crossover to a 100% corporate payout ratio occurs at $US 65.00 WTI assuming the mid-point of the production forecast, 3,050 boe/d.

Advisories

Non-IFRS financial measures

Statements throughout this news release make reference to the terms "funds flow from operations", "basic payout ratio", "corporate payout ratio", and "field netbacks" 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”, “basic payout ratio”, “corporate payout ratio” and “field netbacks” 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. Field netback is calculated by subtracting royalties and operating expenses from revenue.

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 Eagle's 2015 capital budget amount and specific uses; average working interest production for 2015; 2015 operating costs and funds flow from operations; drilling program for 2015; amount of Eagle’s distributions; commodity prices; US/Canadian dollar exchange rates; percentage of unitholders who will participate in Eagle’s distribution reinvestment program; corporate and basic payout ratios; debt to trailing cash flow; expected 2015 field netbacks per boe; hedge percentage; corporate decline rate, required make-up, capital efficiency; and the sensitivity of funds flow, corporate payout ratio and basic payout ratio to changes in production rates and commodity prices.

In making these forward looking statements and estimates, management has made assumptions relating to, among other things, anticipated future production from its wells, regulatory approvals, future commodity prices and US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S., Texas, Oklahoma and Alberta, the ability to market future production from Eagle’s oil and gas properties, future capital expenditures and the geological and engineering reserves estimates in respect of Eagle’s properties. These assumptions necessarily involve known and unknown risks and uncertainties inherent in the oil and natural gas industry such as the volatility of commodity prices, supply and demand, fluctuations in currency and interest rates, geological, environmental, technical, drilling and processing problems, 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 20, 2014 under the heading “Risk Factors”.

As a result of these risks, actual performance and financial results in 2015 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 2015 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. 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.

Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those set out in this news 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 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 Energy Trust is an oil and gas energy trust created to provide investors with a publicly traded, oil and natural gas focused, reliable distribution paying investment. 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.

For further information, please contact:

Richard W. Clark
President and Chief Executive Officer
(403) 531-1575
rclark@eagleenergytrust.com

Kelly Tomyn
Chief Financial Officer
(403) 531-1574
ktomyn@eagleenergytrust.com

Eagle Energy Inc.
Suite 2710, 500-4th Avenue SW
Calgary, Alberta T2P 2V6
(403) 531-1575
(855) 531-1575 (toll free)
info@eagleenergytrust.com