NEWS RELEASE

FOR IMMEDIATE RELEASE:

Eagle Energy Inc. Reduces 2016 Capital Budget, Trims Monthly Dividend and Adds Short-Term Hedges

Calgary, Alberta: February 11, 2016 (TSX: EGL): In response to the significant and ongoing uncertainty and volatility in commodity prices, Eagle Energy Inc. (the **"Corporation"** or **"Eagle**") announces a revised 2016 capital budget, a reduced monthly dividend and additional oil hedges which, in combination, provide Eagle with a corporate payout that matches cash flow at an average 2016 WTI price of $US 35.00 per barrel of oil:

- A 51% reduction in the 2016 capital budget to $5.0 million from $10.2 million. Despite this reduction, 2016 production guidance has been reduced by only 5%. Eagle intends to remain disciplined by managing capital expenditures and maintaining target project economics based on current realized commodity prices. Capital has been deferred in areas that can be reinstated quickly as commodity prices improve.

- A revision to 2016 working interest production guidance to 3,200 to 3,600 barrels of oil equivalent per day ("**boe/d**") from its previous range of 3,400 to 3,800 boe/d, a reduction of approximately 5%. Eagle's 2016 midpoint of revised production guidance is now approximately equal to its 2015 average production.

- A 33% reduction in the monthly dividend to $0.01 per share from its previous level of $0.015 per share, beginning with the February 2016 dividend that is payable on March 23, 2016 to shareholders of record on February 29, 2016.

- Half of Eagle's 2016 oil production (based on midpoint of the guidance range) is now hedged at an average price of $US 52.00 per barrel and 68% of Eagle's natural gas production is hedged at an average price of $CAD 3.00 per thousand cubic feet ("**Mcf**"). To achieve this, Eagle recently added short-term hedges to provide an extra layer of downside cash flow protection to its 2016 production mix (87% oil, 10% natural gas, 3% natural gas liquids ("**NGLs**")) while still leaving half of Eagle's 2016 production exposed to commodity price recovery.

- 2016 year-end estimated liquidity of 43% undrawn on Eagle's existing $US 80 million credit facility (which was re-determined in October 2015) based on management's forecast pricing, foreign exchange rate and monthly dividend assumptions[1].

Richard Clark, Eagle's President and Chief Executive Officer said, "As I stated in our original budget release in December, Eagle is focused on preserving its stability and financial liquidity in light of the ongoing commodity price uncertainty. We have revised our 2016 capital budget and reduced our dividend in consideration of the current economic cycle. This reflects the reality of living within our means at current commodity price levels and constantly monitoring our key financial metrics and assumptions."

In this news release, figures are presented in Canadian dollars unless otherwise indicated. This news release contains statements that refer to non-IFRS financial measures and are forward-looking. Please read the advisories under the headings "Non-IFRS Financial Measures" and "Note Regarding Forward-Looking Statements" near the end of this news release.

[1] The above metrics are based on the following assumptions: $US 40.00 per barrel WTI oil, $US 3.16 per Mcf NYMEX gas, $CAD 2.57 per Mcf AECO gas, a foreign exchange rate of $US 1.00 equal to $CAD 1.40, and a monthly dividend of $0.01 per share ($0.12 annualized).

Reduction in February 2016 Dividend

Eagle's board of directors (the "**Board**") has approved a 33% reduction in the monthly dividend to $0.01 per share ($0.12 annualized) from $0.015 per share ($0.18 annualized) beginning with the February 2016 dividend, which is payable on March 23, 2016 to shareholders of record on February 29, 2016. The ex-dividend date is February 25, 2016.

Eagle's dividend has been designated as an "eligible dividend" for Canadian income tax purposes. For U.S. federal income tax purposes, Eagle's dividend is generally considered a "qualified dividend"; however, it may not be considered a "qualified dividend" in certain circumstances depending on the holder's personal situation (i.e., if an individual holder does not meet a holding period test). Where Eagle's dividend is not considered a "qualified dividend" for U.S. federal income tax purposes, it should be reported as an "ordinary dividend". Holders or potential holders should consult their own legal and tax advisors as to their particular tax consequences.

Mr. Clark said, "Dividends are important to Eagle's business model, as is our discipline of protecting our balance sheet and preserving our financial stability. In light of the volatility of commodity prices over the past year, we have varied our dividend level within shorter time frames than we otherwise would prefer. Given our company forecast for the next few months, we believe that a reduction to the dividend is prudent."

Revised 2016 Guidance

Eagle's revised 2016 guidance for its key metrics listed in the table below is as follows:

	Revised 2016 Guidance	**Previous 2016 Guidance**	**Notes**
Capital Budget	$ 5.0 mm	$ 10.2 mm	(1)
Working Interest Production	3,200 to 3,600 boe/d	3,400 to 3,800 boe/d	(2)
Operating Costs per Month	$2.2 to 2.6 mm	$2.2 to $2.6 mm	(3)
Funds Flow from Operations	$12.6 mm	$20.2 mm	(3)
Debt to Trailing Cash Flow	5.0x	3.1x	
Field Netback (excluding Hedges)	$12.32/boe	$21.25/boe	

Notes:

(1) The revised 2016 capital budget of $5.0 million consists of $US 3.0.million for Eagle's operations in the United States and $0.8 million for Eagle's operations in Canada. At an assumed $US 40.00 per barrel WTI oil price, Eagle's 2016 capital budget of $5.0 million and dividend of $0.01 per share per month ($0.12 per share annualized) results in a corporate payout ratio of 81%.

(2) 2016 production is forecast to consist of 87% oil, 10% natural gas and 3% NGLs. These numbers are working interest production numbers only and exclude 235 boe/d of royalty interest volumes from the acquisition of Maple Leaf Royalties Corp. that was completed on January 27, 2016.

(3) 2016 funds flow from operations is expected to be approximately $12.6 million based on the following assumptions:

(a) average working interest production of 3,400 boe/d (the mid-point of the guidance range);

(b) pricing at $US 40.00 per barrel WTI oil, $US 3.16 per Mcf NYMEX gas, $CAD 2.57 per Mcf AECO gas and $US 14.00 per barrel of NGL (NGL price is calculated as 35% of the WTI price);

(c) differential to WTI is $US 3.10 discount per barrel in Salt Flat, $US 3.50 discount per barrel in Hardeman, $CAD 16.17 discount per barrel in Dixonville and $CAD 12.67 discount per barrel in Twining;

(d) average operating costs of $2.4 million per month ($US 0.9 million per month for Eagle's operations in the United States and $1.2 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 $CAD 1.40.

Tables showing the sensitivity of Eagle's 2016 funds flow from operations to changes in commodity price and production are set out below under the heading "2016 Sensitivities".

Revised 2016 Capital Budget

Eagle's Board has approved a revised 2016 capital budget of $5.0 million from $10.2 million (revised to $US 3 million for its operations in the United States and $0.8 million for its operations in Canada, previously $US 7 million for its operations in the United States and $0.9 million for its operations in Canada) consisting of the following:

- Salt Flat, Texas
  - 2 (2.0 net) horizontal oil wells
  - Maintains the option to drill the third well at Salt Flat should oil prices improve
  - Seismic processing and facilities pump changes

- Hardeman, Texas and Oklahoma
  - Seismic processing, pump installation
  - Maintains the option to drill two wells at Hardeman within a month of a decision made to move forward

- Dixonville, Alberta (non-operated)
  - Pipeline and facilities capital

- Twining, Alberta
  - Facility capital

The 2016 capital budget excludes future corporate and property acquisitions, which are evaluated separately on their own merit.

Calculations Regarding Eagle's Dividends

	Revised 2016 Guidance	**Previous 2016 Guidance**	**Notes**
Basic Payout Ratio	**41%**	37%	(1)
Plus: Capital Expenditures	**40%**	51%	(2)
Equals: Corporate Payout Ratio	**81%**	88%	

Notes:

1. Eagle calculates its Basic Payout Ratio as follows:

$$\frac{\text{Shareholder Dividends}}{\text{Funds Flow from Operations}} = \text{Basic Payout Ratio}$$

2. Eagle calculates its Corporate Payout Ratio as follows:

$$\frac{\text{Capital Expenditures + Shareholder Dividends}}{\text{Funds Flow from Operations}} = \text{Corporate Payout Ratio}$$

Tables showing the sensitivity of Eagle's corporate payout ratio to changes in commodity price and production are set out below under the heading "2016 Sensitivities".

Underlying Asset Quality Benchmarks

Oil and Gas Fundamentals	Revised 2016 Guidance	Previous 2016 Guidance	Notes
Oil Weighting	87%	88%	
Gas Weighting (@ 6 Mcf:1 bbl)	10%	10%	
NGL Weighting	3%	2%	
Operating costs per month	$2.2 to $ 2.6 million	$2.2 to $ 2.6 million	(1)
Field Netbacks per boe	$12.32	$21.25	(2)
% Hedged	51%	35%	(3)

Notes:

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

(2) This figure assumes average operating costs of $2.4 million per month (the mid-point of the guidance range).

(3) Eagle's hedging supports sustainability in a volatile commodity price environment. For 2016, an average of 1,500 barrels of oil per day are hedged at an average price of $US 52.30 per barrel and 1,430 per Mcf natural gas is hedged at an average price of $CAD 3.00 per Mcf. In addition, Eagle has a fixed price financial swap on 1,000 barrels of oil per day fixing the differential between Edmonton Light Sweet oil and WTI oil at $US 3.65 per barrel for 2016.

2016 Sensitivities

The following tables show the sensitivity of Eagle's 2016 funds flow from operations, corporate payout ratio and debt to trailing cash flow to changes in commodity prices and production:

Sensitivities to Commodity Price

	2016 Average WTI (Production = 3,400 boe/d)		
	$US 35 (F/X 1.40)	**$US 40 (F/X 1.40)**	**$US 45 (F/X 1.40)**
Funds Flow from Operations	$10.6	$12.6	$14.3
Corporate Payout Ratio	97%	81%	72%
Debt to Trailing Cash Flow	6.2x	5.0x	4.3x

Sensitivities to Production

	2016 Average Production (boe/d) WTI = $US 40 / F/X 1.40		
	3,200	**3,400**	**3,600**
Funds Flow from Operations	$11.7	$12.6	$13.5
Corporate Payout Ratio	88%	81%	76%
Debt to Trailing Cash Flow	5.4x	5.0x	4.7x

Assumptions:

(1) Annualized dividends are assumed to be $0.12 per share per year.

(2) Operating costs are assumed to be $2.4 million per month (mid-point of guidance range).

(3) Differential to WTI is held constant.

(4) Foreign exchange rate is ("**F/X**") is assumed to be $US 1.00 equal to $CAD 1.40.

Advisories

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms "funds flow from operations", "field netback", "basic payout ratio" and "corporate payout ratio", which are non-IFRS financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Management believes that these terms 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 dividends to shareholders.

> **"Funds flow from operations"** is calculated before changes in non-cash working capital and abandonment expenditures. Management considers funds flow from operations to be a key measure as it demonstrates Eagle's ability to generate the cash necessary to pay dividends, repay debt, fund decommissioning liabilities and make capital investments. Management believes that by excluding the temporary impact of changes in non-cash operating working capital, funds flow from operations provides a useful measure of Eagle's ability to generate cash that is not subject to short-term movements in non-cash operating working capital.
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> "**Field netback**" is calculated by subtracting royalties and operating costs from revenues.
>
> "**Basic payout ratio**" is calculated by dividing shareholder dividends by funds flow from operations.
>
> **"Corporate payout ratio"** is calculated by dividing capital expenditures (excluding acquisition capital) plus shareholder dividends by funds flow from operations.

See the "Non-IFRS financial measures" section of Eagle's management discussion and analysis that relates to its annual financial statements for a reconciliation of funds flow from operations and field netback to earnings (loss) for the period, the most directly comparable measure in Eagle's audited annual consolidated financial statements.

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. The Corporation cautions investors that important factors could cause the Corporation's actual results to differ materially from those projected, or set out, in any forward-looking statements included in this news release.

In particular, and without limitation, this news release contains forward-looking statements pertaining to the following:

- the Corporation's 2016 capital budget and specific uses;
- the Corporation's expectations regarding its 2016 full year average working interest production, operating costs and field netbacks (excluding hedges);
- the Corporation's expectations regarding its 2016 funds flow from operations, basic payout ratio, corporate payout ratio and debt to trailing cash flow, and sensitivities of some of these metrics to changes in commodity prices and production;
- the Corporation's expectations regarding the percentage that will be undrawn on its credit facility at the end of 2016;
- the Corporation's expectations regarding its 2016 drilling program;
- anticipated crude oil, natural gas liquids and natural gas production levels;
- the Corporation's expectation to remain disciplined by managing capital expenditures and maintaining target project economics;
- the Corporation's expectation that any capital that has been deferred can be reinstated quickly as commodity prices improve;
- the Corporation's hedging position; and
- the Corporation's expectations regarding its dividend level, the sustainability of the dividend level, the payment of the February dividend and the tax treatment of the February dividend.

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 dividend levels;
- the Corporation's drilling program and estimated levels of return;
- the Corporation's 2016 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; and
- projected operating costs, which are based on historical information and anticipated changes in the cost of equipment and services.

Eagle's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and those in Eagle Energy Trust's Annual Information Form ("**AIF**") dated March 19, 2015 for the year ended December 31, 2014, available on the Corporation's website at www.eagleenergy.com and on SEDAR at www.sedar.com:

- volatility of oil, natural gas liquid, and natural gas prices;
- commodity supply and demand;
- fluctuations in currency exchange and interest rates;
- inherent risks and changes in costs associated in the development of petroleum properties;
- timing, results and costs of drilling and production activities;
- availability of financing and capital; and
- new regulations and legislation that apply to the Corporation and its operations (including its subsidiaries).

Additional risks and uncertainties affecting the Corporation are contained in the AIF under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2016 and Eagle's dividends may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. The Corporation's production rates, operating costs, field netbacks, drilling program, 2016 capital budget, funds flow from operations and dividends are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices, obtaining regulatory approvals 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 Corporation'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. Unlike fixed income securities, the Corporation has no obligation to dividend any fixed amount and reduction in, or suspension of, cash dividends 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 Corporation's and its shareholders. These statements speak only as of the date of this news release and may not be appropriate for other purposes. The Corporation 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.

Oil and Gas Measures and Estimates

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 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

Eagle Energy Inc. is an oil and gas energy corporation created to provide investors with a sustainable business while delivering stable growth in production and overall growth through accretive acquisitions. Eagle Energy Inc.'s shares are traded on the Toronto Stock Exchange under the symbol "EGL."

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

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