NEWS RELEASE

EAGLE ENERGY™
INC.

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces Third Quarter 2016 Results

Calgary, Alberta - November 3, 2016 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") is pleased to report its financial and operating results for the third quarter ended September 30, 2016.

"Eagle remains on track to post 2016 results at the upper end of our production guidance range, the lower end of our current operating cost guidance range, which was already reduced once in May, and as planned for our capital spend," said Richard Clark, Chief Executive Officer.

Mr. Clark added, "During the third quarter of 2016, with Dixonville operatorship in our hands effective June 1st and operatorship of our remaining Twining properties on August 1st, we completed all of our planned field work, brought on previously shut-in production and realized improved operational efficiencies."

"We forecast our 2016 year-end net debt to reduce to $59 million. This will afford Eagle over $10 million of headroom under our existing $70 million credit facility, which was just reaffirmed in early November, and will result in 84% being utilized at the end of 2016."

"Over the past two years, Eagle has posted many accomplishments to ensure its survival through this challenging cycle. We sold our unconventional Permian property at the top of the market and redeployed our capital into long life, low decline and low abandonment cost conventional oil assets. We have secured operatorship of 95% of our total corporate production. Over the course of 2016, we expect to have paid down our net debt by 8%, grown our year-over-year 2016 average production by 13% and reduced our year-over-year operating costs by 18%, all during a time when few have thrived. We have made significant strides in identifying low risk development growth opportunities which position Eagle for future growth. We look forward to the release of our 2017 capital and operating budget in early December," said Mr. Clark.

Eagle's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2016 and related management's discussion and analysis have been filed with the securities regulators and are available online under Eagle's issuer profile on SEDAR at www.sedar.com and on Eagle's website at www.EagleEnergy.com.

This news release contains non-IFRS financial measures and statements that are forward-looking. Investors should read the sections titled "Non-IFRS Financial Measures" and "Note about Forward-Looking Statements" near the end of this news release. Figures within this news release are presented in Canadian dollars unless otherwise indicated.

Highlights for the Three Months ended September 30, 2016

- Achieved quarterly production of 4,085 barrels of oil equivalent per day ("**boe/d**") and expects 2016 full year average production to be at the upper end of its stated guidance range.
- Reduced per boe operating costs (inclusive of transportation) by 10% from the prior year comparative quarter and 18% year-over-year, and expects 2016 monthly operating costs to be at the lower end of the current stated guidance range, a range which was already reduced in May 2016.
- Assumed operatorship of the Twining properties on August 1, 2016, thereby allowing Eagle to complete field work to optimize production and increase efficiencies on these properties.
- Further to Eagle's assumption of operatorship of the Dixonville property in June, performed pipeline work that added approximately 275 boe/d of production gross to the field from ten previously shut-in wells.

- Generated quarterly funds flow from operations of $4.6 million leading towards expected 2016 year-end net debt being reduced to $59 million and expected resulting headroom of $11 million on its credit facility. Eagle's $70 million credit facility was reaffirmed upon finalizing its mid-year borrowing base review on November 3, 2016.

2016 Outlook

This outlook section is intended to provide shareholders with information about Eagle's expectations for capital expenditures, production and operating costs for 2016. 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 discussions under "Note about Forward-Looking Statements" at the end of this news release.

Eagle's 2016 capital budget, average production and operating cost guidance remains unchanged from what Eagle previously announced and is as follows:

	2016 Guidance	**Notes**
Capital Budget	$5.0 mm	(1)
Average Production	3,400 to 3,800 boe/d	(2)
Operating Costs per month	$2.0 to $2.4 mm	(3)

Notes:

(1) The 2016 capital budget of $CA 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 50.00 per barrel West Texas Intermediate ("**WTI**") oil price, Eagle's 2016 capital budget of $5.0 million and dividend of $0.005 per common share of Eagle per month ($0.06 per share annualized) results in a corporate payout ratio of 55%.

(2) 2016 average production is forecast to consist of 83% oil, 13% natural gas and 4% natural gas liquids ("**NGLs**") and includes both working interest and royalty interest production.

(3) Original 2016 monthly operating cost guidance of $2.2 to $2.6 million was reduced to $2.0 to $2.4 million in May 2016.

Eagle's Expected Funds Flow from Operations and Corporate Payout Ratio

For 2016, Eagle expects to be at the upper end of its stated average production guidance range and the lower end of its monthly operating cost guidance range. In addition, the reduction in Eagle's monthly dividend to $0.005 (half a cent) per share, beginning with the June 2016 dividend, combined with updated commodity price and foreign exchange rate assumptions results in a change in Eagle's expected 2016 funds flow from operations and corporate payout ratio from that disclosed on August 4, 2016 as follows:

	Amount	**Notes**
Funds Flow from Operations	$16.6 mm	(1,4)
Basic Payout Ratio	23%	(2)
Plus: Capital Expenditures	32%	
Equals: Corporate Payout Ratio	55%	(3)

Notes:

(1) 2016 funds flow from operations is expected to be approximately $CA 16.6 million (previously $CA 15.6 million) based on the following assumptions:

  (a) average production of 3,800 boe/d (the upper end of the guidance range);

  (b) pricing at $US 50.00 (previously $US 47.50) per barrel WTI oil, $CA 3.00 per Mcf AECO gas (previously $CA 2.47) and $US 17.50 per barrel of NGL (NGL price is calculated as 35% of the WTI price) for the remaining three months of 2016;

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

  (d) average operating costs of $CA 2.2 million per month ($US 0.8 million per month for Eagle's operations in the United States and $CA 1.1 million per month for Eagle's operations in Canada), the mid-point of the current guidance range;

  (e) foreign exchange rate of $US 1.00 equal to $CA 1.32 (previously $CA 1.30); and

  (f) field netback (excluding hedges) of $16.77 per boe (previously $16.82).

(2) Eagle calculates its Basic Payout Ratio as follows:

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

(3) Eagle calculates its Corporate Payout Ratio as follows:

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

(4) Field netback, basic payout ratio and corporate payout ratio are non-IFRS measures. See the section below titled "Non-IFRS Financial Measures".

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

Sensitivity to Commodity Price	2016 Average WTI (2016 Average Production 3,800 boe/d)		
	$US 45.00 (FX 1.32)	**$US 50.00 (FX 1.32)**	**$US 55.00 (FX 1.32)**
Funds Flow from Operations ($CA)	$16.2 mm	$16.6 mm	$17.1 mm
Corporate Payout Ratio	57%	55%	53%
Debt to Trailing Funds Flow from Operations	3.6x	3.5x	3.4x

Sensitivity to Production	2016 Average Production (boe/d) (WTI $US 50.00, FX 1.32)		
	3,700	**3,800**	**3,900**
Funds Flow from Operations ($CA)	$16.0 mm	$16.6 mm	$17.3 mm
Corporate Payout Ratio	57%	55%	53%
Debt to Trailing Funds Flow from Operations	3.6x	3.5x	3.4x

Assumptions for the remaining three months of 2016:

(1) Pricing assumptions noted above ($US 45.00, $US 50.00, $US 55.00) are for the remaining three months of 2016.

(2) Current annualized dividends are assumed to be $0.06 per share per year ($212,000 per month).

(3) Operating costs are assumed to be $2.2 million per month (mid-point of guidance range).

(4) Differential to WTI held constant.

(5) Foreign exchange rate is assumed to be $US 1.00 equal to $CA 1.32.

(6) 2016 average production is assumed to be 3,800 boe/d (the upper end of the guidance range).

Summary of Quarterly Results

	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014
($000's except for boe/d and per share amounts)								
Sales volumes – boe/d	4,085	4,147	3,854	3,783	3,607	3,034	2,995	1,929
Revenue, net of royalties	12,854	13,149	9,099	11,603	13,428	12,884	10,206	10,238
per boe	34.20	34.84	25.94	33.34	40.46	46.66	37.86	57.67
Operating costs	6,564	5,928	6,265	6,356	6,473	5,171	5,978	3,396
per boe	17.46	15.71	17.86	18.26	19.50	18.73	22.18	19.13
Field netback	6,290	7,221	2,834	5,246	6,956	7,713	3,744	6,841
per boe	16.74	19.13	8.08	15.08	20.96	27.94	13.89	38.54
Funds flow from operations	4,582	5,148	2,167	5,147	7,332	10,532	7,727	5,670
per boe	12.19	13.64	6.18	14.79	22.09	38.14	28.67	31.94
per share – basic	0.11	0.12	0.05	0.15	0.21	0.30	0.22	0.16
per share – diluted	0.11	0.12	0.05	0.15	0.21	0.30	0.22	0.15
Earnings (loss)	52	(9,288)	(11,713)	(23,198)	(51,784)	(6,541)	5,477	(35,192)
per share – basic	-	(0.23)	(0.29)	(0.67)	(1.48)	(0.19)	0.16	(1.01)
per share - diluted	-	(0.23)	(0.29)	(0.67)	(1.48)	(0.19)	0.16	(1.13)
Cash dividends paid	636	1,274	1,584	2,614	3,143	3,130	3,153	7,159
per issued share	0.005	0.03	0.04	0.07	0.09	0.09	0.09	0.21
Current assets	9,787	10,618	12,829	19,767	21,862	13,382	31,459	33,245
Current liabilities	72,387	75,035	5,472	9,397	8,033	7,754	8,642	10,720
Total assets	190,945	195,044	199,708	208,572	228,959	245,009	265,342	257,172
Total non-current liabilities	31,690	32,397	96,317	92,616	91,316	52,012	60,835	57,547
Shareholders' equity	86,868	87,612	97,919	106,559	129,611	185,243	195,865	188,905
Shares issued	42,452	42,452	42,452	34,863	34,893	34,961	35,023	35,017

For the three months ended September 30, 2016, sales volumes were stable when compared to the previous quarter.

Funds flow from operations decreased in the third quarter of 2016 versus the second quarter of 2016 due to higher royalty rates on Canadian production and increased operating costs related to prior year non-operated facility charges, annually billed regulatory charges and operated property repairs. These increases were partially offset by higher realized commodity prices and lower general and administrative expenses. Realized oil prices remained fairly constant, while natural gas prices increased compared to the second quarter of 2016.

Earnings (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 earnings (loss), and those that are required to be fair valued at each quarter end. Third quarter 2016 funds flow from operations decreased 11% from the second quarter 2016 while quarterly earnings increased in the third quarter primarily as rising forward commodity prices caused a mark-to-market risk management gain of $1.4 million in the third quarter, compared to a risk management loss of $7.0 million in the second quarter.

Credit Agreement

On November 3, 2016, Eagle finalized its semi-annual borrowing base redetermination with the borrowing base level of $CA 70 million and all other terms and conditions, including the May 27, 2017 maturity date, remaining unchanged. The next semi-annual borrowing base redetermination is scheduled to be finalized no later than May 27, 2017 and will be conducted based on the independent engineering report of Eagle effective December 31, 2016 and the lenders' price forecasts then in effect.

At September 30, 2016, there were no covenant violations under or in connection with Eagle's credit agreement (the "**Credit Agreement**").

By the end of the third quarter, Eagle was 92% through its forecast 2016 capital budget of $5.0 million, expects its year-end 2016 net debt to be reduced to approximately $59 million from its third quarter 2016 ending level of $61.2 million and expects its year-end 2016 debt to trailing funds flow from operations ratio to be approximately 3.5x.

On May 31, 2016, Eagle finalized its semi-annual borrowing base redetermination which resulted in: (i) amendments being made to its Credit Agreement; (ii) a borrowing base level being set at $CA 70 million; and (iii) a maturity date of May 27, 2017 remaining unchanged. Security granted under the Credit Agreement remained unchanged and is by way of a first priority security interest on substantially all of the property and assets of Eagle Energy Inc. and Eagle Hydrocarbons Inc. (each a borrower under the Credit Agreement). A summary of the significant amendments made to the Credit Agreement effective May 31, 2016 is set forth in Eagle's Management's Discussion and Analysis and a redacted version of the entire Credit Agreement can be found under Eagle's issuer profile on SEDAR at www.sedar.com.

Dividends

Eagle pays monthly dividends to shareholders at the discretion of the Board of Directors. Effective with the dividend declared for February 29, 2016, Eagle reduced its monthly dividend to $0.01 (one cent) per share from $0.015 (one and a half cent) per share, concurrent with announcing a 51% reduction in its 2016 capital program, both of which were in response to the significant and ongoing uncertainty and volatility in commodity prices at that time. With that reduction, Eagle's corporate payout ratio was expected to be at or below 100%, keeping Eagle on track to conduct business within cash flow. However, the May 31, 2016 Credit Agreement amendment contained a requirement of Eagle's lenders to further reduce its dividend to not exceed half a cent per month. Eagle reduced its monthly dividend to $0.005 (half a cent) per share ($0.06 annualized) beginning with the June 2016 dividend payable on July 22, 2016.

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms "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.

"**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.

Note about 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. Eagle cautions investors that important factors could cause Eagle'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:

- Eagle's expectation that it is on track to achieve its 2016 guidance;
- Eagle's expectation that its year-end 2016 net debt will be reduced to approximately $59 million, affording Eagle over $10 million of headroom under its existing $70 million credit facility and will result in 84% being utilized at the end of 2016;
- Eagle's expectation that, over the course of 2016, it expects to have paid down its net debt by 8%, grown its year-over-year 2016 average production by 13% and reduced year-over-year operating costs by 18%;
- Eagle's 2016 capital budget and specific uses;
- Eagle's expected 2016 full year average production, operating costs and field netbacks;
- Eagle's expected 2016 funds flow from operations, basic payout ratio, corporate payout ratio and debt to trailing funds flow from operations, and sensitivities of some of these metrics to production rates and commodity prices;
- the expected timing for Eagle to release its 2017 capital and operating budget;

- anticipated crude oil, natural gas liquids and natural gas production levels and mix; and
- Eagle's expectations regarding dividends.

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 production levels;
- future recoverability of reserves;
- future dividend levels;
- future capital expenditures and the ability of Eagle to obtain financing or refinancing on acceptable terms for its capital projects, operations and future acquisitions;
- Eagle'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's Annual Information Form ("**AIF**") dated March 17, 2016 for the year ended December 31, 2015, which is available on Eagle'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;
- 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 Eagle and the operations of its subsidiaries.

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

As a result of these risks, actual performance and financial results in 2016 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, 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, obtaining regulatory approvals, obtaining financing, 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 Eagle'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 Eagle and its shareholders. Eagle 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.

Advisory Regarding Oil and Gas Equivalency 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 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 Inc.

Eagle is an oil and gas corporation created to provide investors with a sustainable business while delivering stable growth in production and overall growth through accretive acquisitions. Eagle'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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