NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces First Quarter 2019 Results and Confirms Annual Meeting Date

Calgary, Alberta – May 9, 2019 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") today reports its financial and operating results for the quarter ended March 31, 2019.

As a reminder, Eagle's annual meeting will be held on June 18, 2019 at 9:00 a.m. at Altius Centre, 2nd Floor, 500 - 4 Avenue SW, Calgary for shareholders of record on May 7, 2019.

When reflecting on Eagle's first quarter, Wayne Wisniewski, President and Chief Executive Officer, stated, "We are fortunate in that WTI has increased and Canadian oil differentials have narrowed during the first quarter. This has lifted us from the lows of December 2018, when depressed WTI prices and historically high Canadian oil differentials resulted in our Dixonville field revenue being just over four dollars per barrel. Eagle saw a 15% netback per boe improvement from the fourth quarter of 2018 and we have restored Dixonville production levels to increase field level cash flow. We continue to evaluate exposure to market risks from fluctuations in commodity prices and have entered into hedging contracts to reduce the risk that commodity prices pose to our corporate cash flow."

Mr. Wisniewski continued, "We continue to work with our financial advisors to investigate, evaluate and consider possible asset sales and restructuring alternatives, have curtailed 2019 capital spending and continue to look at ways to further reduce debt, general and administrative costs and finance costs."

First Quarter 2019 Financial Results

Eagle's unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2019 and related management's discussion and analysis ("**MD&A**") have been filed with the securities regulators and are available online under Eagle's issuer profile 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 "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.

Review of the Three Months ended March 31, 2019

- Reduced long term debt by 21% (from $US 38.5 million to $US 30.4 million) from the first quarter of 2018 using proceeds from the 2018 third quarter Twining area disposition.
- Reduced finance expense by 32% from the first quarter of 2018 (excluding costs associated with the disposition).
- Increased field netback per boe by 15% when compared to the fourth quarter of 2018 when Alberta oil price differentials were historically wide.
- Continued to reduce expenses by trimming corporate office staff by 20% and decreasing field contractors in the Dixonville area by 25%.
- Hedged a combined 675 barrels of oil per day at an average WTI price of $US 59.62 per barrel for the April through September 2019 period to mitigate the risk that fluctuating commodity prices have on generating positive cash flows from operations.

- Curtailed 2019 capital expenditures to preserve maximum financial flexibility.

Ongoing Measures to address a Going Concern Uncertainty

At March 31, 2019, the following circumstances cause material uncertainties that may cast significant doubt regarding Eagle's ability to continue as a going concern:

- Eagle had a working capital deficiency of $40.2 million.

- Eagle had negative funds flow from operations for the three months ended March 31, 2019.

- Eagle's estimate of future cash flows from operating activities over the next twelve months is not sufficient to repay the loan principal which is classified as a current liability.

- Eagle was in default of two of its four financial covenants under the four-year secured term loan from its U.S.-based lender (the "**Loan Agreement**") at March 31, 2019. Violation of any financial covenant constitutes an immediate event of default under the Loan Agreement. As a result, Eagle's debt continues to be classified as a current liability.

- There is no assurance that Eagle will not be in violation of one or more financial covenants in future quarters.

Notwithstanding the default, the lender has not, as of the date hereof, exercised any of its available remedies. However, there can be no assurance that it will not do so in the future.

Funds flow from operations for the first quarter of 2019 was $1.5 million below fourth quarter 2018 levels despite lower quarter-over-quarter administrative and finance expenses. Lower first quarter 2019 funds flow from operations was due to the following:

- Lower overall sales volumes. Dixonville production was not yet fully restored after the well shut-in program was implemented in the fourth quarter of 2018 in response to low commodity prices. In addition, North Texas production was reduced when a significant well was temporarily shut in for repairs.

- Higher field operating expenses. This was as a result of both the additional field expenses at Dixonville to restore shut-in production and the additional costs to repair the well in North Texas.

- One-time charges. A total of $0.8 million related to one-time severance and retention costs went through first quarter 2019 general and administrative expenses.

- A realized hedging gain in the fourth quarter of 2018. Fourth quarter 2018 funds flow from operations included a $1.3 million realized risk management gain from commodity hedging, while there was no comparable amount during the first quarter of 2019 because Eagle had no 2019 commodity hedges in effect until April 2019.

Eagle has undertaken several cost-cutting measures to reduce administrative and operating expenses, such as reducing its staff headcount, reducing its number of contractors, negotiating better pricing with contractors and listing its Calgary and Houston office space for sublease. Eagle continues to evaluate exposure to market risks from fluctuations in commodity prices and has entered into risk management contracts to reduce commodity price risks. Eagle has curtailed capital spending for 2019. Eagle also continues to work with its financial advisors to investigate, evaluate and consider possible asset sales and restructuring alternatives.

Negative funds flow from operations in the first quarter of 2019 due to lower production and higher operating costs caused Eagle to be in default of the Consolidated Fixed Charge Coverage Ratio covenant under the Loan Agreement. In addition, when first quarter 2019 negative funds flow from operations was combined with low WTI oil prices and historically wide Alberta oil price differentials during the fourth quarter of 2018, Eagle was also in default of the Consolidated Leverage Ratio covenant, which is a trailing four quarters based calculation.

Eagle's ability to meet its ongoing financial liabilities, including liabilities relating to the Loan Agreement, and to continue as a going concern, is dependent upon the ongoing support from its lender and its ability to fund the repayment of its debt by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements. There is no certainty that such initiatives will be successful.

During 2019, Eagle has undertaken the following:

- On March 12, 2019, Eagle entered into a fixed price financial swap on 450 barrels of oil per day for the period of April 1 to September 30, 2019 at a WTI price of $US 57.81 per barrel in order to mitigate the risk that fluctuating commodity prices have on generating positive cash flows from operations.

- On April 8, 2019, Eagle entered into a fixed price financial swap on 225 barrels of oil per day for the period of April 1 to September 30, 2019 at a WTI price of $US 63.23 per barrel in order to mitigate the risk that fluctuating commodity prices has on generating positive cash flows from operations.

- Continued to reduce expenses by trimming corporate office staff by 20% and decreasing field contractors in the Dixonville area by 25%.

- Given the improvement in commodity prices since the end of 2018, Eagle's ongoing work with its financial advisors in investigating, evaluating and considering possible asset sales and restructuring alternatives, Eagle made the decision to forego entering into another forbearance agreement (upon the January 31, 2019 expiry of the initial forbearance agreement) with its lender. Eagle felt this afforded it the maximum flexibility to manage its business and avoided incurring additional fees and conditions associated with a forbearance agreement.

Summary of Quarterly Results

	Q1/2019	Q4/2018	Q3/2018	Q2/2018	Q1/2018	Q4/2017	Q3/2017	Q2/2017
($000's except for boe/d and per share amounts)								
Sales volumes – boe/d	1,542	1,852	1,958	2,262	2,974	3,804	3,749	3,966
Revenue, net of royalties	5,822	5,577	9,010	10,228	12,461	14,725	12,459	14,167
per boe	41.95	32.73	50.01	49.69	46.57	42.08	36.12	39.25
Operating, transportation and marketing expenses	3,150	2,730	3,946	4,206	5,109	6,864	6,301	5,885
per boe	22.69	16.02	21.91	20.43	19.10	19.61	18.27	16.31
Field netback	2,672	2,847	5,064	6,022	7,352	7,861	6,158	8,282
per boe	19.25	16.71	28.10	29.26	27.47	22.47	17.85	22.94
Funds flow from operations	(433)	1,062	1,622[(2)]	1,932	1,718[(3)]	3,488	3,346	4,272
per boe	(3.12)	6.23	9.00	9.39	6.42	9.98	9.70	11.84
per share – basic	(0.01)	0.02	0.04	0.04	0.04	0.08	0.08	0.10
per share – diluted	(0.01)	0.02	0.04	0.04	0.04	0.08	0.07	0.10
(Loss) earnings	(2,908)	(8,259)	(1,887)	(15,093)	(2,568)	(14,293)	(4,711)	675
per share – basic	(0.07)	(0.19)	(0.04)	(0.34)	(0.06)	(0.34)	(0.11)	0.02
per share - diluted	(0.07)	(0.19)	(0.04)	(0.34)	(0.06)	(0.34)	(0.11)	0.02
Current assets	7,633	7,751	13,270	10,920	14,941	13,869	11,122	11,847
Current liabilities	47,809	47,769	9,686	5,762	7,528	13,715	8,042	6,599
Total assets	138,011	136,674	141,264	159,935	174,877	207,314	213,867	222,155
Total non-current liabilities	21,083	16,658	51,886	62,427	70,870	94,312	92,367	97,086
Shareholders' equity	69,119	72,247	79,692	81,709	96,479	99,287	113,458	118,470
Shares issued	44,244	44,244	44,244	43,750	43,750	43,302	43,302	42,857

For the three months ended March 31, 2019, sales volumes were lower than the previous quarter due to the selective well shut in program in Dixonville and a significant well in North Texas being shut-in for repairs for a portion of the quarter. Production is down from previous quarters due to the sale of Salt Flat in February 2018 and Twining in August 2018.

First quarter 2019 field netback per boe increased 15% from the fourth quarter of 2018. This increase was due to significantly improved pricing on Canadian production being partially offset by higher per boe operating expenses resulting from a North Texas well repair and costs incurred to restore Dixonville production to the level it was at prior to the selective well shut in program that was implemented in response to low fourth quarter 2018 oil prices.

First quarter 2019 funds flow from operations was negative, and $1.5 million below the fourth quarter of 2018. This was primarily due to a $1.3 million risk management gain realized in the fourth quarter of 2018. In addition, lower 2019 first quarter funds flow was due to lower overall sales volumes (Dixonville production was not yet fully restored after the well shut-in program in response to low commodity prices and North Texas production was reduced when a significant well was temporarily shut in for repairs), higher operating expenses (as a result of both the additional field expenses at Dixonville to restore shut-in production and the additional costs to repair the well in North Texas) and one-time charges of $0.8 million related to severance and retention costs. Despite a 17% decrease in volumes and higher total operating costs when compared to the fourth quarter of 2018, first quarter 2019 total field netback only decreased by 6% due to higher realized pricing on Canadian properties.

Changes in (loss) earnings from one quarter to the next often do not move directionally or by the same amount as quarterly changes in funds flow from operations. This is due to items of a non-cash nature that factor into the calculation of (loss) earnings, and those that are required to be fair valued at each quarter end. First quarter 2019 funds flow from operations was 141% less than the fourth quarter of 2018, yet first quarter 2019 net income was only 65% less than the fourth quarter of 2018. This was primarily due to a $5.3 million non-cash impairment expense relating to the Dixonville oil and gas properties that was recognized in the fourth quarter of 2018.

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms “field netback”, “Consolidated Leverage Ratio” and “Consolidated Fixed Charge 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.

“Field netback” is calculated by subtracting royalties, operating expenses, and transportation and marketing expenses from revenues. This method of calculating field netback is in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter). Management believes that field netback provides useful information to investors and management because such a measure reflects the quality of production and the level of profitability.

The terms “Consolidated Leverage Ratio” and “Consolidated Fixed Charge Ratio” are used for purposes of covenant calculations in the Loan Agreement. Refer to the section titled “Loan Agreement” in Eagle’s MD&A for a description of how these covenants are calculated.

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 intentions to continue to work with financial advisors to investigate, evaluate and consider possible asset sales and restructuring alternatives, curtailing of 2019 capital spending and continuing to look at ways to further reduce debt, general and administrative costs and finance costs;
- Eagle’s expectations regarding its ability to meet its ongoing financial liabilities, including liabilities relating to the Loan Agreement, and to continue as a going concern being dependent upon the ongoing support from its lender and its ability to fund the repayment of its debt by generating positive cash flows from operations, securing funding from additional debt or equity financing, disposing of assets or making other arrangements;
- Eagle’s intentions to reduce debt and corporate costs, including interest costs;
- Eagle’s hedging program;
- Eagle’s expectation that its future cash flows from operating activities over the next 12 months is not sufficient to repay the loan principal; and
- the possibility of Eagle’s lender exercising its remedies under the Loan Agreement in the future.

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

- future crude oil, NGL and natural gas prices, differentials and weighting;

- future foreign exchange and interest rates;
- future production levels;
- future capital expenditures and the ability of Eagle to obtain financing on acceptable terms;
- future production estimates;
- projected operating costs, which are estimated based on historical information and anticipated changes in the cost of equipment and services, among other things; and
- ongoing support of Eagle by its lender.

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 dated March 21, 2019:

- the exercise by Eagle's lender of its rights and remedies under the Loan Agreement as a result of Eagle not being in compliance with all of the covenants under the Loan Agreement;
- volatility of prices and differentials for crude oil, NGLs and natural gas;
- commodity supply and demand;
- fluctuations in foreign exchange and interest rates;
- inherent risks and changes in costs associated with the development of petroleum properties;
- ultimate recoverability of reserves;
- timing, results and costs of drilling and production activities;
- availability and terms of financing and capital; and
- new regulations and legislation that apply to the operations of Eagle and its subsidiaries.

As a result of these risks, actual performance and financial results in 2019 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's production rates, operating and general and administrative costs, field netbacks, drilling program, capital budget, reserves and potential transactions are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, commodity prices, exchange rates, financing terms, 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.** These statements speak only as of the date of this news release and may not be appropriate for other purposes. 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.

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 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 with shares listed for trading 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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