PRESS RELEASE

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EAGLE ENERGY TRUST PROVIDES PRODUCTION UPDATE AND 2012 GUIDANCE

Calgary, Alberta — December 5, 2011: Eagle Energy Trust (the "Trust") (TSX: "EGL.UN") is pleased to provide an operational update of its subsidiary Eagle Energy Acquisitions LP ("Eagle"), including Eagle's 2012 capital program, production guidance and operating budget, as well as a current production update and a discussion regarding the sustainability of its distributions.

This press release contains statements that are forward looking. Investors should read the "Note Regarding Forward-Looking Statements" at the end of this press release. Figures within this press release are presented in Canadian dollars unless referring to West Texas Intermediate oil pricing ("WTI") or otherwise indicated.

Highlights

- Current working interest production of 2,250 barrels of oil per day representing a 225% increase from Eagle's 3rd quarter daily production average.
- Four (3.2 net) additional wells put on production in November. Three (2.4 net) remaining wells expected to be on in December.
- 2011 exit rate guidance maintained at 2,400 barrels of oil per day.
- Distributions sustainable for over 3 years.
- Board of Directors approved 2012 capital budget of US$14 million, consisting of:
    - 10 (8.0 net) horizontal oil wells
    - 2 (1.6 net) side track re-entry wells
    - 1 (0.8 net) salt water disposal well
    - 1 new battery and adding to an existing battery
    - completing the electrification of the balance of the Salt Flat field.
- Guidance 2012:
    - average working interest production of 2,600 barrels of oil per day
    - funds flow from operations of $40 million at $88 WTI pricing
    - payout ratio of 50% at $88 WTI pricing
    - no debt and a $16.5 million credit facility
    - current hedges locking in 1,000 barrels per day at WTI $88 to $107 pricing
    - operating costs ranging from $11.25 to $11.75 per barrel

"Eagle's strategy to accelerate capital spending and production in 2010 and 2011, and then move to a more sustainable level of development, is being realized on the Salt Flat field," said Richard Clark, President and CEO. "We have now invested sufficiently in the field to achieve our targeted 50% payout ratio for 2012, while fully funding distributions and growing our production by about 10%.

We invested heavily in infrastructure in 2011. At our 2011 expected exit rate of 2,400 barrels of oil per day, we will have grown production from the field as at our acquisition date, by a factor of 8 times in just 18 months. It is our plan to now move forward with a more sustainable growth phase on this asset. To accomplish this, our annual capital investment in this field over the next three years need only be about 50% of what we spent in 2011.

At our guidance levels of production, revenue and costs, we will drill at least 12 wells per year, pay our expenses and maintain our distributions in cash at the current rate of $1.05 per unit per year. We have 36 remaining wells in our currently booked inventory.

Over 60% of our unitholders elect to receive their monthly distributions in our distribution reinvestment and Premium Drip™ programs. At this level of participation, approximately $12 million per year of our total distribution payments would be reinvested by participants in units of the Trust. This capital will be used to fund development and future growth opportunities.

We are well positioned with sufficient working capital to invest in our existing assets. We also anticipate having the support of several major banks to facilitate our investment in new acquisitions.

At US$88 per barrel WTI and operating costs of between $11.25 and $11.75 per barrel, Eagle will have sufficient funds flow from operations and sufficient drilling inventory to replace declines, grow its production levels by 7 to 10% annually and sustain the cash payment of its distributions." More details around sensitivities are set out below.

Eagle's next update on production will be made in early January 2012, to report Eagle's 2011 exit rate.

Update on the Operations Transition

"A tremendous amount of work has been accomplished by the Eagle team during the past few months," said Mr. Clark. "Becoming a licensed operator in the State of Texas and taking over operations at the Salt Flat field has been a substantial undertaking for our young company.

Eagle commenced the accounting role for Salt Flat on May 1, 2011 and took over field operations on August 18, 2011. We immediately opened and staffed a field office in Luling, Texas and added to our accounting team in Texas. We expect to see a reduction in annual field operating costs from our 2011 year to date of $11.77 per barrel to our 2012 estimate of $11.25 to $11.75, amidst a very competitive market for people and services in the Texas oilpatch.

We put 14 wells on production in early October. During November, we commenced construction on the last of the 7 production batteries of the 2011 capital program. One battery was commissioned on November 21st, which enabled Eagle to put an additional 4 wells on production. The remaining three wells of Eagle's 2011 capital program will be on production in December, upon completion of the remaining battery. Lastly, the first two phases of the electrical power trunk-line were commissioned on November 18th. This project will provide consistent power to the field, allow us to improve our "drill to on production" timing on new wells and contribute to reducing operating costs. The balance of the field will be electrified during 2012."

"I am very proud of the work our operations team has accomplished since late August," said Mr. Clark. "They have completed a tremendous volume of work in just a few months. Eagle is now positioned to conduct its field operations with a high level of discipline around capital and operating costs. We now manage the application process for the regulatory approvals needed to produce our wells. During 2011, the average period of time from the commencement of drilling a well to actual production was over 180 days; we expect to average less than 45 days in 2012. We have implemented improved processes which will enable us to better monitor costs by working closely with our suppliers. We have improved the environmental permitting process, and now directly manage our relationship with mineral interest and surface rights owners. In every way operationally, we look forward to 2012."

Current production is approximately 2,250 barrels of oil per day. Eagle maintains its 2011 exit rate guidance of 2,400 barrels of oil per day.

2012 Capital Budget

Eagle has approved a 2012 capital budget of US$14 million. Eagle intends to invest these funds in drilling 10 (8.0 net) new horizontal production wells, 2 (1.6 net) side track re-entry horizontal wells and 1 (0.8 net) salt water disposal well, constructing one battery, adding to an existing battery and completing the extension of the power trunk line to bring electrical power to the balance of the Salt Flat field.

As a result, Eagle expects to achieve 2012 working interest average production of 2,600 barrels per day of light oil and operating costs of $11.25 to $11.75 per barrel. The capital budget excludes corporate and property acquisitions, which are evaluated separately on their own merits.

Sustainability of Distributions

Eagle's strategy for the Salt Flat field is to attain a sustainability ratio below 100% for the years 2012 to 2014. Eagle calculates this ratio as follows:

$$\frac{\text{Capital Expenditures + Unitholder Distributions}}{\text{Funds flow from Operations}} = \text{Sustainability Ratio}$$

Eagle's 2012 pricing assumption for West Texas Intermediate oil is US$88/bbl. Based on Eagle's 2012 average production rate guidance of 2,600 barrels of oil per day, management estimates 2012 funds flow from operations to be approximately $40 million. Management anticipates that, based on current levels of drilling and operating costs, an annual capital budget of US$14 million should be sufficient to fully offset production declines and grow 2012 average annual production by approximately 10% over our 2011 expected exit rate.

Eagle estimates it has a current inventory of locations sufficient to continue drilling on the Salt Flat field for at least three more years. Assuming current operating and administrative cost levels, and a commodity price of $88 WTI, the Trust believes it can sustain its current level of distributions for at least 3 years at sustainable payout ratios.

A table showing the sensitivity of Eagle's sustainability ratio to production and pricing is set out below under the heading "Sensitivities".

Payout Ratio

Eagle's 2012 payout ratio is expected to be approximately 50%. This is based on a pricing assumption of $88 WTI and 2012 average production rate guidance of 2,600 barrels per day. Since inception, Eagle's strategy has been to move toward a 50% payout ratio. Eagle calculates this ratio as follows:

$$\frac{\text{Unitholder Distributions}}{\text{Funds flow from Operations}} = \text{Payout Ratio}$$

Eagle's 2011 payout ratio will be higher than expected due to the production delays previously disclosed.

A table showing the sensitivity of Eagle's payout ratio to production and pricing is set out below, under the heading "Sensitivities".

Sensitivities

The following tables describe the sensitivity of Eagle's payout and sustainability ratios to production levels and commodity prices.

Sensitivity of Payout Ratio to Production and Commodity Price

		2012 Average WTI		
		$75.00	**$88.00**	**$95.00**
2012 Average WI Production (bopd)	**2,400**	62%	55%	50%
	2,600	57%	50%	46%
	2,800	52%	46%	42%

Sensitivity of Sustainability Ratio to Production and Commodity Price

		2012 Average WTI		
		$75.00	**$88.00**	**$95.00**
2012 Average WI Production (bopd)	**2,400**	102%	90%	83%
	2,600	94%	82%	75%
	2,800	87%	75%	69%

Assumptions:

1. Annual distributions are held at current levels of $1.05 per unit per year.
2. No new equity issued, other than distribution reinvestment program.
3. Field operating costs, including transportation, ranging from $11.25 to $11.75 per barrel.
4. Capital budget of US $14 million in the Salt Flat field.
5. Differential to WTI held constant at WTI less $5.00 per barrel, not including transportation.
6. Foreign exchange rate: $1.00 CDN = $1.00 USD.
7. Effects of hedging have been considered. See "Commodity Hedging" below.
8. Bopd means barrels of oil per day

Commodity Hedging

To mitigate the effects of fluctuating prices on a portion of its production, the following contracts have been put in place: (i) a costless collar contract for 200 barrels of oil per day with a February 2011 through January 2012 term at a floor of US $85.00 per barrel and a ceiling of US $100.00 per barrel; (ii) a costless collar contract for 200 barrels of oil per day with a May 2011 through April 2012 term at a floor of US $88.00 per barrel and a ceiling of US $107.55 per barrel; (iii) a fixed contract to sell 100 barrels of oil per day with a May 2011 through April 2012 term at a price of US $101.00 per barrel; (iv) a fixed contract to sell 200 barrels of oil per day with a November 2011 through October 2012 term at a price of US $91.00 per barrel; and (v) a costless collar contract for 500 barrels of oil per day with a January 2012 through December 2012 term at a floor of US $92.00 per barrel and a ceiling of US $105.00 per barrel.

Sensitivity of Distributions to Foreign Exchange

Management is assuming foreign exchange to be at par for 2012. The impact of fluctuations in the US dollar versus Canadian dollar foreign exchange rates on Trust distributions is reduced since substantially all of Eagle's funds flow from operations is in US dollars. Also, a targeted 50% payout ratio further reduces the impact of foreign exchange on distributions. Based on a 2012 pricing assumption of $88 WTI per barrel, average production guidance of 2,600 barrels of oil per day and other assumptions as listed in the "Sensitivities" section above, a weakening of the Canadian dollar by $0.02 relative to the US dollar results in a decrease in the payout ratio from 50% to 49% and a decrease in the sustainability ratio from 82% to 81%.

Growth by Acquisitions

Eagle continues to actively pursue its stated strategy of acquiring additional producing properties in the United States. Eagle added to its business development team in August and is well positioned to compete for accretive acquisitions in 2012.

Non-IFRS Financial Measures

Statements throughout this press release make reference to the terms "funds flow from operations", "distributions", "payout ratio" and "sustainability ratio" 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", "payout ratio" and "sustainability ratio" 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. References to "distributions" are to cash distributions to Unitholders in accordance with the distribution policies of the Trust. Distributable cash is a measure generally used by Canadian open-ended trusts as an indicator of financial performance and management believes that prospective investors may consider the cash distributed by the Trust relative to the price of the Units when assessing an investment in Units.

Note Regarding Forward-Looking Statements

Certain of the statements made and information contained in this press 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 working interest production exit rate for 2011, average working interest production for 2011 and 2012, drilling and on production program for the remainder of 2011 and for 2012 and beyond, average time from commencement of drilling to production, 2012 capital budget amount and specific uses, 2012 operating costs, commodity prices, US/Canadian dollar exchange rates, funds flow from operations, cash available from the distribution reinvestment and Premium Drip™ programs, sustainability and payout ratios, sensitivities to production rates and commodity prices, sustainability of production, amount of and sustainability of distributions on the Trust's units, existing credit facilities and the availability of new credit facilities to fund acquisitions. In determining its drilling program, timing for bringing wells onto production, the production rates from the wells and operating costs, management has made assumptions relating to, among other things, anticipated future production from wells in the Salt Flat field, regulatory approvals, future commodity prices and US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S. and Texas, the ability to market future production from the Salt Flat field, future capital expenditures and the geological and engineering reserves estimates in respect of the Salt Flat field. These assumptions necessarily involve known and unknown risks and uncertainties inherent in the oil and gas industry such as geological, environmental, technical, drilling and processing problems, the volatility of oil and gas prices, commodity supply and demand, fluctuations in currency and interest rates, obtaining regulatory approvals, competition for services and supplies as well as other business risks that are set out in the Trust's AIF under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2011 and 2012 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 2012 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. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those set out in this press 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.

About the Trust

Eagle Energy Trust is an energy trust created to provide investors with a publicly traded, oil and natural gas focused, distribution producing investment with favourable tax treatment relative to taxable Canadian corporations.

Richard W. Clark
President and Chief Executive Officer

All material information pertaining to Eagle Energy Trust may be found under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.EagleEnergyTrust.com.

The Trust's units are traded on the Toronto Stock Exchange under the symbol EGL.UN.

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