



**EAGLE ENERGY™**  
**TRUST**

**PRESS RELEASE**

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**FOR IMMEDIATE RELEASE: May 13, 2011**

**EAGLE ENERGY TRUST RELEASES**  
**FIRST QUARTER FINANCIAL INFORMATION**

**Calgary, Alberta — May 13, 2011: Eagle Energy Trust (the “Trust”) (TSX:“EGL.UN”)** is pleased to report its financial and operating results for the first quarter 2011. The Trust’s unaudited consolidated interim financial statements for the three months ended March 31, 2011 and related management’s discussion and analysis have been filed with the securities regulators and will be available shortly under the Trust’s issuer profile on the SEDAR website at [www.sedar.com](http://www.sedar.com), and are available on the Trust’s website at [www.EagleEnergyTrust.com](http://www.EagleEnergyTrust.com).

This press release contains statements that are forward looking. Investors should read the Note about Forward-Looking Statements at the end of this press release.

**Highlights for the three months ended March 31, 2011**

- No bank debt, an expanded \$US 15 million credit facility available and working capital of \$16.2 million, which provides the Trust with substantial financial resources to execute its business plan.
- Funds flow from operations of \$5.2 million (\$45.47 per bbl or \$0.29 per unit).
- Average working interest sales volumes of 1,269 bbls per day of light oil, a 75% increase from December 2010, the initial period of operations. Current working interest sales volumes estimated at 1,360 bbls per day.
- 7 (5.6 net) oil wells drilled during the quarter in the Salt Flat field, with a 100% success rate.
- One (0.80 net) oil well, a 2010 drill, brought on-stream in early January 2011. First quarter volumes also benefitted from three (2.4 net) oil wells that were brought on-stream in mid to late December 2010.
- Two (1.6 net) oil wells, both 2010 drills, brought on-stream one week after quarter end. One (0.80 net) well, also a 2010 drill, will be on-stream in the near future. This leaves an inventory of 12 (9.6 net) wells that are expected to be tied in and on production early in the third quarter of 2011.

- First quarter unitholder distributions of \$0.26 per unit (\$0.0875 per unit per month).
- Implementation of a regular distribution reinvestment program and a Premium Distribution™ program, beginning with the March distribution payment, which was paid on April 21, 2011.

### Summary of Quarterly Results

(\$ except for bbls per day amount)	Q1/2011	Q4/2010 <sup>(1)</sup>
Production – bbls per day (100% light oil)	1,269	726
Revenue, net of royalties per bbl	7,135,417 62.49	1,366,494 60.74
Funds flow from operations per bbl per unit – basic & diluted	5,192,332 45.47 0.29	(288,076) <sup>(2)</sup> (12.81) (0.07)
Loss for the period per unit – basic & diluted	(1,911,011) (0.11)	(3,213,531) <sup>(2)</sup> (0.81)
Cash distributions declared per issued unit	4,728,040 0.2625	1,916,432 0.1064
Current assets	27,919,736	33,102,821
Current liabilities	11,712,277	9,061,984
Total assets	154,137,632	159,868,227
Total non-current liabilities	2,893,127	724,833
Unitholders' equity	139,532,228	150,081,410
Units outstanding for accounting purposes	17,624,081 <sup>(3)</sup>	17,624,081 <sup>(3)</sup>
Units issued	18,011,581	18,011,581

#### Notes:

- (1) From its formation on July 20, 2010 until the closing of its initial public offering on November 24, 2010, the Trust did not have any active operations.
- (2) These results are not an indicative trend of future performance due to the short inclusion period of the Salt Flat field operations, non-recurring administrative costs related to the start-up of the Trust, one-time transaction expenses incurred for the acquisition of the Salt Flat field and initial expenses related to unit based compensation and debt conversion.
- (3) Units outstanding for accounting purposes excludes 387,500 units issued due to the performance conditions that have to be met to enable such units to be released from escrow.

### Outlook

As outlined in a January 20, 2011 press release by the Trust, the Board of Directors approved a 2011 capital budget of \$US 22.9 million. The Trust, indirectly through its subsidiaries, intends to invest these funds in drilling 21 horizontal production wells, five salt water disposal wells, as well as related infrastructure projects that are expected to reduce operating costs and increase operational efficiencies. As a result, the Trust expects to achieve 2011 working interest average production ranging from 1,900 to 2,100 bbls per day of light oil, and operating costs, including transportation, ranging from \$10.00 to \$11.50 per barrel.

Currently the twelfth well of the 2011 capital program is being drilled. To date, three wells (all 2010

drills) have been tied in and one additional well (also a 2010 drill) will be on-stream in the near future. This leaves an inventory of 12 wells that are expected to be tied in and on production early in the third quarter of 2011. Salt water disposal wells are needed in order to bring production on-stream, and increased drilling activity in south central Texas has resulted in Eagle experiencing delays in obtaining permits to drill salt water disposal wells. Permits to drill an oil well typically take one to two days to receive, while permits to drill a salt water disposal well can take up to 90 days.

The capital budget excludes additional asset acquisitions, which will be separately considered and evaluated as circumstances arise. The amount and allocation of the Trust's 2011 capital budget is dependent upon results achieved and is subject to review by Management and the Board of Directors on an ongoing basis throughout the year.

The Trust will continue to execute, indirectly through its subsidiaries, its integrated business plan to acquire and develop high quality, long life oil and gas properties in the United States.

### **Note About Forward-Looking Statements**

This press release contains forward-looking statements pertaining to the Trust's 2011 capital budget, its subsidiary's drilling program, and anticipated production and operating costs. In estimating its 2011 capital budget, drilling program, and production and operating costs, management has made assumptions relating to, among other things, anticipated future production from the Salt Flat field, future commodity prices, future US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S., 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, technical, drilling and processing problems, the volatility of oil and gas prices, commodity supply and demand, fluctuations in currency and interest rates, and 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 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. The Trust's 2011 capital budget is subject to change in light of ongoing results, prevailing economic circumstances, 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 the Trust's subsidiaries, 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 Eagle**

Eagle Energy Trust is a new 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](http://www.sedar.com) and on the Trust's website at [www.EagleEnergyTrust.com](http://www.EagleEnergyTrust.com).

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

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