



EAGLE ENERGY™
TRUST

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2014**

(Dated as of March 19, 2015)

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NOTE TO READERS

The following information used in this Annual Information Form is set out in Schedule D at the end of this document:

- Definitions and Abbreviations
- Conversions
- Barrel of Oil Equivalency
- Exchange Rates

All information in this Annual Information Form is reported in Canadian dollars unless otherwise noted.

Forward-looking Statements and Risk Factors

The forward-looking statements in this Annual Information Form are based on Eagle Energy Trust's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, including those discussed in this document in the Risk Factors section, many of which are beyond the control of the Trust. The Trust cautions users of this information that the Trust's actual results may differ materially from those projected in any forward-looking statements included in this Annual Information Form. Refer to the section under the heading "Advisory - Forward-Looking Statements and Risk Factors", below, for information on the risk factors and material assumptions underlying the forward-looking information.

Non-IFRS Financial Measures

This Annual Information Form refers to the terms "EBITDAX", "field netback" and "funds flow from operations", which are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and are therefore unlikely to 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 distributions to unitholders.

"**EBITDAX**" means "earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses". It is one of the financial measures used in the provisions of the Trust's Credit Facility for purposes of determining the lending margin ratio and compliance with the borrowing covenants. (See "Debt Financing".)

"**Field netback**" is calculated by subtracting royalties and operating costs from revenues.

"**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 distributions, 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.

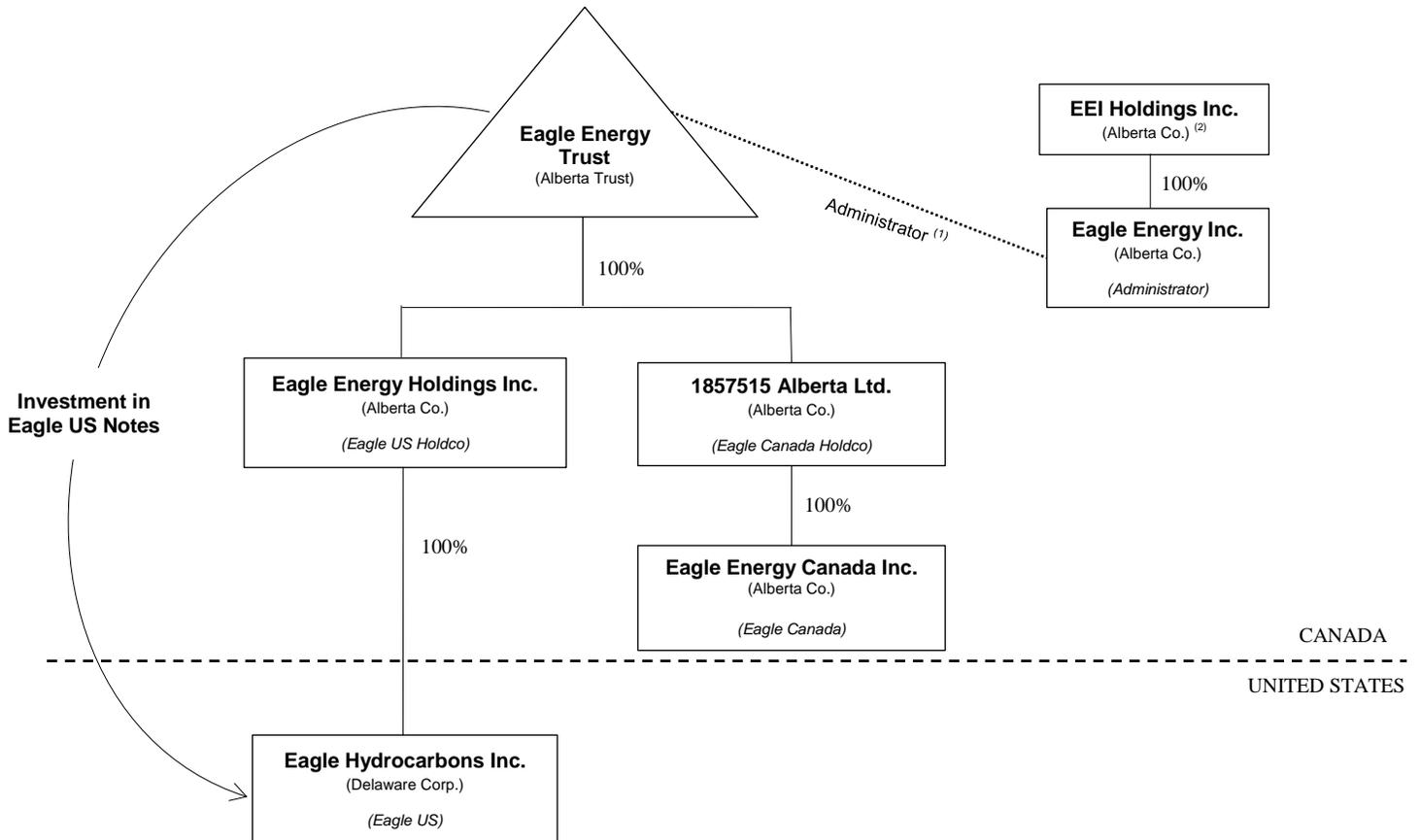
See the "Non-IFRS financial measures" section of the Trust's Management Discussion and Analysis for the year ended December 31, 2014 for a reconciliation of funds flow from operations and field netback to earnings for the period, the most directly comparable measure in the Trust's audited annual consolidated financial statements.

Access to Documents

This Annual Information Form and any document referred to in this Annual Information Form and described as being filed on SEDAR at www.sedar.com (including those documents referred to as being incorporated by reference in this Annual Information Form) may be obtained free of charge from the Trust at Suite 2710, 500 – 4th Avenue S.W., Calgary, Alberta, T2P 2V6.

EAGLE ENERGY TRUST AND ITS SUBSIDIARIES

Eagle Energy Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta on July 20, 2010 by the Trust Indenture. The following chart illustrates the structure of the Trust and its material Subsidiaries and affiliates:



Notes:

- (1) Pursuant to the terms of the Administrative Services Agreement, the Administrator performs all general and administrative services that are or may be required or advisable, from time to time, for the Trust. The Administrator performs its services pursuant to the Administrative Services Agreement on a cost recovery basis with no profit to the Administrator.
- (2) All of the shares of the Administrator are owned by EEI Holdings Inc., which, in turn, is wholly-owned by Richard Clark, the President and Chief Executive Officer and a director of the Administrator and other affiliates of the Trust. The Voting Agreement provides that Unitholders are entitled to elect 100% of the directors of the Administrator. The number of the directors of the Administrator is fixed at five until such time as the Unitholders pass a resolution to fix the number of the directors of the Administrator at a new number.

Offices

The head and registered offices of the Trust and its Canadian affiliates in Canada are located at Suite 2710, 500 – 4th Avenue S.W., Calgary, Alberta, T2P 2V6. The principal office of Eagle US is located at 333 Clay Street, Suite 3005, Houston, Texas, 77002 and its registered office is located at 1209 Orange Street, Wilmington, Delaware, 19801.

RECENT DEVELOPMENTS OF OUR BUSINESS

Key Developments in the Past Three Years

Developments in 2012

Financing Activities

On May 18, 2012, the Trust closed a public offering of 7,730,000 Units at a price of \$11.00 per Unit for gross proceeds of \$85,030,000. On May 29, 2012, the Trust issued an additional 950,000 Units at a price of \$11.00 per Unit for additional gross proceeds of \$10,450,000 pursuant to the terms of an over-allotment option granted to the underwriters in connection with the May 18, 2012 public offering.

Acquisition of Assets in Martin and Palo Pinto Counties in Texas

Concurrent with the closing of the public offering on May 18, 2012, Eagle Energy Acquisitions LP (the "**Partnership**"), the Trust's US operating subsidiary at the time, completed an acquisition, from an arm's length party, of 92.5% of the seller's 99% working interest in certain oil and natural gas properties and related assets in the Permian Basin in Martin County and in the Fort Worth Basin in Palo Pinto County for \$US 114.7 million, including closing adjustments. On the same date, the Partnership acquired all of another party's 1% working interest in the same properties. The acquisition of these properties was funded by the net proceeds of the May 18, 2012 public offering, an advance of approximately \$US 28.8 million under the Trust's credit facility entered into by the Subsidiaries and the Trust (the "**Credit Facility**") and approximately \$US 6.6 million of working capital.

Developments in 2013

Acquisition of Remaining Working Interest in Martin and Palo Pinto Counties, Texas

On April 22, 2013, the Partnership acquired the seller's remaining 7.5% working interest in the assets in Martin and Palo Pinto counties, Texas for cash consideration of approximately \$US 8.6 million, bringing the Partnership's working interest ownership in these properties to 100%. This acquisition was funded from the Credit Facility.

Acquisition of Hardeman Properties in Texas

On November 25, 2013, the Partnership acquired, from an arm's length party, petroleum producing properties in the Hardeman Basin in Hardeman County, Texas for a purchase price of \$US 26.3 million, including closing adjustments. Through this acquisition, the Partnership acquired 34 (29.9 net) producing wells. This acquisition was funded from the Credit Facility.

Developments in 2014

Acquisition of Additional Interests in Texas and Oklahoma

On February 27, 2014, the Partnership acquired, from an arm's length party, additional undeveloped acreage and an average 66% working interest in producing properties in Hardeman County and nearby in Greer, Harmon and Jackson counties, Oklahoma for a net purchase price of \$US 4.9 million, including closing adjustments. Through this small, tuck-in acquisition, the Partnership acquired interests in 13 (5.4 net) producing wells and expanded its land position to approximately 85,000 gross acres in this area. This acquisition was funded from the Credit Facility.

Internal reorganization of US Operating Subsidiaries

On June 16, 2014, the subsidiaries of the Trust (the "**Subsidiaries**") completed an internal reorganization pursuant to which Eagle US acquired all of the assets and assumed all of the obligations of the Partnership and its general partner (the "GP"). Eagle US is a corporation formed under the laws of the State of Delaware which is wholly owned by Eagle Energy Holdings Inc., which, in turn, is wholly owned by the Trust. The management and the directors of Eagle US are the same individuals as the management and the directors of GP prior to GP's dissolution. The Partnership and GP were subsequently dissolved at the end of 2014. CT (the Trust's subsidiary that wholly owned the GP and was the sole limited partner of the Partnership) is not yet dissolved, but is no longer considered a "material subsidiary" of the Trust for the purpose of this Annual Information Form.

Disposition of Permian Basin Properties in Martin County, Texas

On August 29, 2014, Eagle US sold all of its Permian Basin properties located in Martin County to an arm's length party for cash consideration of \$US 140 million after closing adjustments and used approximately \$US 85 million of the net proceeds to fully retire its outstanding advances under its Credit Facility.

Expansion of Investment Strategy to Include Canadian Assets

At a special unitholders' meeting held on December 15, 2014, the Trust's Unitholders approved a resolution to amend the investment restrictions in the Trust Indenture and to make certain corollary amendments, which enabled the Trust to invest, indirectly through Eagle Canada, in energy assets in Canada.

Acquisition of Dixonville Property in Alberta

On December 18, 2014, Eagle Canada acquired a 50% non-operated working interest in producing petroleum properties in the Dixonville Montney "C" oil pool in north central Alberta (the "**Dixonville Property**") for a purchase price of \$100.9 million, including preliminary closing adjustments of \$900,000. The Dixonville Property acquisition was funded with \$55 million of the Trust's available cash and the balance from the Credit Facility.

The Dixonville Property added a new strategic Canadian property and diversified the Trust's portfolio of petroleum assets. The 50% working interest production from the Dixonville Property for the year ended December 31, 2014 averaged approximately 925 boe per day. The Dixonville Property includes 112 gross (56 net) producing wells and 82 gross (41 net) injector wells and a 50% working interest in the associated facilities and gathering system. On March 2, 2015, the Trust filed on SEDAR a Form 51-102F4 "Business Acquisition Report in respect of the acquisition of the Dixonville Property.

OUR BUSINESS

Overview

The Trust is an oil and gas energy trust created to provide investors with a sustainable business while delivering moderate growth in production and overall growth through accretive acquisitions. The primary strategy of the Trust is to make investments in entities, such as Eagle US (its operating subsidiary in the United States) and Eagle Canada (its operating subsidiary in Canada), that, in turn, acquire and exploit long-life hydrocarbon reserves in certain established petroleum production basins in the United States and Canada. The Trust intends to make monthly distributions of a portion of its available cash to Unitholders and use the remainder of its available cash to reinvest in its Subsidiaries to fund growth through additional acquisitions and capital expenditures.

Eagle's Operations

Eagle US currently owns producing petroleum properties with development and exploitation potential located in Texas and Oklahoma and Eagle Canada currently owns producing petroleum properties in northern Alberta. The Subsidiaries do not intend to engage substantively in exploration activities.

Assets in the Salt Flat Field, Texas (the "Salt Flat Properties")

Eagle US's oil and natural gas interests in its Salt Flat Properties are located in Caldwell County, which is 75 kilometres south of Austin, Texas. Eagle US is the operator of the Salt Flat Properties. As at December 31, 2014, Eagle US had a working interest in 54 gross (40.4 net) producing oil wells and 16 gross (10.6 net) non-producing oil wells on this property. Its average working interest production from this property for December 2014 was 1,399 boe/d.

The Salt Flat field was discovered in 1928 with initial production from the Austin Chalk, shortly followed with production from the Edwards, utilizing vertical well technology of the day. The Edwards was believed to have been depleted by the 1960s, but development continued in the up hole Austin Chalk and Buda producing formations. In 2007, a former operator initiated a horizontal drilling program in the Edwards limestone formation as a result of successes experienced by another operator in neighbouring fields.

The oil reservoir contained within the Edwards limestone formation is located approximately 850 metres (2,728 feet) below the surface and is between 15 metres and 45 metres thick. Data collected from the Salt Flat Field

indicates the Edwards reservoir consists of a number of stacked dolomite and limestone carbonate beds, referred to as “benches”, with porosity values ranging from 10% to 35%. The horizontal wells that have been drilled to date have been completed primarily in the uppermost dolomite zone of the oil reservoir and have lateral reaches of up to 762 metres (2,500 feet). Due to very good reservoir quality, these wells do not require any acid or fracture stimulation. The Edwards formation produces light, low viscosity oil (36 degrees API). Oil produced from the producing wells is trucked to an oil terminal and marketed as Louisiana Light Sweet which has a positive differential to WTI. Produced salt water is disposed of in vertical salt water disposal wells located in the Salt Flat Field.

In 2014, Eagle US shot approximately eight square miles of proprietary 3D seismic over Salt Flat Field, primarily to better identify un-drained reservoir compartments and to guide the placement of new well locations. The data is expected to delineate geologic complexity of the field, optimize future drill locations and potentially identify lower zones to recover additional reserves. A combination of new wellbores and sidetracks of existing wellbores could be used to target the lower benches.

All of Eagle US's oil, gas and mineral leases in the Salt Flat Properties cover approximately 3,200 (2,600 net) acres. All of the acreage covered by the leases is currently held by production from the Edwards formation.

Assets in Hardeman County, Texas and Greer, Harmon and Jackson Counties, Oklahoma (the “Hardeman Properties”)

As at December 31, 2014, Eagle US had a working interest in 47 gross (36.5 net) producing oil wells, and 14 gross (13.0 net) non-producing oil wells on its properties in Hardeman County, Texas and nearby in Oklahoma in Greer, Harmon and Jackson counties. Its average working interest production from the Hardeman Properties for December 2014 was 464 boe/d.

Eagle US's oil and natural gas interests in the Hardeman Properties are located in what is known as the Hardeman Basin. Similar to the Permian Basin and mid-continent regions, the Hardeman Basin contains stacked hydrocarbon bearing reservoirs including Pennsylvanian (Cisco, Canyon, Strawn, Caddo, Atoka, and Morrow), Mississippian (Chester, Barnett, Holmes, and Chappel), and Ordovician (Ellenburger). Based on public data, historical production from various reservoirs in the Pennsylvanian was approximately 800 MMBO in Hardeman, Wilbarger and Wichita counties in Texas. Recent drilling in the area has targeted various zones within the Mississippian which has produced approximately 80 MMBO from Hardeman, Wilbarger and Wichita counties in Texas. Eagle US's wells primarily produce from the Mississippian aged Chappel and Limestone/Dolomite. Eagle US also operates six horizontal Atoka wells in the northern Hardeman operating area.

In 2014, Eagle US licensed 227 square miles of 3D seismic data in Hardeman County, covering most of its properties, to aid in additional recovery from the Ellenburger, Chappel, Holmes, Atoka, Cisco and Canyon formations. Results of the reprocessing and attribute extraction, combined with the experience of previous development in the area, have aided in revealing detailed stratigraphic and structural features. In the fourth quarter, Eagle US implemented a successful two well drilling program utilizing the initial results of this work. In addition, several new locations for the 2015 drilling program have been identified and ongoing work is being conducted to identify more locations for future development programs in subsequent years.

Assets in Palo Pinto and Martin Counties, Texas (the “Palo Pinto Properties”)

Eagle US has minor oil and natural gas interests in Palo Pinto and Martin counties, Texas. As at December 31, 2014, Eagle US had a working interest in 1 gross (1 net) producing oil well, 1 gross (1 net) non-producing oil well, 7 gross (7 net) producing natural gas wells and 1 gross (1 net) non-producing natural gas well on these properties. Its average working interest production from its Palo Pinto Properties for December 2014 was approximately 61 boe/d.

Production from the Palo Pinto Properties is from the Pennsylvanian age Marble Falls formation. All of Eagle US's Palo Pinto Properties oil, gas and mineral leases cover approximately 855 acres (net and gross) and are currently held by production.

Assets near Dixonville, Alberta (the “Dixonville Property”)

In December 2014, Eagle Canada acquired a 50% non-operated working interest in a producing petroleum property under horizontal waterflood in the Dixonville Montney “C” oil pool located in northern Alberta. The Dixonville Property has 110 gross (55 net) producing oil wells, 2 gross (1 net) producing natural gas wells, 17

gross (8.5 net) non-producing natural gas wells and 80 gross (40 net) water injection wells. The pool is currently operated by the other working interest owner in the property and is producing at an approximate rate of 2,400 boe/d gross (1,200 boe/d net to Eagle Canada's working interest). The Montney "C" oil pool is one of the premier waterfloods in Western Canada with a decline rate of less than 10 percent, high netbacks, long reserve life and low future maintenance capital.

Eagle Canada has a 50% ownership in the Dixonville field central oil battery. All oil from the Dixonville field produces into this facility, which has a treating capacity of approximately 4,000 bbl/d of oil and 37,000 barrels of water per day. The battery facility also consists of a 400 horsepower, three stage solution gas compressor. In addition, there are 23 test satellites and a gathering system consisting of 35 kilometres of emulsion pipeline and 25 kilometres of water injection pipelines. In 2014, the gathering system was upgraded and optimized. Solution and non-associated gas is gathered and processed at the operator's compressor station, in which Eagle Canada owns a 50% working interest.

In 2014, the field experienced two line leaks which caused the operator to shut the field in for a period of time. As a result, the operator directed capital towards a pipeline remediation program that included liner installation into the entire oil emulsion gathering system. The remediated pipeline systems are expected to last for the economic life of the field. A substantial portion of the capital required for the remediation program was spent prior to the effective date of the acquisition. The remaining capital is forecast to occur early in the first quarter of 2015, with Eagle Canada's share included as part of the capital forecast in the 2015 budget.

Properties With No Attributed Reserves

As at December 31, 2014, Eagle US holds the mineral rights to 61,000 gross acres that have no petroleum reserves currently attributed to them. Approximately, 23,000 of these acres are set to expire within the next year.

The majority of Eagle Canada's properties have reserves attributed to them. Approximately 5,000 gross acres (2,500 net acres) have no petroleum reserves currently attributed to them. However, based on available geological analysis, there is not anticipated to be any future value attributed to these lands. None of these rights are set to expire within the next year.

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Management is not currently aware of any significant economic factors or significant uncertainties that affect the anticipated development on the Subsidiaries' properties with no attributed reserves. As described above, Eagle US is in the process of analyzing the 3D seismic data that was licensed to determine additional drilling locations for its properties having no attributed reserves.

Wells

The following table summarizes the number of producing and non-producing wells in which the Subsidiaries had a working interest as at December 31, 2014.

Total Eagle Location and State/Province	Producing Oil Wells		Non-Producing Oil Wells		Producing Natural Gas Wells		Non-Producing Natural Gas Wells	
	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)	(Gross)	(Net)
	Salt Flat Field, Texas	54	40	16	11	0	0	0
Palo Pinto County, Texas	1	1	1	1	7	7	1	1
Hardeman County, Texas	47	37	14	13	0	0	0	0
Dixonville, Alberta	110	55	0	0	2	1	17	9
Total	212	133	31	25	9	8	18	10

Drilling Activity

The following table summarizes the number of gross and net development wells that were drilled by the Subsidiaries in 2014. No exploration wells were drilled.

Total Eagle	Development Wells	
	(Gross)	(Net)
Oil wells	7	6.4
Natural gas wells	0	0.0
Service wells	0	0.0
Stratigraphic test wells	0	0.0
Dry holes	0	0.0
Total	7	6.4

Tax Horizon

Management does not expect the Trust or the Subsidiaries to be subject to any material income taxes in the U.S. or Canada for several years.

No income taxes are expected to be payable by the Trust in Canada as the Trust will not be subject to SIFT tax (as it will have no "non-portfolio earnings" as defined in the Tax Act) and intends to distribute all of its taxable income each year to Unitholders.

No material U.S. income taxes are expected to be payable by Eagle US for several years based on the current tax modeling, incorporating available U.S. tax deductions. No material Canadian income taxes are expected to be payable by Eagle US Holdco based on the activities and location of central management and control of Eagle US.

No material Canadian income taxes are expected to be payable by Eagle Canada for several years based on the current tax modeling, incorporating all available Canadian tax deductions.

Costs Incurred

The following tables summarize property acquisition costs, exploration costs and development costs for 2014 for the Subsidiaries' operations in Canada and the United States. The total costs for the period were \$CAD 130.4 million.

Canadian Operations			
Acquisition Costs (net)		Exploration Costs (net)	Development Costs (net)
Proved Properties	Unproved Properties		
(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)
100,910	0	0	0

U.S. Operations			
Acquisition Costs (net)		Exploration Costs (net)	Development Costs (net)
Proved Properties	Unproved Properties		
(\$US 000)	(\$US 000)	(\$US 000)	(\$US 000)
4,857	0	0	22,048

Production Volumes

The following table discloses by field, and in total, Eagle US's production volumes for the year ended December 31, 2014. Eagle Canada did not have any production in 2014 because the acquisition of the Dixonville Property was not effective until January 1, 2015.

Total Eagle	Light and Medium Oil	Natural Gas	Natural Gas Liquids
	<i>(Mbbbl)</i>	<i>(MMcf)</i>	<i>(Mbbbl)</i>
Salt Flat Field	1,544	0	0
Martin and Palo Pinto Counties	439	1,005	190
Hardeman County	389	159	30
Total	2,368	1,164	220

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Production History

The following table discloses, on a quarterly basis for the year ended December 31, 2014, Eagle US's share of average gross daily oil, natural gas and natural gas liquids production volume, the average prices received, U.S. state royalties paid, operating costs and resulting field netbacks. Eagle Canada did not have any production in 2014 because the acquisition of the Dixonville Property was not effective until January 1, 2015.

Total Eagle	Three Months Ended 2014			
	March 31	June 30	September 30	December 31
Share of Average Gross Daily Production				
Light and Medium Crude Oil (<i>bb/d</i>)	2,545	2,732	2,342	1,815
Gas (<i>Mcf/d</i>)	1,316	1,779	1,520	296
Natural Gas Liquids (<i>bb/d</i>)	246	313	263	65
Combined (<i>boe/d</i>)	3,010	3,341	2,859	1,929
Average Price Received				
Light and Medium Crude Oil (\$CAD / <i>bb</i>)	107.07	106.99	101.92	82.51
Gas (\$CAD/ <i>Mcf</i>)	4.96	4.54	4.05	3.32
Natural Gas Liquids (\$CAD/ <i>bb</i>)	43.24	39.65	34.72	12.70
Combined (\$CAD/ <i>Boe</i>)	96.23	94.42	89.61	79.28
Royalties Paid				
Light and Medium Crude Oil (\$CAD/ <i>bb</i>)	22.15	21.20	20.01	20.32
Gas (\$CAD/ <i>Mcf</i>)	11.45	13.81	12.99	3.32
Natural Gas Liquids (\$CAD/ <i>bb</i>)	2.14	2.43	2.25	0.73
Combined (\$CAD/ <i>boe</i>)	26.19	25.93	24.42	21.60
Operating Costs ⁽¹⁾				
Light and Medium Crude Oil (\$CAD/ <i>bb</i>)	13.32	12.58	13.43	18.00
Gas (\$CAD/ <i>Mcf</i>)	6.89	8.19	8.72	2.94
Natural Gas Liquids (\$CAD/ <i>bb</i>)	1.29	1.44	1.51	0.64
Combined (\$CAD/ <i>boe</i>)	15.75	15.38	16.39	19.13
Resulting Field Netbacks ⁽²⁾				
Light and Medium Crude Oil (\$CAD/ <i>bb</i>)	45.90	43.42	39.97	36.25
Gas (\$CAD/ <i>Mcf</i>)	23.74	28.28	25.94	5.92
Natural Gas Liquids (\$CAD/ <i>bb</i>)	4.43	4.97	4.49	1.30
Combined (\$CAD/ <i>boe</i>)	54.29	53.10	48.80	38.54

Notes:

- (1) Operating costs include costs incurred to operate both oil and natural gas wells. A number of assumptions are required to allocate operating costs among oil, natural gas and natural gas liquids production.
- (2) Field netbacks are calculated by subtracting royalties and operating costs from revenues.

RESERVES INFORMATION

In addition to the oil and gas information relating to the properties owned by the Subsidiaries set forth above, information about the estimated reserves associated with those properties is set forth in this section (collectively, the “**Statement**”). The effective date of the Statement is December 31, 2014 and the preparation date is the date of this Annual Information Form. The Report of Management and Directors on Reserves Data and Other Information on Form 51-101F3 and the Report on Reserves Data by the Independent Qualified Reserves Evaluators on Form 51-102F2 are attached as Schedules A and B to this Annual Information Form.

All of the reserves of the Subsidiaries have been evaluated by independent reserves evaluators in accordance with NI 51-101. McDaniel & Associates Consultants Ltd. (“**McDaniel**”), an independent petroleum consulting firm based in Calgary, Alberta has evaluated all of the reserves associated with Eagle Canada’s properties. The McDaniel Reserve Report’s preparation date is February 12, 2015 and its effective date is December 31, 2014.

Netherland, Sewell & Associates, Inc. (“**NSAI**”), independent petroleum consultants based in Dallas, Texas, has evaluated all of the reserves associated with Eagle US’s properties. The NSAI Reserve Report’s preparation date is February 3, 2015 and its effective date is December 31, 2014. For consistency in the Trust’s reserves reporting, NSAI used McDaniel’s January 1, 2015 forecast prices and inflation rates to prepare its report.

The Administrator also requested McDaniel to prepare a reserves report that totalled the reserves in the McDaniel Reserve Report and the NSAI Reserve Report for the purpose of presenting the “Total Eagle” amounts set forth in this Annual Information Form. For this purpose, McDaniel used the exchange rate of US\$1.00 equals CAD\$1.16 to convert U.S. dollar amounts in the NSAI Reserve Report to Canadian dollar amounts.

The tables below are a summary of the reserves and the net present value of future net revenue attributable to the reserves as evaluated in the NSAI Reserve Report and the McDaniel Reserve Report based on the January 1, 2015 forecast price for crude oil and natural gas published by McDaniel, cost assumptions and supplied lease operating expenses. Due to rounding, certain columns in the tables set forth below may not add exactly.

The net present value of future net revenue attributable to the reserves is stated without provision for interest costs, income taxes and general and administrative costs, but after providing for estimated royalties, operating costs, capital, production taxes (which, in the U.S., consist of severance and *ad valorem*), development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by NSAI or McDaniel.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the reserves estimated by NSAI or McDaniel represent the fair market value of the reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized in this Annual Information Form.

The recovery and reserve estimates of the reserves provided in this Annual Information Form are estimates only and there is no guarantee that the reserves, as estimated, will be recovered. Actual reserves may be greater than or less than the estimates provided in this Annual Information Form.

Summary of Reserves

The following tables set out the reserves and net present value of future net revenue associated with the properties owned by the Subsidiaries, by country and in total for Eagle.

Canadian Operations Reserves Category	Light and Medium Oil		Natural Gas Liquids		Natural Gas		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mboe)	(Mboe)
Proved								
Developed Producing	7,107	5,220	0	0	448	405	7,182	5,288
Developed Non-Producing	0	0	0	0	0	0	0	0
Undeveloped	158	109	0	0	7	6	159	110
Total Proved	7,265	5,329	0	0	455	411	7,341	5,397
Total Probable	2,847	1,960	0	0	177	160	2,877	1,986
Total Proved Plus Probable	10,112	7,288	0	0	632	571	10,217	7,384

U.S. Operations Reserves Category	Light and Medium Oil		Natural Gas Liquids		Natural Gas		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mboe)	(Mboe)
Proved								
Developed Producing	2,483	1,927	37	29	423	327	2,591	2,011
Developed Non-Producing	363	289	13	10	122	92	397	315
Undeveloped	1,052	798	0	0	0	0	1,052	798
Total Proved	3,899	3,014	51	39	545	419	4,040	3,123
Total Probable	1,744	1,309	2	1	16	12	1,748	1,312
Total Proved Plus Probable	5,642	4,323	52	40	562	432	5,788	4,435

Total Eagle Reserves Category	Light and Medium Oil		Natural Gas Liquids		Natural Gas		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mboe)	(Mboe)
Proved								
Developed Producing	9,590	7,147	37	29	871	733	9,773	7,298
Developed Non-Producing	363	289	13	10	122	92	397	315
Undeveloped	1,211	907	0	0	7	6	1,212	908
Total Proved	11,164	8,343	51	39	1,000	830	11,381	8,520
Total Probable	4,591	3,268	2	1	193	173	4,624	3,298
Total Proved Plus Probable	15,755	11,612	52	40	1,194	1,003	16,006	11,819

Summary of Net Present Value of Future Net Revenue Before Income Taxes

Canadian Operations	Net Present Value of Future Net Revenue Before Income Taxes Discounted at (%/year)					Value Per Boe Before Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	0%	5%	10%	15%	20%	
	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD/boe)
Proved						
Developed Producing	283,771	168,553	115,578	87,152	69,957	21.86
Developed Non-Producing	0	0	0	0	0	0.00
Undeveloped	4,103	1,224	199	(218)	(403)	1.81
Total Proved	287,874	169,777	115,776	86,934	69,554	21.45
Total Probable	146,554	43,566	18,565	10,393	6,878	9.35
Total Proved Plus Probable	434,428	213,343	134,341	97,326	76,432	18.19

U.S. Operations	Net Present Value of Future Net Revenue Before Income Taxes Discounted at (%/year)					Value Per Boe Before Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	0%	5%	10%	15%	20%	
	(\$US 000)	(\$US 000)	(\$US 000)	(\$US 000)	(\$US 000)	(\$US/boe)
Proved						
Developed Producing	90,947	67,291	55,751	48,601	43,563	27.73
Developed Non-Producing	16,120	11,874	9,165	7,324	6,009	29.14
Undeveloped	30,952	25,183	20,694	17,144	14,299	25.93
Total Proved	138,019	104,347	85,610	73,069	63,872	27.41
Total Probable	60,756	47,250	37,703	30,754	25,562	28.74
Total Proved Plus Probable	198,775	151,597	123,313	103,823	89,434	27.80

Total Eagle	Net Present Value of Future Net Revenue Before Income Taxes Discounted at (%/year)					Value Per Boe Before Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	0%	5%	10%	15%	20%	
	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD/boe)
Proved						
Developed Producing	389,604	246,797	180,405	143,665	120,612	24.72
Developed Non-Producing	18,744	13,807	10,657	8,517	6,987	33.89
Undeveloped	40,094	30,507	24,261	19,716	16,224	26.73
Total Proved	448,442	291,111	215,323	171,897	143,823	25.27
Total Probable	217,201	98,507	62,406	46,153	36,602	18.92
Total Proved Plus Probable	665,643	389,619	277,729	218,051	180,425	23.50

Summary of Net Present Value of Future Net Revenue After Income Taxes

Canadian Operations	Net Present Value of Future Net Revenue After Income Taxes Discounted at (%/year)					Value Per Boe After Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD/boe)
Proved						
Developed Producing	237,166	144,073	100,600	76,902	62,356	19.03
Developed Non-Producing	0	0	0	0	0	0.00
Undeveloped	3,145	872	50	(295)	(456)	0.46
Total Proved	240,311	144,945	100,650	76,606	61,900	18.65
Total Probable	110,270	32,736	13,938	7,800	5,163	7.02
Total Proved Plus Probable	350,581	177,681	114,588	84,407	67,063	15.52

U.S. Operations	Net Present Value of Future Net Revenue After Income Taxes Discounted at (%/year)					Value Per Boe After Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	(\$US 000)	(\$US 000)	(\$US 000)	(\$US 000)	(\$US 000)	(\$US/boe)
Proved						
Developed Producing	90,947	67,291	55,751	48,601	43,563	27.73
Developed Non-Producing	16,120	11,874	9,165	7,324	6,009	29.14
Undeveloped	30,952	25,183	20,694	17,144	14,299	25.93
Total Proved	138,019	104,347	85,610	73,069	63,872	27.41
Total Probable	52,575	44,231	36,493	30,229	25,317	27.82
Total Proved Plus Probable	190,594	148,578	122,103	103,298	89,188	27.53

Total Eagle	Net Present Value of Future Net Revenue After Income Taxes Discounted at (%/year)					Value Per Boe After Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	
Reserves Category	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD 000)	(\$CAD/boe)
Proved						
Developed Producing	342,972	222,317	165,427	133,415	113,011	22.67
Developed Non-Producing	18,753	13,807	10,657	8,517	6,987	33.89
Undeveloped	39,154	30,155	24,112	19,639	16,171	26.56
Total Proved	400,879	266,279	200,197	161,570	136,169	23.50
Total Probable	171,404	84,167	56,372	42,950	34,601	17.09
Total Proved Plus Probable	572,283	350,446	256,568	204,520	170,770	21.71

Additional Information Concerning Future Net Revenue (Undiscounted)

Canadian Operations	Total Proved	Total Proved Plus Probable
	(\$CAD 000)	(\$CAD 000)
Revenues	735,423	1,146,286
Royalties	193,381	313,966
Operating Costs	246,354	389,165
Production and Mineral Taxes	0	0
Development Costs	4,370	4,370
Abandonment Costs	3,444	4,357
Future Net Revenue, Before Income Taxes	287,874	434,428
Income Tax	47,563	83,847
Future Net Revenue, After Income Taxes	240,311	350,581

U.S. Operations	Total Proved	Total Proved Plus Probable
	(\$US 000)	(\$US 000)
Revenues	343,245	496,594
Royalties	76,778	115,007
Operating Costs	90,032	122,569
Production and Mineral Taxes	17,868	25,085
Development Costs	18,741	33,182
Abandonment Costs	1,808	1,976
Future Net Revenue, Before Income Taxes	138,019	198,775
Income Tax	0	8,181
Future Net Revenue, After Income Taxes	138,019	190,594

Total Eagle	Total Proved	Total Proved Plus Probable
	(\$CAD 000)	(\$CAD 000)
Revenues	1,134,546	1,723,721
Royalties	282,660	447,698
Operating Costs	351,043	531,688
Production and Mineral Taxes	20,768	29,160
Development Costs	26,162	42,954
Abandonment Costs	5,470	6,579
Future Net Revenue, Before Income Taxes	448,442	665,643
Income Tax	47,563	93,360
Future Net Revenue, After Income Taxes	400,879	572,283

Future Net Revenue by Production Group

Total Eagle	Future Net Revenue Before Income Taxes (Discounted at 10%/year)	Unit Value (Net Reserves)
Reserves Category	(\$CAD 000)	(\$CAD/BOE for oil and natural gas liquids and \$CAD/Mcfe for natural gas)
Proved Producing		
Light and Medium Oil ⁽¹⁾	179,831	25.06
Natural Gas ⁽²⁾	574	0.78
Total Proved		
Light and Medium Oil ⁽¹⁾	214,741	25.62
Natural Gas ⁽²⁾	581	0.70
Total Proved Plus Probable		
Light and Medium Oil ⁽¹⁾	277,015	23.78
Natural Gas ⁽²⁾	714	0.71

Notes:

- (1) Includes natural gas, natural gas liquids and other by-products associated with oil production.
(2) Includes natural gas liquids and other by-products associated with natural gas production.

Definitions used in Reserves Information

In the tables set forth above and elsewhere in this Annual Information Form, the following notes and other definitions are applicable.

“gross” means:

- (a) In relation to each Subsidiaries' interest in production or reserves, its working interest (operating and non-operating) share before deduction of royalties and without including any of its royalty interests.
- (b) In relation to wells, the total number of wells in which the Subsidiary has an interest.
- (c) In relation to properties, the total area of properties in which the Subsidiary has an interest.

“net” means:

- (a) In relation to each Subsidiaries' interest in production or reserves, its working interest (operating and non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves.
- (b) In relation to each Subsidiaries' interest in wells, the number of wells obtained by aggregating its working interest in each of its gross wells.
- (c) In relation to each Subsidiaries' interest in a property, the total area in which it has an interest multiplied by the working interest owned by it.

The estimates presented in the NSAI Reserve Report and McDaniel Reserve Report are based on the definitions and guidelines contained in the CSA Notice 51-324 *Glossary to NI 51-101* and the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”). A summary of those definitions are set forth below:

Reserve Categories

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- (a) analysis of drilling, geological, geophysical and engineering data;
- (b) the use of established technology; and
- (c) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

“Proved reserves” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

“Developed producing reserves” are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“Developed non-producing reserves” are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

“Undeveloped reserves” are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation is based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

“Probable reserves” are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to “individual reserves entities”, which refers to the lowest level at which reserves calculations are performed, and to “reported reserves”, which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Pricing Assumptions – Forecast Prices and Costs

In this Annual Information Form and in accordance with NI 51-101, “forecast prices and costs” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the reporting issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

NSAI and McDaniel employed the following pricing and inflation rate assumptions as of December 31, 2014 in estimating the reserves using forecast prices and costs.

Total Eagle	Summary of Pricing and Inflation Assumptions As of December 31, 2014							
	Crude Oil			Natural Gas		Natural Gas Liquids	Forecast Factors	
	WTI ⁽¹⁾	Edmonton Light ⁽²⁾	Western Canadian Select	U.S. Henry Hub Gas Price	Alberta AECO Spot Price	See Note 3	Inflation ⁽⁶⁾	Exchange Rate
	(\$US/bbl)	(\$CAD/bbl)	(\$CAD/bbl)	(\$US/MMBtu)	(\$CAD/MMBtu)	(\$US/bbl)	(%)	(\$US/\$CAD)
Year								
Forecast								
2015	65.00	68.60	57.60	3.30	3.50	⁽³⁾	2%	0.860
2016	75.00	83.20	69.90	3.80	4.00	⁽³⁾	2%	0.860
2017	80.00	88.90	74.70	4.05	4.25	⁽³⁾	2%	0.860
2018	84.90	94.60	79.50	4.30	4.50	⁽³⁾	2%	0.860
2019	89.30	99.60	83.70	4.55	4.70	⁽³⁾	2%	0.860
Thereafter	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾	⁽⁵⁾	⁽⁵⁾	^{(3) (4)}	2%	0.860

Notes:

- (1) West Texas Intermediate at Cushing Oklahoma 40° API/0.5% sulphur.
- (2) Edmonton Light Sweet 40° API/0.3% sulphur.
- (3) The NGL price forecast is based on Eagle US’s average historical relationship of realized prices to the New York Mercantile Exchange (“NYMEX”) WTI crude oil price. NSAI used 39.1% of WTI for the price of NGLs in Hardeman and Jackson counties and 34.6% of WTI for the price of NGLs in Palo Pinto County.
- (4) Escalation is approximately 5% in 2020 and 2% per year thereafter.
- (5) Escalation is approximately 6.5% in 2020, declining to 3.5% in 2024 and approximately 2% per year thereafter.
- (6) Inflation rate used for forecasting costs.

In 2014, Eagle US received a weighted average price (before hedging) of \$CAD 100.99/bbl for crude oil, \$CAD 4.42/Mcf for natural gas and \$CAD 37.16/bbl for natural gas liquids. Eagle Canada did not receive any production during 2014 because the acquisition of the Dixonville Property was not effective until January 1, 2015.

Reconciliation of Changes in Reserves

The following tables set forth the reconciliation of the Subsidiaries' gross reserves as at December 31, 2014, by country and in total.

Canadian Operations				
Reserves Reconciliation (Company Gross)	Oil	Natural Gas Liquids	Natural Gas	Total
	<i>(Mbbbls)</i>	<i>(Mbbbls)</i>	<i>(MMcf)</i>	<i>(Mboe)</i>
Total Proved				
Opening Balance (Dec. 31, 2013)	0	0	0	0
Discoveries	0	0	0	0
Extensions and Improved Recovery	0	0	0	0
Technical Revisions	0	0	0	0
Acquisitions	7,265	0	455	7,341
Dispositions	0	0	0	0
Economic Factors	0	0	0	0
Production	0	0	0	0
Closing Balance (Dec. 31, 2014)	7,265	0	455	7,341
Total Probable				
Opening Balance (Dec. 31, 2013)	0	0	0	0
Discoveries	0	0	0	0
Extensions and Improved Recovery	0	0	0	0
Technical Revisions	0	0	0	0
Acquisitions	2,847	0	177	2,877
Dispositions	0	0	0	0
Economic Factors	0	0	0	0
Production	0	0	0	0
Closing Balance (Dec. 31, 2014)	2,847	0	177	2,877
Total Proved Plus Probable				
Opening Balance (Dec. 31, 2013)	0	0	0	0
Discoveries	0	0	0	0
Extensions and Improved Recovery	0	0	0	0
Technical Revisions	0	0	0	0
Acquisitions	10,112	0	632	10,217
Dispositions	0	0	0	0
Economic Factors	0	0	0	0
Production	0	0	0	0
Closing Balance (Dec. 31, 2014)	10,112	0	632	10,217

U.S. Operations**Reserves Reconciliation
(Company Gross)**

	Oil	Natural Gas Liquids	Natural Gas	Total
	<i>(Mbbbls)</i>	<i>(Mbbbls)</i>	<i>(MMcf)</i>	<i>(Mboe)</i>
Total Proved				
Opening Balance (Dec. 31, 2013)	8,226	1,576	6,720	10,922
Discoveries	0	0	0	0
Extensions and Improved Recovery	377	0	0	377
Technical Revisions	551	17	32	573
Acquisitions	192	38	397	296
Dispositions	(4,533)	(1,498)	(6,138)	(7,054)
Economic Factors	(54)	(1)	(18)	(58)
Production	(860)	(81)	(447)	(1,016)
Closing Balance (Dec. 31, 2014)	3,899	51	545	4,040
Total Probable				
Opening Balance (Dec. 31, 2013)	2,826	343	1,428	3,407
Discoveries	0	0	0	0
Extensions and Improved Recovery	593	0	0	593
Technical Revisions	(482)	1	(2)	(482)
Acquisitions	12	1	12	15
Dispositions	(1,191)	(343)	(1,422)	(1,771)
Economic Factors	(15)	0	(1)	(15)
Production	0	0	0	0
Closing Balance (Dec. 31, 2014)	1,744	2	16	1,748
Total Proved Plus Probable				
Opening Balance (Dec. 31, 2013)	11,052	1,919	8,148	14,329
Discoveries	0	0	0	0
Extensions and Improved Recovery	970	0	0	970
Technical Revisions	69	18	30	92
Acquisitions	204	39	409	311
Dispositions	(5,724)	(1,842)	(7,560)	(8,825)
Economic Factors	(69)	(1)	(18)	(73)
Production	(860)	(81)	(447)	(1,016)
Closing Balance (Dec. 31, 2014)	5,642	52	562	5,788

Total Eagle				
Reserves Reconciliation (Company Gross)				
	Oil	Natural Gas Liquids	Natural Gas	Total
	<i>(Mbbbls)</i>	<i>(Mbbbls)</i>	<i>(MMcf)</i>	<i>(Mboe)</i>
Total Proved				
Opening Balance (Dec. 31, 2013)	8,226	1,576	6,720	10,922
Discoveries	0	0	0	0
Extensions and Improved Recovery	377	-	0	377
Technical Revisions	551	17	32	573
Acquisitions	7,457	38	852	7,637
Dispositions	(4,533)	(1,498)	(6,138)	(7,054)
Economic Factors	(54)	(1)	(18)	(58)
Production	(860)	(81)	(447)	(1,016)
Closing Balance (Dec. 31, 2014)	11,164	51	1,000	11,381
Total Probable				
Opening Balance (Dec. 31, 2013)	2,826	343	1,428	3,407
Discoveries	0	0	0	0
Extensions and Improved Recovery	593	0	0	593
Technical Revisions	(482)	1	(2)	(482)
Acquisitions	2,859	1	189	2,891
Dispositions	(1,191)	(343)	(1,422)	(1,771)
Economic Factors	(15)	0	(1)	(15)
Production	0	0	0	0
Closing Balance (Dec. 31, 2014)	4,591	2	193	4,624
Total Proved Plus Probable				
Opening Balance (Dec. 31, 2013)	11,052	1,919	8,148	14,329
Discoveries	0	0	0	0
Extensions and Improved Recovery	970	0	0	970
Technical Revisions	69	18	30	92
Acquisitions	10,316	39	1,041	10,528
Dispositions	(5,724)	(1,842)	(7,560)	(8,825)
Economic Factors	(69)	(1)	(18)	(73)
Production	(860)	(81)	(447)	(1,016)
Closing Balance (Dec. 31, 2014)	15,755	52	1,194	16,006

Additional Information Relating to Reserves Data

Undeveloped Reserves

The following discussion generally describes the basis on which proved and probable undeveloped reserves were attributed. The Subsidiaries' plans for developing the undeveloped reserves are described below in "Other Oil and Gas Information".

Proved Undeveloped Reserves

Proved undeveloped reserves are those reserves that are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. In addition, such reserves may relate to planned infill drilling locations. The majority of these reserves are planned to be on stream within a three year timeframe. The following table provides the timing of the initial reserve assignments for the Subsidiaries' proved undeveloped gross reserves.

Timing of Initial Proved Undeveloped Reserves Assignment

Total Eagle	Light & Medium Oil (Mbbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
Prior	1,600	1,600	0	0	0	0
2011	0	1,440	0	0	0	0
2012	3,563	3,993	3,415	3,415	768	768
2013	527	2,418	143	2,141	35	517
2014	416	1,211	7	7	0	0

Probable Undeveloped Reserves

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on stream within a five year timeframe. The following table provides the timing of the initial reserve assignments for the Subsidiaries' probable undeveloped gross reserves.

Timing of Initial Probable Undeveloped Reserves Assignment

Total Eagle	Light and Medium Oil (Mbbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
Prior	3,600	3,600	0	0	0	0
2011	570	3,290	0	0	0	0
2012	1,696	3,386	1,670	1,670	376	376
2013	60	1,269	70	777	17	187
2014	646	1,291	2	2	0	0

Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex. It requires significant judgments and decisions based on available production, geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. NSAI and McDaniel are each an independent, qualified reserves evaluator as defined in NI 51-101.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end crude oil and natural gas prices and reservoir performance. Such revisions can be either positive or negative. See "Risk Factors".

Future Development Costs

The following tables set out the future development costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs and undiscounted).

Canadian Operations Year	Annual Capital Expenditures	
	Total Proved	Total Proved Plus Probable
	(\$CAD 000)	(\$CAD 000)
2015	918	918
2016	2,497	2,497
2017	955	955
2018	0	0
2019	0	0
Subtotal	4,370	4,370
Remainder	0	0
Total	4,370	4,370

U.S. Operations Year	Annual Capital Expenditures	
	Total Proved	Total Proved Plus Probable
	(\$US 000)	(\$US 000)
2015	7,444	13,500
2016	6,275	6,275
2017	3,590	4,488
2018	281	4,859
2019	557	3,359
Subtotal	18,147	32,481
Remainder	594	702
Total	18,741	33,183

Total Eagle Year	Annual Capital Expenditures	
	Total Proved	Total Proved Plus Probable
	(\$CAD 000)	(\$CAD 000)
2015	9,574	16,616
2016	9,794	9,794
2017	5,129	6,174
2018	327	5,650
2019	648	3,906
Subtotal ⁽¹⁾	25,471	42,139
Remainder	691	816
Total ⁽¹⁾	26,162	42,955

The Trust estimates that internally generated cash flow will be sufficient to fund the future development costs disclosed above. The Trust expects to have available three sources of funding to finance the capital expenditure program of each of the Subsidiaries' internally generated cash flow from operations, external debt financing when appropriate and new capital through the issuance of additional Units if available on favourable terms. Management anticipates that one source of debt financing will be available pursuant to the Credit Facility at market rates plus applicable margins. The Trust expects to fund the total 2015 capital program of the Subsidiaries with internally generated cash flow.

Additional Information Concerning Abandonment and Reclamation Costs

The table below sets forth the estimated abandonment and reclamation costs, net of estimated salvage value, ("A&R Costs") used for purposes of the Trust's audited consolidated annual financial statements for the financial year ending December 31, 2014 (the "Financial Statements") and the portion of total A&R Costs that is reflected in the above reserves data.

Total Eagle	Number of Net Wells	Future Abandonment and Reclamation Costs			
		For Financial Statement Purposes ⁽¹⁾ (Discounted at 10%/Year)	For Reserves Data Purposes (Without Discount)	For Reserves Data Purposes (Discounted at 10%/Year)	Difference (Discounted at 10%/Year)
		(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
U.S.	126	\$US 1,262	\$US 1,808	\$US 1,257	\$US 5
Canada	55	\$CAD 646	\$CAD 3,444	\$CAD 258	\$CAD 388
Total	184	\$CAD 2,114	\$CAD 5,470	\$CAD 1,720	\$CAD 394

Notes:

(1) See note 18 in the Trust's annual financial statements titled "Decommissioning liability". The decommissioning liability on the balance sheet was discounted at risk-free rates of 2% to 2.7%, as per IFRS requirements.

A&R Costs in the NSAI Reserve Report and the McDaniel Reserve Report are assigned to wells that have been assigned reserves in the respective reserve report and are included as deductions in arriving at future net revenue. A&R Costs for Eagle US's wells were estimated using actual costs or recent estimates of similar wells that were plugged and abandoned. A&R costs for Eagle Canada's wells were estimated using costs for similar fields in their respective areas.

The 10% discounted value of estimated A&R Costs in the reserves reports is lower than what is used for Financial Statement purposes because A&R Costs in reserves reports only include estimated costs to plug and cap wells, whereas A&R Costs used for Financial Statement purposes include estimated costs to fully remediate well sites. In addition, the number of wells used to calculate A&R Costs in the reserves reports is roughly half the number of wells used to calculate A&R Costs for Financial Statement purposes; reserves reports calculate A&R Costs for only those wells that have reserves assigned, whereas the Financial Statements estimate of decommissioning liability includes non-producing wells such as injector wells and water source wells (in the case of Eagle Canada). No material A&R Costs are forecast to be paid in the next three financial years.

Production Estimates for 2015

The following table discloses the volume of production for 2015 estimated by NSAI for Eagle US's reserves and by McDaniel for Eagle Canada's reserves in the estimates of gross proved reserves and gross proved plus probable reserves disclosed above under the heading "Summary of Reserves".

Total Eagle			
Location	Light and Medium Crude Oil	Natural Gas	Natural Gas Liquids
	<i>(Mbbbl)</i>	<i>(MMcf)</i>	<i>(Mbbbl)</i>
Salt Flat Field, Texas			
Total Proved	446	0	0
Total Proved Plus Probable	460	0	0
Palo Pinto and Martin Counties, Texas			
Total Proved	0	13	2
Total Proved Plus Probable	0	13	2
Hardeman County, Texas and Jackson County, Oklahoma			
Total Proved	201	73	6
Total Proved Plus Probable	277	77	7
Total in United States			
Total Proved	647	87	8
Total Proved Plus Probable	737	90	9
Total in Alberta, Canada			
Total Proved	475	58	0
Total Proved Plus Probable	481	59	0
Total			
Total Proved	1,122	145	8
Total Proved Plus Probable	1,218	149	9

Notes:

(1) Numbers may not add due to rounding.

DEBT FINANCING

The Trust, its Subsidiaries and the Administrator have entered into the Credit Facility with a syndicate of Canadian chartered banks. The Credit Facility is a \$US 350 million senior secured revolving facility, which is secured by a first priority security interest on substantially all of the property and assets of Eagle US and Eagle Canada (each a borrower under the Credit Facility), including all of their respective oil and natural gas properties, and substantially all of the property and assets of the Trust, its other Subsidiaries and the Administrator. Credit Facility obligations are also guaranteed by the Trust, its Subsidiaries and the Administrator. See "Material Contracts". A copy of the credit agreement relating to the Credit Facility is available on SEDAR under the Trust's issuer profile on www.sedar.com.

The Credit Facility is used for general corporate purposes, including working capital, capital expenditures and future acquisitions. Concurrent with the closing of the Dixonville Property acquisition on December 18, 2014, the borrowing base was increased from \$US 55 million to \$US 70 million. On February 11, 2015, the borrowing base was further increased to \$US 95 million.

Amounts drawn on the Credit Facility can be denominated in U.S. or Canadian dollars and may be used for activities in either the U.S. or Canada. The Credit Facility provides for borrowing by way of LIBOR and base rate loans for amounts drawn in U.S. funds and bankers' acceptances and prime rate loans for amounts drawn in Canadian funds. The margins above base rate, prime rate, LIBOR and bankers' acceptance rate, as applicable, for the Credit Facility are subject to a pricing grid based on the then applicable ratio of consolidated debt to EBITDAX (the "**Margin Ratio**"). EBITDAX refers to earnings before interest, taxes, depreciation, depletion, amortization and exploration expenses and is a non-IFRS financial measure (see "*Non-IFRS Financial Measures*", above). The Credit Facility documentation also provides for (i) a standby fee for each lender calculated on the lesser of (a) the unused amount of such lender's commitment and (b) the unused amount of such lender's pro rata share of the borrowing base then in effect, at a percentage based on the applicable Margin Ratio and (ii) an issuance fee on the outstanding amount of any letter of credit equal to the margin applicable to LIBOR loans (subject to a reduction in fees for non-financial letters of credit). As at December 31, 2014, \$CAD 47.2 million was drawn under the Credit Facility by way of prime rate loans.

The Credit Facility has a maturity date of May 27, 2016 and is subject to semi-annual redetermination of the borrowing base by the Credit Facility lenders no later than May 15 and October 16 of each year, as well as one further redetermination of the borrowing base during any six month period between scheduled redeterminations at the discretion of the lenders and one further redetermination of the borrowing base during any six month period between scheduled redeterminations at the request of Eagle US and Eagle Canada. Borrowing base redeterminations are based on, among other things, the proven reserves of Eagle US and Eagle Canada.

Under the Credit Facility, Eagle US, Eagle Canada, the Administrator, the Trust and its other Subsidiaries are required to satisfy certain customary affirmative and negative covenants (including financial covenants). The Credit Facility documentation provides for customary negative covenants which, among other things, limit the Trust in making distributions to its unitholders if any default, event of default or borrowing base deficiency has occurred and is continuing or would result from such distribution, or if the cash distributions made in any quarter exceed the Available Distributable Cash Flow (as defined in the credit facility agreement) of the Trust and its Subsidiaries for the most recently completed quarter. The Credit Facility documentation also includes other customary restrictive covenants including limitations on indebtedness, liens, contingent obligations, investments, dispositions, mergers, consolidations, liquidations and dissolutions. In addition, the Trust must maintain, as at the end of each fiscal quarter, a minimum current ratio (the ratio of current assets plus the unused availability under the Credit Facility to current liabilities excluding any amounts owing under the Credit Facility) of not less than 1.00 to 1.00, a minimum interest expense coverage ratio of not less than 3.00 to 1.00, and a maximum debt to EBITDAX ratio of 3.00 to 1.00.

Failure to comply with any of these financial covenants, as well as any of the other affirmative and negative covenants, would result in an event of default, which, if not cured or waived, would permit acceleration of the indebtedness pursuant to the Credit Facility. At December 31, 2014, there were no covenant violations under or in connection with the Credit Facility. Compliance with the terms of the financial covenants under the Credit Facility could adversely impact the distributable cash of the Trust. See "Risk Factors".

DESCRIPTION OF THE TRUST

The Trust Indenture

The following is a summary of certain terms of the Trust Indenture which is qualified in its entirety by reference to the text of the Trust Indenture. Reference is made to the Trust Indenture for a complete description of the Units and the full text of its provisions. See "Material Contracts". A copy of the Trust Indenture is available under the Trust's issuer profile on www.sedar.com.

General

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta on July 20, 2010 by the Trust Indenture. The Trustee of the Trust is Computershare Trust Company of Canada (see "Trustee", below). The Trust indirectly owns Eagle US through the Trust's ownership of all of the shares of Eagle US Holdco and indirectly owns Eagle Canada through the Trust's ownership of all of the shares of Eagle Canada Holdco. Although it is intended that the Trust qualify as a "mutual fund trust" under the Tax Act, the Trust is not a mutual fund under applicable securities laws.

The Trust is a limited purpose trust and the undertaking of the Trust is restricted to investing its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable).

Subject to the investment restrictions contained in the Trust Indenture, the Trustee has the authority to deal with the Trust's property on behalf of the Trust as if it were the beneficial owner of such property, and in particular, may:

- (a) temporarily hold cash and other short term investments in connection with and for the purposes of the Trust's activities, including paying management, administration and other expenses of the Trust, and paying any amounts required in connection with the redemption of Units and making distributions to Unitholders;
- (b) give a guarantee on behalf of the Trust to secure performance of an obligation of another person to the extent that such guarantee would not jeopardize the Trust's status as a mutual fund trust;
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any movable or immovable, personal or real or other property of the Trust, owned or subsequently acquired, to secure any obligation of the Trust;
- (d) lend, including loans to subsidiaries;
- (e) enter into the Voting Agreement and the Administrative Services Agreement;
- (f) invest, hold shares, securities, units, beneficial interests, partnership interests, joint venture interests or other interests in any person necessary or useful to carry out the purpose of the Trust;
- (g) issue or provide for the issuance of debt or equity securities of the Trust, including Units and Other Trust Securities, on such terms and conditions and at such time or times as the Trustee may determine;
- (h) redeem or repurchase Units in accordance with the terms set forth in the Trust Indenture;
- (i) make or cause to be made application for the listing or quotation on any stock exchange or market of any Units or Other Trust Securities, and to do all things which in the opinion of the Trustee may be necessary or desirable to effect or maintain such listing or listings or quotation;
- (j) possess and exercise all the rights, powers and privileges pertaining to the ownership of any securities held by the Trust ("Subsidiary Securities") to the same extent that an individual might, for example, to vote Subsidiary Securities at security holder meetings of such entities;
- (k) adopt a Unitholder rights plan for the Trust;
- (l) to the extent not prohibited by applicable law, delegate any of the powers and duties of the Trustee to any one or more agents, representatives, officers, employees, independent contractors, subcontractors or other persons (including to the Administrator pursuant to the terms of the Administrative Services Agreement) without liability to the Trustee except as provided in the Trust Indenture; and
- (m) do all such other acts and things as are necessary, useful, incidental or ancillary to the foregoing and exercise all powers and authorities which are necessary, useful, incidental or ancillary to carry on the affairs of the Trust, to promote any purpose for which the Trust is formed and to carry out the provisions of the Trust Indenture.

Units of the Trust

The beneficial interests in the Trust are represented and constituted by one class of units described and designated as "Units". An unlimited number of the Units may be issued pursuant to the Trust Indenture. The Trust may also issue an unlimited number of Other Trust Securities. As of the date of this Annual Information Form, the Trust has 35,023,364 Units outstanding.

Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust and all Units shall rank equally and rateably with all of the other Units without discrimination, preference or priority. Each Unit entitles the holder to one vote at all meetings of Unitholders.

Unitholders are entitled to receive non-cumulative distributions from the Trust if, as and when declared by the Trust. Units are redeemable on demand by the holders thereof, and may be purchased for cancellation by the Trust through offers made to, and accepted by, such holders. See "Description of the Trust – Redemption at the Option of Unitholders" and "Description of the Trust – Repurchase of Securities". There are no other conversion, retraction, redemption or pre-emptive rights for Unitholders.

Issuance of Units

Units are to be issued only when fully paid in money, property or past services, and they are not to be subject to future calls or assessments, provided that: (a) Units may be issued for consideration payable in instalments if the Trust takes security over any such Units for unpaid instalments; and (b) the consideration for any Unit issued by the Trust is paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money, provided that property may include a promissory note or promise to pay given by the allottee.

The Trust Indenture provides that the Units or Other Trust Securities may be created, issued, sold and/or delivered at such times, to such persons, for such consideration and on such terms and conditions as the Trustee determines, including pursuant to any Unitholder rights plan, distribution reinvestment plan, or any compensation plan established by the Trust. The authority to determine the timing and terms of future offerings of Units has been delegated by the Trustee to the Administrator. See "Description of the Trust - Delegation to the Administrator". Units may be issued in satisfaction of any non-cash distribution by the Trust to Unitholders on a *pro rata* basis. The Trust Indenture also provides that immediately after any pro rata distribution of Units to Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be automatically consolidated such that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the distribution of such additional Units, subject to reduction for payment of applicable withholding taxes. In this case, each certificate representing a number of Units prior to the distribution of additional Units is deemed to represent the same number of Units after the distribution of such additional Units and the consolidation.

Limitation on Non-Resident Ownership

A mutual fund trust such as the Trust may lose its status under the Tax Act as a "mutual fund trust" if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents of Canada. As a consequence of Eagle Canada's investments in Canadian energy assets, this limitation may apply to the Trust. The Trust Indenture contains non-resident ownership constraints which generally provide that, at no time during which substantially all of the property of the Trust does not consist of property other than "taxable Canadian property" (as defined in the Tax Act), may more than 49% of the Units outstanding (on either a non-diluted or fully diluted basis or on a fair market value basis) be beneficially owned by non-residents of Canada. It is the responsibility of the Administrator to monitor compliance with this restriction and the Administrator may take all actions it determined to be reasonable and practicable in order to ensure such compliance, including requiring declarations as to the jurisdictions in which beneficial owners of Units are resident for Canadian income tax purposes, performing residency searches and placing other limits on the ownership of securities of the Trust by non-residents of Canada.

If it determines that it is in the best interests of the Trust, the Administrator may send a notice to registered holders of securities of the Trust which are beneficially owned by non-residents of Canada, chosen in inverse order to the order of acquisition or registration or by such other manner as the Administrator may consider equitable and practicable, requiring such non-resident holders to sell their securities of the Trust or a specified portion thereof within a specified period. If the holders of the securities of the Trust receiving such notice have not sold the specified number of such securities or provided the Administrator with satisfactory evidence that such securities are not beneficially owned by non-residents of Canada, the Administrator may sell such securities on behalf of such holders and, in the interim, all voting and distribution rights attaching to such securities shall be deemed to have been suspended.

Book Entry System and Physical Unit Certificates

Unless and to the extent otherwise determined by the Trustee or the Administrator, or as otherwise provided below, the Units are issued in "book entry only" form and must be purchased or transferred through participants ("**Participants**") in the depositary service of CDS, which include securities brokers and dealers, banks and trust companies. Except as described below or if the Trustee or Administrator has determined otherwise, no Unitholder will be entitled to a physical certificate or other instrument from the Trust or CDS evidencing that holder's ownership thereof, and no Unitholders will be shown on the records maintained by CDS except through a book entry account of a Participant acting on behalf of such holder. Each purchaser acquiring a beneficial interest in the Units (a "**Beneficial Owner**") will receive a customer confirmation of purchase from the registered dealer from which the Unit is purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after

execution of a customer order. CDS is responsible for establishing and maintaining book entry accounts for its Participants having interests in the Units.

The Trust will not assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Units held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Units; or (c) any statement made with respect to CDS and contained in this Annual Information Form and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for the payment of the distributions on the Units paid by or on behalf of the Trust to CDS.

As indirect holders of Units, investors should be aware that they (subject to the situations described below): (a) may not have Units registered in their name; (b) may not have physical certificates representing their interest in the Units; (c) may not be able to sell the Units to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Units as security.

If: (i) CDS resigns or is removed from its responsibilities as depository with respect to the Units and the Trust is unable or does not wish to locate a qualified successor, or (ii) the Administrator or the Trust, at their option (including to ensure compliance with the Trust's limitations on non-resident ownership) elects, or is required by law, to terminate the book entry system, or (iii) Unitholders representing not less than 66% of the aggregate votes entitled to be voted at a meeting of Unitholders determine that the continuation of the book entry system is no longer in the best interests of the Unitholders, then Units will be issued in fully registered form to Unitholders or their nominees.

Transfer of Units

Units are transferable at any time and from time to time. Transfers of ownership in the Units will be effected only through records maintained by CDS or its nominee for such Units with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Unitholders who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Units, may do so only through Participants.

Repurchase of Securities

The Trust is entitled, from time to time, to offer to purchase Units or Other Trust Securities for cancellation at a price per security and on a basis determined by the Trustee in its discretion, but in compliance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. The authority to determine the timing and terms of any such repurchase of Units has been delegated by the Trustee to the Administrator. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and, if not exempt, must be conducted in accordance with the applicable requirements thereof.

Take-over Bids

If there is a take-over bid for all of the outstanding Units and within 120 days after the date of a take-over bid for the Units (which, depending on the terms of the take-over bid, may also include Units issuable upon conversion, exercise or exchange of Other Trust Securities), the bid is accepted by the holders of not less than 90% of the Units and, as applicable, the Units issuable upon the conversion, exercise or exchange of any relevant Other Trust Securities, taken together (collectively, the "**Bid Units**"), other than Bid Units held by or on behalf of, or issuable to, the offeror or an affiliate or associate of the offeror, then the offeror is entitled to acquire the Bid Units held by persons who did not accept the takeover bid, with such acquisition to occur on the same terms on which the offeror acquired Bid Units from persons who accepted the take-over bid. The Trust Indenture does not provide a mechanism for Unitholders who do not tender their Units to a take-over bid to apply to a court to fix the fair value of their Units.

Investments

Monies or other property received by the Trust or the Trustee on behalf of the Trust, including the net proceeds of any offering, may be used at any time and from time to time, for any purpose not inconsistent with the Trust Indenture. See "Description of the Trust – General".

The Trust Indenture contains investment restrictions to ensure that the Trust:

- (a) complies at all times with the requirements for a “mutual fund trust”, as defined in the Tax Act; and
- (b) does not take any action, or acquire, retain or hold any investment or other property that would result in the Trust not being considered a “mutual fund trust” as defined in the Tax Act;

These restrictions in the Trust Indenture may only be amended by Special Resolution of the Unitholders.

Distributions

The Trust has been making and, depending on the results of future operations of its Subsidiaries, intends to continue to make, monthly distributions to Unitholders of record as of the close of business on the last business day of each month which are usually paid to Unitholders on or about the 23rdth day of the following month or if not a business day, the immediately preceding business day. The amount of cash to be distributed on a pro rata basis per month per Unit is determined in the discretion of the Trust. From November 24, 2010 until December 23, 2014, the Trust paid a monthly cash distribution of \$0.0875 per Unit. Commencing with the distribution paid on January 23, 2015, the Trust has paid a monthly cash distribution of \$0.0300 per Unit. As results of operations of the Subsidiaries may vary, the distribution of cash is not guaranteed.

Where the Administrator, as administrator of the Trust, determines that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable, payment of such distribution may, at the option of the Administrator, include the issuance of additional Units, if necessary, having an aggregate value equal to the difference between the amount of such declared distribution and the amount of cash which has been determined by the Administrator to be available for the payment of such distribution. The value of each Unit which is to be issued in payment of distributions shall be the “market price” (as determined in accordance with the provisions of the Trust Indenture). See “Description of the Trust – Issuance of Units”. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Payments of distributions on each Unit issued in “book entry only” form will be made by the Trust to CDS or its nominee, as the case may be, as the registered owner of Units, and the Trust understands that such payments will be forwarded by CDS or its nominee, as the case may be, to Participants. As long as CDS or its nominee is the registered owner of Units, CDS or its nominee, as the case may be, will be considered the sole owner of those Units for the purposes of receiving payments on those Units. The responsibility and liability of the Trust in respect of the payment of distributions in respect of the Units is limited to making payment of any income or capital in respect of those Units to CDS or its nominee.

The Trust’s ability to pay distributions to Unitholders is dependent upon the ability of Eagle US to meet its interest and principal payment obligations under the Eagle US Notes and on the expected levels of distribution payments by Eagle US and Eagle Canada to Eagle US Holdco and Eagle Canada Holdco, respectively, and the expected level of distribution payments by Eagle US Holdco and Eagle Canada Holdco to the Trust. The cash available for distribution by Eagle US and Eagle Canada will be derived from the production of oil and natural gas from their respective resource properties and accordingly is susceptible to the risks and uncertainties associated with the oil and natural gas industry generally, and specifically in the U.S. and Canada, respectively.

The Subsidiaries and the Trust are required to comply with covenants under the Credit Facility. In the event that they do not comply with covenants under the Credit Facility, the ability to make distributions to Unitholders may be restricted. See “Risk Factors”.

Redemption at the Option of Unitholders

Units are redeemable at any time and from time to time on demand by the Unitholders thereof upon delivery to the Trust at its head office and to CDS (if a global unit certificate has been issued by the Trust) of a duly completed and properly executed notice, in a form reasonably acceptable to the Trustee, requesting redemption, together with written instructions as to the number of Units to be redeemed and together with the certificates, if any, representing Units to be redeemed (if a global unit certificate has not been issued by the Trust). Upon tender of Units by a Unitholder for redemption, all rights to and under the Units tendered for redemption shall immediately cease, provided that the Unitholder thereof shall retain the right to receive distributions thereon which have been declared payable to Unitholders of record prior to the date of tender for redemption (the “**Redemption Date**”) and the right to receive a price per Unit (the “**Redemption Price**”) in cash equal to the lesser of: (i) 90% of

(a) the volume weighted average trading price of a Unit traded on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any such exchange, on the principal market on which the Units are quoted for trading) during the period of the last 10 trading days ending immediately prior to the Redemption Date; (b) if the applicable exchange or market does not provide information necessary to compute a volume weighted average trading price, an amount equal to the volume weighted average of the closing prices of a Unit for each of the last 10 trading days occurring immediately prior to the Redemption Date on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the price shall be an amount equal to the volume weighted average of the average of the highest and lowest prices for each of the trading days on which there was a trade; and (c) if there was trading on the applicable market or exchange for fewer than five of the 10 trading days occurring immediately prior to the Redemption Date, the volume weighted average of the following prices established for each of the 10 trading days: (1) the average of the last bid and last asking prices for each day on which there was no trading; (2) the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and (3) the average of the highest and lowest prices of the Units for each day that there was trading, if the exchange or market provides only the highest and lowest prices of Units traded on a particular day; and (ii) an amount equal to 100% of the (a) volume weighted average trading price of a Unit on the Redemption Date, on the principal stock exchange on which Units are listed (or, if the Units are not listed on any such exchange, on the principal market on which the Units are quoted for trading) if the applicable exchange or market provides information necessary to compute a volume weighted average trading price on such date; (b) the closing price of a Unit if there was a trade on the Redemption Date, and the exchange or market provides only a closing price; (c) simple average of the highest and lowest prices of Units on the Redemption Date if there was trading on such date and the exchange or market provides only the highest and lowest trading prices of Units traded on a particular day; or (d) simple average of the last bid and the last asking prices of the Units on the Redemption Date if there was no trading on such date.

The aggregate Redemption Price payable by the Trust in respect of any Units tendered for redemption during any month shall be paid by cheque drawn on a Canadian chartered bank or trust company in lawful money of Canada payable to the Unitholder who exercised the right of redemption, on or before the fifth business day after the end of the calendar month following the calendar month in which the Units were tendered for redemption; provided that Unitholders shall not be entitled to receive cash upon the redemption of their Units if: (i) the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same month exceeds \$100,000 (provided that such limitation may be waived at the discretion of the Trustee); (ii) at the time such Units are tendered for redemption, the outstanding Units are not listed for trading on the TSX and are not traded or quoted on any other stock exchange or market which the Trustee considers, in its discretion, provides representative fair market value prices for the Units; (iii) the normal trading of Units is suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 trading-day period immediately prior to the Redemption Date; or (iv) the Trust or any affiliate of the Trust is, or after such redemption would be, in default under the Credit Facility or any other credit facilities and agreements entered into by the Trust or any of its affiliates, from time to time, which set forth the terms and conditions of any debt financing obtained by the Trust, or by any one of its affiliates (as the case may be), from any person or persons not affiliated with the Trust (and for further certainty, shall include all agreements pertaining to issuances of debentures or other debt securities to the public).

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitations set forth in the immediately preceding paragraph, then the redemption price for each Unit tendered for redemption shall be equal to the fair market value of a Unit as determined by the Trustee, in its discretion, and shall, subject to all necessary regulatory approvals, be paid and satisfied by way of a distribution in specie of Trust Property (other than CT Units).

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to dispose of their Units. The Trust Property that may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in the Trust Property. The Trust Property so distributed may be subject to resale restrictions under applicable securities laws and is not expected to be a qualified investment (within the meaning of the Tax Act) for Registered Plans.

Trustee

Computershare Trust Company of Canada is the Trustee and the transfer agent and registrar for the Units. Subject to the express limitations contained in the Trust Indenture and any grant of certain powers to the Administrator, as administrator of the Trust, the Trustee has full, absolute and exclusive power, control and

authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustee were the sole and absolute beneficial owner of the Trust Property in its own right, and to do all such acts and things as in its discretion are necessary or incidental to, or desirable for, the carrying out of the duties of the Trust created pursuant to the Trust Indenture. The Trustee has no obligation to Unitholders beyond the obligations set out in the Trust Indenture, except as may be mandated by law.

The Trust Indenture provides that the Trustee must discharge its duties honestly, in good faith and in the best interests of the Trust and the Unitholders and in connection therewith, exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

Except as expressly prohibited by law, the Trustee may in its discretion delegate the execution of certain of its authority and powers to the Administrator, as the administrator of the Trust, pursuant to the terms of the Administrative Services Agreement. The Trustee may in its discretion also delegate the execution of certain of its authority and powers to such other persons as is necessary or desirable to carry out and effect the actual management and administration of the duties of the Trustee under the Trust Indenture without regard to whether such authority is normally delegated by trustees. See "Description of the Trust – Delegation to the Administrator".

The Trustee shall be entitled to make any reasonable decisions, designations or determinations not contrary to the Trust Indenture which it may determine are necessary or desirable in interpreting, applying or administering the Trust Indenture, or in administering, managing or operating the Trust. Any Trustee's decisions, designations or determinations made pursuant to the Trust Indenture shall be conclusive and binding upon the Trust and the Unitholders.

The Trustee may resign as Trustee by giving to the Administrator, in its capacity as administrator of the Trust, not less than 90 days' prior written notice, unless the Administrator agrees to a shorter period of notice. The Trustee may be removed at any time with or without cause by Ordinary Resolution. The Trustee may also be removed at any time by the Administrator, in its capacity as administrator of the Trust, by notice in writing to the Trustee upon the occurrence of certain events, including where the Trustee is declared bankrupt or insolvent or enters into liquidation to wind up its affairs, all of its assets (or a substantial part thereof) are subject to seizure or confiscation, it becomes incapable or refuses to perform its responsibilities under the Trust Indenture, or the Trustee at any time ceases (i) to be incorporated under the laws of Canada or a province thereof, (ii) to be resident in Canada for the purposes of the Tax Act, or (iii) to be authorized and registered under the laws of the Province of Alberta to carry on the business of a trust company.

Any resignation or removal of the Trustee will take effect on the date upon which the last of the following occurs (i) a successor Trustee is appointed or elected pursuant to the Trust Indenture, and (ii) the new successor Trustee has accepted such election or appointment and has legally and validly assumed all obligations of the Trustee under the Trust Indenture. If no successor Trustee has been appointed or elected within 60 days of notice being given by the Trustee of its resignation, approval of an Ordinary Resolution to remove the Trustee, or the giving of notice by the Administrator to remove the Trustee, as the case may be, any Unitholder, the Trustee, the Administrator or any other interested person may apply to a court of competent jurisdiction for the appointment of a successor trustee.

Upon the taking effect of any resignation or removal of the Trustee under the terms of the Trust Indenture, the Trustee shall cease to be a party to the Administrative Services Agreement and the Voting Agreement.

The Trust Indenture provides that the Trustee shall be entitled to rely on and shall have no liability to any Unitholder, holder of Other Trust Securities, or any person for acting or failing to act, in good faith, in relation to any matter relating to the Trust where such action or failure is based upon, statements from, the opinion or advice of, or information from auditors, counsel or any valuator, engineer, surveyor or appraiser where it is reasonable to conclude that the matter in respect of which such statements are made, or opinion or advice given, ought to be within the expertise of such advisor or expert, provided that with respect to advisors and experts, the Trustee has satisfied its standard of care in selecting such advisors and experts. The Trustee shall have no liability whatsoever to any Unitholder or holder of Other Trust Securities for any obligation, liability or claim arising in connection with, directly or indirectly, the Trust Property or the conduct and undertaking of the affairs of the Trust, including (i) any action or failure to act by the Trustee in respect to its duties, responsibilities, powers, authorities and discretion under the Trust Indenture (including failure to compel in any way any trustee to redress any breach of trust or any failure of the Administrator to perform its duties under, or delegated to it under, the Trust Indenture, the Administrative Services Agreement or any other contract), (ii) any error in judgment, (iii) any matters pertaining to the administration or termination of the Trust, (iv) any Environmental Liabilities, (v) any action or failure to act by the Administrator or any other person to whom the Trustee has, as permitted by the Trust Indenture, delegated any of its duties, and (vi) any depreciation of, or loss to, the Trust incurred by reason of the

retention or sale of any Trust Property; unless such liabilities arise from or out of the wilful misconduct, fraud or gross negligence of the Trustee or the breach by the Trustee of its standard of care under the Trust Indenture. Where the Trustee is held liable to any person in circumstances or its property or assets are subject to levy, execution or other enforcement resulting in personal loss to the Trustee where there is to be no liability on the Trustee on the basis just described, the Trustee shall be indemnified out of the Trust Property to the full extent of such liability and the costs of any action, suit or proceeding or threatened action, suit or proceeding, including without limitation, reasonable legal fees and disbursements. The Trust Indenture also contains other customary provisions limiting the liability of the Trustee.

Certain Restrictions on Trustee's Powers

The Trust Indenture provides that a change to the Administrative Services Agreement or any extension thereof (which includes any increase in fees or other amounts payable by the Trust or its affiliates thereunder) and the terms of any agreement entered into by the Trust or its affiliates with the Administrator or any affiliate of the Administrator, must be approved by a majority of the Administrator Directors.

The Trust Indenture further provides that the Trustee shall not, without approval of Unitholders by Ordinary Resolution, (i) instruct on the voting of any share of the Administrator pursuant to the Voting Agreement for the election of Administrator Directors by the Unitholders, or (ii) appoint or change the auditors of the Trust, except in the event of a voluntary resignation of such auditors, acting reasonably.

In addition, the Trust Indenture provides that the Trustee shall not, without approval of Unitholders by Special Resolution, (i) amend the Trust Indenture, except as permitted by the Trust Indenture (as described under "Amendments to the Trust Indenture" below), (ii) sell, lease or exchange all or substantially all of the Trust Property, other than (a) pursuant to in specie redemptions permitted under the Trust Indenture, or (b) in conjunction with an internal reorganization involving the sale, lease, exchange or other transfer of the Trust Property (whether or not involving all or substantially all of the Trust Property) as a result of which the Trust has substantially the same interest, whether directly or indirectly, in the Trust Property that it had prior to the reorganization and, for greater certainty, such reorganization includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities.

Amendments to the Trust Indenture

Except where otherwise specifically provided in the Trust Indenture, the indenture may only be amended or altered by Special Resolution. The Trustee will be entitled, at its discretion (which discretion has been delegated to the Administrator) and without the approval of the Unitholders, to make amendments to the Trust Indenture at any time for any of the following purposes: (i) ensuring the Trust continues to comply with applicable laws, regulations, requirements or policies of any governmental or regulatory authority having jurisdiction over the Trustee or the Trust; (ii) providing, in the opinion of the Trustee, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders; (iii) making amendments which, in the opinion of the Trustee, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or in their interpretation or administration; (iv) making minor corrections, or removing or curing any conflicts or inconsistencies between the provisions of the Trust Indenture or any supplemental indenture, and any other agreement to which the Trust is a party, or any applicable law or regulation of any jurisdiction, or any prospectus filed with any governmental or regulatory authority with respect to the Trust, provided that, in the opinion of the Trustee in each case, the rights of the Unitholders are not materially prejudiced thereby; (v) providing for the electronic delivery by the Trust to Unitholders of documents relating to the Trust (including annual and quarterly reports, including financial statements, notice of Unitholder's meetings and information circulars and proxy related materials) at such time as applicable securities laws have been amended to permit such electronic delivery in place of normal delivery procedures, provided that such amendments are not contrary to or do not conflict with such laws; (vi) curing, correcting or rectifying any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions, provided that, in the opinion of the Trustee, the rights of the Unitholders are not materially prejudiced thereby; and (vii) making amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Trust Property the result of which the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization and, for greater certainty, includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities.

No amendment may be made to modify the voting rights attributable to Units or to reduce the fractional undivided beneficial interest in the Trust Property represented by any Unit without the consent of the holder of such Unit.

Rights of Unitholders

The rights of the Unitholders are established by the Trust Indenture. A Unitholder of the Trust has all of the material protections, rights and remedies a shareholder of a corporation would have under the ABCA, except as described below.

Many of the provisions of the ABCA respecting the governance and management of a corporation have been incorporated in the Trust Indenture. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Units in a manner comparable to shareholders of an ABCA corporation, including to elect Administrator Directors and to appoint auditors. The Trust Indenture also includes provisions modeled after comparable provisions of the ABCA dealing with the calling and holding of meetings of Unitholders, the quorum for and procedures at such meetings and the right of Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken. Unlike shareholders of an ABCA corporation, Unitholders do not have a comparable right to make a unitholder proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Trust Indenture are generally less extensive than the rights conferred on the shareholders of an ABCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Trust and its subsidiary entities. These Unitholder approval rights are supplemented by provisions of applicable securities laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are “reporting issuers” or the equivalent or listed on the TSX.

Unitholders do not have recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting (i) the business or businesses that the corporation can carry on, or (ii) the issue, transfer or ownership of shares). As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Units, as described under “Description of the Trust – Redemption at the Option of Unitholders”. Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregarding the interests of securityholders and certain other parties.

Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders can rely only on the general provisions of the Trust Indenture which permit the winding up of the Trust with the approval of a Special Resolution of the Unitholders. Shareholders of an ABCA corporation may also apply to a court for the appointment of an inspector, subject to court oversight and other investigative procedures, to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. By virtue of the right to requisition a meeting of Unitholders, the Trust Indenture allows Unitholders to call meetings to consider the appointment or removal of the Trustee and the Administrator Directors, but does not specifically contemplate the appointment of an inspector. The ABCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Trust Indenture does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Trust. The protections, rights and remedies available to a Unitholder are described in the Trust Indenture. See “Risk Factors – Risks Relating to the Trust’s Structure and Ownership of Units”.

Meetings of Unitholders

The Trust Indenture provides that there shall be an annual meeting of the Unitholders immediately prior to, and at the same place as, each annual meeting of holders of the common shares of the Administrator for the purpose of: (i) presentation of the financial statements of the Trust for the immediately preceding fiscal year; (ii) appointing the auditors of the Trust for the ensuing year; (iii) transacting such other business as the Trustee may determine or as may be properly brought before the meeting; and (iv) electing the Administrator Directors.

The Trust Indenture provides that special meetings of Unitholders may be convened at any time and for any purpose by the Trustee or the Administrator and must be convened, except in certain circumstances, if requisitioned in writing by the Unitholders representing not less than 20% of all votes entitled to be voted at a meeting of Unitholders. A requisition will be required to state in reasonable detail the business proposed to be transacted at the meeting.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy. A proxyholder will not be required to be a Unitholder. One or more persons present in person and being Unitholders or

representing, by proxy, Unitholders who hold in the aggregate not less than 10% of all votes entitled to be voted at a meeting of Unitholders shall constitute a quorum for the transaction of business at all such meetings. At any meeting at which a quorum is not present within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened upon the requisition of the Unitholders, shall be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as determined by the chairman of the meeting and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy shall be deemed to constitute a quorum.

Every question submitted to a meeting, other than questions to be decided by Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands on which every person present and entitled to vote shall be entitled to one vote. On a poll vote at any meeting of Unitholders, each Unit shall entitle the holder thereof to one vote.

The Trust Indenture contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Information and Reports

The Administrator, as administrator of the Trust, will furnish to Unitholders, in accordance with applicable securities laws, all financial statements of the Trust (including quarterly and annual financial statements and certifications) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholder's tax returns under the Tax Act and equivalent provincial legislation.

Each voting Unitholder has the right to obtain, on demand and without fee, from the head office of the Trust a copy of the Trust Indenture and any amendments thereto, and will be entitled to examine a list of Unitholders, subject to providing an affidavit to the Administrator, as administrator of the Trust, similar to the affidavit required under the ABCA for a shareholder to obtain a list of shareholders.

Prior to each meeting of Unitholders, the Administrator, as administrator of the Trust, will provide to the Unitholders (along with notice of the meeting) all information, together with such certifications, as are required by applicable law and by the Trust Indenture to be provided to Unitholders.

Term of the Trust

The Trust has been established for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on July 19, 2010. The termination or winding up of the Trust may also be effected by passage of a Special Resolution authorizing the same.

Delegation to the Administrator

Under the terms of the Trust Indenture, the Trustee is authorized to delegate any of the powers and duties granted to it (to the extent not prohibited by law) to any person as the Trustee may deem necessary or desirable. The Trustee has delegated many of its powers and duties to the Administrator, as administrator of the Trust, pursuant to the terms of the Administrative Services Agreement. Among other things, the Administrative Services Agreement sets forth all of the rights, restrictions and limitations (including, without limitation, limitations of liability and indemnification rights) which pertain to the performance by the Administrator of the duties delegated to it by the Trustee. Pursuant to the terms of the Trust Indenture, those rights, restrictions and limitations also apply in all respects to the Administrator, as administrator of the Trust, in the exercise and performance by it of all powers, duties and authorities conferred upon or delegated to the Administrator under the terms of the Trust Indenture. In the event of a termination of the Administrative Services Agreement, the Trustee will, until a successor administrator is appointed, perform the duties otherwise to have been performed by the Administrator under the Administrative Services Agreement and the Trust Indenture on the same terms and conditions as they were performed by the Administrator. See "Administrative Services Agreement". The Trust Indenture provides that the Trustee shall have no liability to any Unitholder as a result of the delegation by the Trustee of its powers and duties to the Administrator.

In performing the duties delegated to it, the Administrator must exercise its power and carry out its function honestly, in good faith and in the best interests of the Trust and is also obligated to exercise that degree of care, diligence and skill as would be exercised, in Canada, by a reasonably prudent person having responsibilities of a similar nature to those under the Administrative Services Agreement in comparable circumstances. The Administrator Directors are indemnified by the Trust in respect of their activities on behalf of the Trust, as referred to above, unless the Administrator Directors act in a manner which is fraudulent, grossly negligent or in wilful default of their duties.

Power of Attorney

Upon becoming a Unitholder, each Unitholder, pursuant to the terms of the Trust Indenture, grants to the Trustee a power of attorney constituting the Trustee, with full power of substitution, as the true and lawful attorney of such Unitholder to act on his behalf, with full power and authority in his name, place and stead, to execute, swear to, acknowledge, deliver, make, file or record (and to take all requisite action in connection with such matters), when, as and where required: (i) the Trust Indenture and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a "mutual fund trust" under the Tax Act in all jurisdictions that the Trustee deems appropriate; (ii) any instrument, deed, agreement or document in connection with carrying on the affairs of the Trust as authorized in the Trust Indenture, including all conveyances, transfers and other documents required in connection with any disposition of Units; (iii) all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust; (iv) any and all elections, determinations or designations whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust; (v) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any duly authorized amendment to the Trust Indenture; and (vi) all transfers, conveyances and other documents required to facilitate the acquisition of Units of non-tendering offerees in the event of a takeover bid.

Each Unitholder is agreeing that the power of attorney is, to the extent permitted by applicable law, irrevocable, is a power coupled with an interest, and shall survive the death, mental incompetence, disability and any subsequent legal incapacity of the Unitholder and shall survive the assignment by the Unitholder of all or part of the Unitholder's interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder. Each Unitholder agrees to be bound by any representations or actions made or taken by the Trustee pursuant to the power of attorney and waive any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustee in good faith under the power of attorney.

Premium DistributionTM and Distribution Reinvestment Plan

Although the Trust has had a Premium DistributionTM and Distribution Reinvestment Plan (the "**Plan**") since March 2011, it suspended the operation of the Premium DistributionTM component of the Plan commencing with the distribution paid on October 23, 2014 and the operation of the regular Distribution Reinvestment component of the Plan commencing with the distribution paid on February 23, 2015. The suspension of the operation of the Plan will remain in effect until further notice.

Normal Course Issuer Bid

During the one-year period commencing on January 21, 2015, the Trust implemented a Normal Course Issuer Bid ("**NCIB**") under which it can purchase for cancellation up to 2,852,829 of its Units, representing 10% of its public float as of January 16, 2015. The NCIB is administered through the facilities of the TSX, or alternative trading systems, if eligible, and will conform to their regulations.

The actual number of Units purchased under the NCIB, the timing of such purchases and the price at which the Units are bought will depend upon future market conditions, and upon potential alternative uses for the Trust's cash resources. Any purchases will be made by the Trust at the prevailing market price of the Units at the time of purchase and will be subject to a maximum daily purchase volume of 30,732 Units (being 25% of the average daily trading volume of the Units from July 1, 2014 to December 31, 2014 of 122,928 units) except as otherwise permitted under the TSX NCIB rules. All Units purchased under the NCIB will be cancelled.

The Trust has entered into an automatic unit purchase plan (the "Automatic Unit Purchase Plan") with a broker in order to facilitate repurchases of its Units under its NCIB. Under the Automatic Unit Purchase Plan, the Trust's broker may repurchase Units under the NCIB at any time including without limitation when the Trust would ordinarily not be permitted to due to regulatory restrictions or self-imposed trading blackout periods. Purchases will be made by the Trust's broker based on the parameters prescribed by the TSX and the terms of the Automatic Unit Purchase Plan. The Automatic Unit Purchase Plan will be in place for the one-year period of the NCIB.

Rights Plan

Eagle has a unitholder rights plan (the “**Rights Plan**”) dated as of November 6, 2014 between the Trust and Computershare Trust Company of Canada, as rights agent. The Rights Plan was approved by the Administrator Directors on November 6, 2014 and must be ratified and confirmed by the Trust’s “independent Unitholders” (as defined in the Rights Plan). The Rights Plan will continue in effect unless it is not confirmed by the Unitholders as required by the TSX. A copy of the Rights Plan is available as a “Security holders document” on the Trust’s issuer profile at www.sedar.com. The Trust intends to seek Unitholder ratification and confirmation at its next annual meeting.

The objectives of the Rights Plan are to ensure, to the extent possible, that all Unitholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Units. The Rights Plan will provide the Administrator Directors and the Unitholders with more time to fully consider any unsolicited take-over bid for Eagle without undue pressure, to allow the Administrator Directors to pursue, if appropriate, other alternatives to maximize unitholder value and to allow additional time for competing bids to emerge. The Rights Plan generally provides that, following the acquisition by any person or entity of 20% or more of the issued and outstanding Units (except pursuant to certain permitted or excepted transactions) and upon the occurrence of certain other events, each holder of Units, other than such acquiring person or entity, shall be entitled to acquire Units at a discounted price. The Rights Plan is similar to other shareholder rights plans adopted in the energy sector.

DESCRIPTION OF MATERIAL SUBSIDIARIES

Eagle Canada Holdco

Eagle Canada Holdco is a corporation formed under the laws of the Province of Alberta on October 31, 2014. The sole shareholder of Eagle Canada Holdco is the Trust. Eagle Canada Holdco was created to form, acquire and hold all of the issued and outstanding shares of Eagle Canada and to pass distributions from Eagle Canada through to the Trust, to the extent possible.

The directors of Eagle Canada Holdco are Richard Clark, David Fitzpatrick and Warren Steckley, and the executive officers are Richard Clark (President and Chief Executive Officer), Kelly Tomyne (Chief Financial Officer) and Jo-Anne Bund (General Counsel and Corporate Secretary). See “Trustee, Directors and Management – Directors and Executive Officers”.

The board of Eagle Canada Holdco intends to make monthly cash distributions, in the form of dividends or returns of capital, to the Trust so as to facilitate the Trust’s monthly cash distributions to Unitholders. The quantum of any dividends or returns of capital by Eagle Canada Holdco will be determined in the discretion of the Eagle Canada Holdco board of directors, subject to applicable corporate law.

Eagle Canada

Eagle Canada is a corporation formed under the laws of the Province of Alberta on October 31, 2014. The sole shareholder of Eagle Canada is Eagle Canada Holdco. Eagle Canada was created to acquire, operate and manage energy assets in Canada.

The directors of Eagle Canada are Richard Clark, David Fitzpatrick and Warren Steckley, and the executive officers of Eagle Canada are the same as the executive officers of the Administrator. See “Trustee, Directors and Management – Directors and Executive Officers”.

The board of Eagle Canada intends to make monthly cash distributions, in the form of dividends or returns of capital, to Eagle Canada Holdco so as to facilitate distributions by Eagle Canada Holdco to the Trust and the Trust’s monthly cash distributions to Unitholders. The quantum of any dividends or returns of capital by Eagle Canada will be determined in the discretion of the Eagle Canada board of directors, subject to applicable corporate law.

Eagle US Holdco

Eagle US Holdco is a corporation formed under the laws of the Province of Alberta on May 28, 2014. The sole shareholder of Eagle US Holdco is the Trust. Eagle US Holdco was created to acquire and hold all of the issued

and outstanding shares of Eagle US and to pass distributions from Eagle US through to the Trust, to the extent possible.

The directors of Eagle US Holdco are Richard Clark, David Fitzpatrick and Warren Steckley, and the executive officers are Richard Clark (President and Chief Executive Officer), Kelly Tomin (Chief Financial Officer) and Jo-Anne Bund (General Counsel and Corporate Secretary). See "Trustee, Directors and Management – Directors and Executive Officers".

The board of Eagle US Holdco intends to make monthly cash distributions, in the form of dividends or returns of capital, to the Trust so as to facilitate the Trust's monthly cash distributions to Unitholders. The quantum of any dividends or returns of capital by Eagle US Holdco will be determined in the discretion of the Eagle US Holdco board of directors, subject to applicable corporate law.

Eagle US

Eagle US is a corporation formed under the laws of the State of Delaware on May 28, 2014. The sole shareholder of Eagle US is Eagle US Holdco. Eagle US was created to acquire, operate and manage energy assets in the United States and to issue the Eagle US Notes and pay interest thereon.

The directors of Eagle US are Richard Clark, Joe Blandford and John Melton and the executive officers are Richard Clark (President, Chief Executive Officer and Secretary), Kelly Tomin (Chief Financial Officer) and Wayne Wisniewski (Chief Operating Officer). See "Trustee, Directors and Management – Directors and Executive Officers".

In addition to payments of interest and principal on the Eagle US Notes, the board of Eagle US intends to make monthly cash distributions, in the form of dividends or returns of capital, to Eagle US Holdco so as to facilitate distributions by Eagle US Holdco to the Trust and the Trust's monthly cash distributions to Unitholders. The quantum of any dividends or returns of capital by Eagle US will be determined in the discretion of the Eagle US board of directors, subject to applicable corporate law.

Eagle US Notes

Following is a summary of the material attributes and characteristics of Eagle US Note Series 1 and Eagle US Note Series 3 (collectively, the "**Eagle US Notes**"). This summary is qualified in its entirety by reference to the provisions of the Eagle US Notes.

The Eagle US Notes were initially issued to the Trust as part of the 2014 internal reorganization completed by the Trust and its Subsidiaries in consideration of the transfer of indebtedness of CT to Eagle US by the Trust (which CT indebtedness was subsequently extinguished as part of the internal reorganization). As at December 31, 2014, Eagle US Note Series 1 had an aggregate principal amount of \$38,854,268.95 and Eagle US Note Series 3 had an aggregate principal amount of \$51,452,875.00. The Trust owns all of the Eagle US Notes. Eagle US has not issued any other series of Eagle US Notes.

Interest and Maturity

The Eagle US Note Series 1 bears interest at the rate of 11.5% per annum, payable monthly, in arrears, with such payment to be made on the last business day of each calendar month or such earlier date as the principal balance outstanding and all accrued and unpaid interest is payable by Eagle US to the holder of the Eagle US Note Series 1. Eagle US may repay all or any portion of the principal amount of any Eagle US Note at any time without interest or penalty. The Eagle US Note Series 1 will mature on December 31, 2020.

The Eagle US Note Series 3 bears interest at the rate of 10.0% per annum, payable monthly, in arrears, with such payment to be made on the last business day of each calendar month or such earlier date as the principal balance outstanding and all accrued and unpaid interest is payable by Eagle US to the holder of the Eagle US Note Series 3. Eagle US may repay all or any portion of the principal amount of any Eagle US Note at any time without interest or penalty. The Eagle US Note Series 3 will mature on May 31, 2022.

Payment Upon Maturity

Except as otherwise provided in the provisions of the Eagle US Notes, on maturity Eagle US will repay the Eagle US Notes by paying to the Trust the principal amount of the outstanding Eagle US Notes which have then matured, together with accrued and unpaid interest thereon.

Subordination/Security

Payment of the principal amount and interest on the Eagle US Notes is subordinated in right of payment to the prior payment in full of the principal of and accrued and unpaid interest on, and all other amounts owing in respect of, all senior indebtedness, which is defined as all indebtedness, liabilities and obligations of Eagle US that, by the terms of the instrument creating or evidencing the same, is not expressed to rank in right of payment in subordination to or pari passu with the indebtedness evidenced by the Eagle US Notes. The Eagle US Notes provide that upon any distribution of the assets of Eagle US in the event of any dissolution, liquidation, reorganization or other similar proceedings relative to Eagle US, the holders of all such senior indebtedness will be entitled to receive payment in full before the holders of Eagle US Notes are entitled to receive any payment.

Default

The Eagle US Notes provide that any of the following shall constitute an event of default: (i) default in payment of the principal of the Eagle US Notes when the same becomes due and the continuation of such default for a period of 10 business days; (ii) default in payment of any interest due on any Eagle US Notes and continuation of such default for a period of 15 business days; (iii) default in the observance or performance of any other covenant or agreement under the provisions of the Eagle US Notes and continuance of such default for a period of 30 days after notice in writing has been given by the holder(s) of the Eagle US Notes specifying such default and requiring Eagle US to remedy the same; (iv) if there occurs, with respect to any issue of indebtedness of Eagle US having an outstanding principal amount of \$5 million or more, an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its maturity and such indebtedness has not been discharged in full or such acceleration has not been rescinded or annulled within 20 days of such acceleration; and (v) certain events of dissolution, liquidation, reorganization or other similar proceedings relative to Eagle US. The provisions governing an event of default under the Eagle US Notes and remedies available thereunder do not provide protection to the holders of the Eagle US Notes which would be comparable to the provisions generally found in debt securities issued to the public.

PRICE RANGE AND TRADING VOLUME OF UNITS

The Units are listed and posted for trading on the TSX, the Canadian marketplace on which the greatest volume of trading or quotation of the Units generally occurs. The trading symbol for the Units on the TSX is "EGL.UN". The following table sets forth the high and low closing prices and the aggregate volume of trading of the Units on the TSX for each month in 2014 (as quoted by the TSX):

2014	Toronto Stock Exchange		
	High (\$)	Low (\$)	Volume
January	8.55	7.88	1,199,914
February	8.38	7.67	890,166
March	8.10	7.10	1,999,329
April	7.15	5.73	5,399,666
May	6.50	4.92	5,623,154
June	6.84	5.86	2,943,440
July	6.58	6.10	1,983,078
August	6.69	5.82	2,247,477
September	5.85	5.00	2,998,764
October	5.40	3.82	2,150,664
November	4.82	3.38	2,188,080
December	3.85	2.18	3,920,823

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As at the end of the most recently completed financial year, no securities were held in escrow or were subject to a contractual restriction on transfer.

TRUSTEES, DIRECTORS AND MANAGEMENT

The Trust

Computershare Trust Company of Canada is the Trustee of the Trust, and has been appointed and will continue in office until replaced by Unitholders. Pursuant to the terms of the Administrative Services Agreement, the Trustee has delegated a number of the administrative and governance functions relating to the Trust to the Administrator. The Administrator Directors therefore fulfill the majority of the oversight and governance role for the Trust, with the balance of those duties remaining with the Trustee. See “Administrative Services Agreement”.

The Administrator

The Administrator is wholly-owned by EEI Holdings, which is, in turn, wholly-owned by Richard Clark, the President, Chief Executive Officer and a director of the Administrator. Under the terms of the Administrative Services Agreement, the Administrator has certain management, administrative, governance and fiduciary duties with respect to the Trust. The Administrator performs its services pursuant to the Administrative Services Agreement on a cost recovery basis.

The number of the Administrator Directors is fixed at five until such time as the Unitholders of the Trust pass a resolution to fix the number of the Administrator Directors at a new number. The Voting Agreement provides that Unitholders are entitled to elect 100% of the Administrator Directors.

Directors and Executive Officers

The following table provides the names and municipalities of residence of the directors and executive officers of the Administrator or a Subsidiary as at the date of this Annual Information Form, their offices held, the date they were first appointed as a director or executive officer and their principal occupation for the previous five years.

Name and Municipality of Residence	Current Positions	Principal Occupation	Director or Executive Officer Since
David M. Fitzpatrick ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	Director and Chairman of the Board of the Administrator; Director of Eagle Canada Holdco and Eagle Canada	Retired businessman. From 1996 to 2007, Mr. Fitzpatrick was the President and CEO of Shiningbank Energy Income Fund (an oil and gas income trust).	March 28, 2008
Bruce K. Gibson ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	Director and Audit Committee Chair of the Board of the Administrator	Retired businessman. From 1997 to 2007, Mr. Gibson was the CFO of Shiningbank Energy Income Fund.	March 28, 2008
Joseph W. Blandford ⁽¹⁾⁽²⁾⁽³⁾ Houston, Texas	Director and Compensation Committee Chair of the Board of the Administrator; Director of Eagle US	Retired businessman since 2003. Prior thereto Mr. Blandford was the Chairman and Chief Executive Officer of Atlantia Offshore Limited (an oil and gas services company).	April 1, 2010
Warren D. Steckley ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	Director and Reserves & Governance Committee Chair of the Board of the Administrator; Director of Eagle Canada Holdco and Eagle Canada	Oil and gas businessman. From 1998 to 2013, Mr. Steckley was the President and Chief Operating Officer of Barnwell of Canada, Limited (an oil and gas company).	April 1, 2010

Name and Municipality of Residence	Current Positions	Principal Occupation	Director or Executive Officer Since
John Melton Mandeville, Louisiana	Director of Eagle US	Oil and gas businessman. From 2005 to 2009, was the Chief Executive Officer of Petroflow Energy Ltd., formerly a TSX-listed Canadian oil and gas company with US operations in New Mexico, and Oklahoma.	June 6, 2014
Richard W. Clark Calgary, Alberta	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Administrator and all Subsidiaries. Prior to April 2010, partner at a national law firm since April 2000 and at a boutique oil and gas law firm since 1991.	March 28, 2008
Kelly A. Tomy Calgary, Alberta	Chief Financial Officer	Chief Financial Officer of the Administrator and all Subsidiaries. In the five years prior thereto, Ms. Tomy was the CFO of two private and public oil and gas companies.	September 30, 2010
J. Wayne Wisniewski Houston, Texas	Chief Operating Officer	Chief Operating Officer of Eagle US. In the five years prior thereto, Mr. Wisniewski held various senior management positions with BP. Mr. Wisniewski has over 30 years E&P experience in the U.S. and internationally.	September 17, 2012
M. Scott Lovett Calgary, Alberta	Vice President, Corporate and Business Development	Vice President, Corporate and Business Development of the Administrator and Eagle Canada. In the five years prior thereto, Mr. Lovett held various senior management positions with a private company and, prior thereto, with a public oil and gas company.	September 1, 2014
Eric McFadden Calgary, Alberta	Vice President, Capital Markets and Business Development	Vice President, Capital Markets and Business Development of the Administrator and Eagle Canada. In the five years prior thereto, Mr. McFadden was Executive Vice President, Business Development at Superior Plus Corp. (an industrial conglomerate).	September 1, 2014
Jo-Anne M. Bund Calgary, Alberta	General Counsel and Corporate Secretary	General Counsel and Corporate Secretary of the Administrator and Eagle Canada. Prior thereto, Ms. Bund was in-house counsel for a private company for two years, a corporate securities lawyer with a national law firm for three years and senior legal counsel for the Alberta Securities Commission for three years.	November 28, 2012

Notes:

- (1) Member of Audit Committee. Mr. Gibson is the Chairman of the Audit Committee.
- (2) Member of the Compensation Committee. Mr. Blandford is the Chairman of the Compensation Committee.
- (3) Member of the Reserves & Governance Committee. Mr. Steckley is the Chairman of the Reserves & Governance Committee.

The term of office of all Administrator Directors will expire at each annual meeting of Unitholders of the Trust or at the time at which his/her successor is elected or appointed, or earlier if any Administrator Director otherwise dies, resigns, is removed or is disqualified. Each director will devote the amount of time as is required to fulfill their obligations to the Administrator. The Administrator's officers are appointed by and serve at the discretion of the Administrator Directors. Officers of Eagle US and Eagle Canada are appointed by and serve at the discretion of the directors of Eagle US and Eagle Canada, respectively.

Biographical Information

David M. Fitzpatrick, Chairman of the Board and Director, Administrator and Eagle Canada

Mr. Fitzpatrick was a founder, President and Chief Executive Officer of Shiningbank Energy Income Fund, a TSX listed Canadian energy trust. Prior to Shiningbank, Mr. Fitzpatrick was the Chief Operating Officer with Serenpet Energy Inc. (an oil and gas company), a Senior Exploitation Engineer with Canadian Hunter Exploration Ltd. (an oil and gas company) and a Senior Development Engineer with Amoco Canada Petroleum Co. Ltd. (an oil and gas company). Mr. Fitzpatrick obtained a Bachelor of Engineering (Geo.) degree from Queen's University in 1981 and is a graduate of the McMaster University Director's College.

Bruce K. Gibson, Director, Audit Committee Chair, Administrator and Eagle Canada

Mr. Gibson was Vice President and Chief Financial Officer of Shiningbank Energy Income Fund. Prior to Shiningbank, Mr. Gibson was the Chief Financial Officer of Magrath Energy Corp. (an oil and gas company) and Northridge Exploration Ltd. (an oil and gas company). Mr. Gibson obtained a Bachelor of Commerce degree from the University of Calgary in 1978 and is a chartered accountant and a member of the Institute of Chartered Accountants of Alberta.

Joseph W. Blandford, Director, Compensation Committee Chair, Administrator and Eagle Canada

Mr. Blandford was the Chairman and Chief Executive Officer of Atlantia Offshore Limited, a company that was based in Houston and under Mr. Blandford's leadership installed more than 200 offshore drilling and production platforms in the Gulf of Mexico and elsewhere in the world. Mr. Blandford led the company for over 25 years and holds over 50 U.S. and foreign patents related to proprietary technology for deep and shallow water offshore platforms. Mr. Blandford holds a Bachelor degree in Civil Engineering from the University of Texas and a Master degree in Civil Engineering from the University of Houston, and is a graduate of Harvard Business School's Owner/President Management Program. Although retired since 2003, Mr. Blandford has actively supported higher education by serving on the University of Texas Chancellor's Council and the University of Texas Development Board. He is also the immediate past president of the board of directors of the Petroleum Club of Houston, and is a member of the foundation's board of directors, the Independent Petroleum Association of America, the American Petroleum Institute and the American Society of Civil Engineers. Mr. Blandford was elected in 2004 to serve on the University of Texas Civil, Architectural and Environmental Engineering Academy of Distinguished Alumni and was recognised in 2006 as a Distinguished Graduate of the University of Texas College of Engineering.

Warren D. Steckley, Director, Reserves & Governance Committee Chair, Administrator and Eagle Canada

Mr. Steckley combines more than 35 years of oil and gas industry experience with financial and investment expertise. From 1998 to 2013, Mr. Steckley was the President, Chief Operating Officer and a Director of Barnwell of Canada, Limited, an oil and gas company and wholly owned subsidiary of Barnwell Industries Inc., a public company listed on the American Stock Exchange. Mr. Steckley has been a director of a number of private companies and TSX listed companies. Mr. Steckley is a professional engineer with a Bachelor degree in Mechanical Engineering from the University of Alberta and a Master of Business Administration degree from the University of Alberta.

John A. Melton, Sr., Director, Eagle US

Mr. Melton was the co-founder, President, Chief Executive Officer and a director of Petroflow Energy Ltd., a company formerly listed on the TSX with oil and gas operations in New Mexico and in the Permian basin in Oklahoma, from 2005 to 2009. Prior thereto, Mr. Melton was the founder and Chief Executive Officer of TDC Energy Corp., an E&P operator in the Gulf of Mexico, from 1986 to 2000, following which he was the Chairman of TDC from 2001 until 2003. Mr. Melton is a professional engineer with a Bachelor of Science degree in Electrical Engineering and a Master of Science degree in Electrical Engineering, both from Louisiana State University. He is also a graduate of Harvard Business School's Owner/President Management Program.

Richard W. Clark, Director, President and Chief Executive Officer, Administrator, Eagle US and Eagle Canada

Mr. Clark's career includes over 19 years in the legal profession, first as a founding partner at a boutique oil and gas firm and then for 10 years at a national law firm in Canada, where he specialized in the areas of corporate finance, securities, mergers and acquisitions and venture capital. Mr. Clark has had extensive experience in the royalty trust sector including developing innovative financing structures, leading initial public offerings and other debt and equity financings, multiple corporate and asset mergers and acquisitions, acting as a director, and advising various energy based trusts on international expansion initiatives. Mr. Clark has served on numerous boards in the oil and gas sector. Mr. Clark holds a Bachelor of Arts degree in Economics and Bachelor of Laws degree, both from the University of Calgary.

Kelly A. Tomyn, Chief Financial Officer, Administrator, Eagle US and Eagle Canada

Ms. Tomyn is a chartered accountant with over 25 years of experience in the oil and gas industry developing and executing financial strategies primarily for publicly traded companies. From December 2007 to September 2010, Ms. Tomyn was Vice President, Finance and Chief Financial Officer with Aduro Resources Ltd. From October 2004 to October 2007, Ms. Tomyn was Vice President, Finance and Chief Financial Officer with Diamond

Tree Energy Ltd., including its predecessor company. Ms. Tomy has also served as Vice President, Finance and Chief Financial Officer of Ranchgate Energy Inc. (an oil and gas company), Saddle Resources Inc. (an oil and gas company) and WestPoint Energy Inc. (an oil and gas company). Ms. Tomy graduated from the University of Saskatchewan with a Bachelor of Commerce degree in 1987 and since 1990 has been a member of the Institute of Chartered Accountants of Alberta.

J. Wayne Wisniewski, Chief Operating Officer, Eagle US

Mr. Wisniewski has 30 years of experience in the oil and gas industry, starting as a drilling and completion engineer, and holding various engineering and senior management positions in multiple companies. Prior to joining Eagle US, Mr. Wisniewski spent the preceding 13 years with a major international E&P company, where he was responsible for operations exceeding 100,000 boe/d. Mr. Wisniewski holds a Bachelor of Petroleum Engineering from Texas A&M University, where he earned the Harold J Vance Award for academic achievement, and a Master of Business Administration from Southern Methodist University in Dallas, Texas. He is a professional engineer registered in Texas and Oklahoma.

Scott Lovett, Vice President, Corporate and Business Development, Administrator and Eagle Canada

Mr. Lovett is a professional engineer and has over 18 years of experience in the oil and gas industry, including reservoir evaluations, acquisitions and divestments, business planning, and strategic analysis. Mr. Lovett has held various engineering and management roles in multiple companies including over eight years with GLJ Petroleum Consultants Ltd. and five years with Enerplus Corporation. Mr. Lovett holds a Bachelor and Master in Science degrees in Chemical Engineering, and a Master in Business Administration, all from the University of Calgary.

Eric McFadden, Vice President, Capital Markets and Business Development, Administrator and Eagle Canada

Mr. McFadden has over 25 years of experience in the corporate finance, capital markets, management and business development industries including 11 years in the energy industry. His background includes 14 years with a major Canadian investment bank, three years heading the start-up, construction and operations of a wind power company and four years heading business development and acquisitions at an industrial conglomerate. He holds a Bachelor of Economics degree from Wilfrid Laurier University and a Master of Business Administration from the Simon School at the University of Rochester.

Jo-Anne Bund, General Counsel and Corporate Secretary, Administrator and Eagle Canada

Ms. Bund has over 19 years of experience as a corporate securities lawyer. During her career, Ms. Bund practiced primarily in the areas of corporate finance, securities, mergers and acquisitions and venture capital, first with a boutique oil and gas securities firm and, later, with a national law firm. Ms. Bund was also senior legal counsel with the Alberta Securities Commission for three years and has been in-house legal counsel with other companies, both private and public. Ms. Bund holds a Bachelor of Arts degree from the University of Toronto and a Bachelor of Laws degree from the University of Calgary.

Security Ownership by Directors and Executive Officers

As a group, the above directors and executive officers beneficially own or exercise control or direction over, directly or indirectly, 1,021,200 Units, representing 2.92% of the 35,023,364 issued and outstanding Units as of March 19, 2015.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Administrator, no director or executive officer of the Administrator (nor any personal holding company of any of such persons) is, as of the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Administrator), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “Order”), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer

and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Administrator, except as described below, no director or executive officer of the Administrator (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Administrator to affect materially the control of the Administrator: (a) is, as of the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Administrator) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

David Fitzpatrick, a director of the Administrator, has been a director of Lone Pine since June 1, 2011 and was the former Interim Chief Executive Officer of Lone Pine from February 28, 2013 until May 30, 2013. On September 25, 2013, Lone Pine commenced proceedings in the Court of Queen's Bench of Alberta under the Companies' Creditors Arrangement Act ("CCAA") and ancillary proceedings under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. On January 31, 2014, Lone Pine completed its emergence from creditor protection under the CCAA and Chapter 15 of the United States Bankruptcy Code. Lone Pine, Lone Pine Resources Canada Ltd. and all other subsidiaries of Lone Pine were parties to the CCAA and Chapter 15 proceedings.

Mr. Melton, a director of Eagle US, was a director and officer of Petroflow Energy Ltd. and its subsidiaries from July 2005 to July 2009. In May 2010, Petroflow's subsidiaries filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware. In order to fully restructure the subsidiaries' debt obligations, Petroflow filed a voluntary petition under Chapter 11 in August 2010. In September 2011, Petroflow and its subsidiaries completed a reorganization under the Chapter 11 Plan and emerged from bankruptcy as a private company.

Penalties or Sanctions

To the knowledge of the Administrator, no director or executive officer of the Administrator (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Administrator to affect materially the control of the Administrator, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain officers and directors of the Administrator are also officers and/or directors of other companies engaged in the oil and gas business generally. As a result, situations may arise where the duties of such directors and officers of the Administrator conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Administrator. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. Management is not aware of any existing or potential material conflicts of interest between the Administrator, the Trust or a subsidiary of the Trust and a director or officer of the Administrator or of each Subsidiary.

AUDIT COMMITTEE DISCLOSURES

Audit Committee

The written charter for the Audit Committee is attached as Schedule C.

The Audit Committee consists of Messrs. Gibson, Fitzpatrick, Steckley and Blandford, the four non-management members of the Board, with Mr. Gibson as chairman. Each of the members of the Audit Committee is considered “independent” and “financially literate” within the meaning of National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators.

The Trust believes that each of the members of the Audit Committee possesses: (i) an understanding of the accounting principles used by the Trust to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Trust’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee see “Trustees, Directors and Management – Directors and Executive Officers - Biographical Information”.

Principal Accountant Fees and Services

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services and pre-approves each such engagement or type of engagement for every fiscal year.

The auditor of the Trust is PricewaterhouseCoopers LLP. The following table is a summary of the services fees billed by the auditor in the years ended December 31, 2013 and December 31, 2014:

	Audit Fees	Audit Related Fees ⁽³⁾	Tax Fees ⁽⁴⁾	All Other Fees
2013	95,300 ⁽¹⁾	\$105,790	\$70,292	\$ Nil
2014	136,700 ⁽²⁾	\$81,525	\$313,391 ⁽⁵⁾	\$ Nil

Notes:

- (1) These fees are for the final billing for the 2012 annual financial statement audit of \$55,300 and progress billing for the 2013 annual financial statement audit of \$40,000.
- (2) These fees are for the final billing for the 2013 annual financial statement audit of \$61,500 and progress billing for the 2014 annual financial statement audit of \$75,200.
- (3) These fees are for quarterly reviews of financial statements, translation, disbursements and audit-related work in connection with financings.
- (4) These fees are for tax compliance, planning, advice and filing.
- (5) These fees include \$187,000 relating to an internal reorganization.

ADMINISTRATIVE SERVICES AGREEMENT

The following is a summary of the principal terms of the Administrative Services Agreement pursuant to which the Trustee has delegated to the Administrator responsibility for the general administration of the affairs of the Trust. The description below is qualified by reference to the text thereof. See “Material Contracts”.

The Administrator provides administrative services to the Trust. These arrangements are set forth in the Administrative Services Agreement. In exercising its powers and discharging its duties under the Administrative Services Agreement, the Administrator is required to act honestly, in good faith and in the best interests of the Trust and the Unitholders, exercising the same degree of diligence, care and skill that a reasonably prudent administrator or manager, having responsibilities of a similar nature to those set forth in the Administrative Services Agreement, would exercise in comparable circumstances.

The Administrator, on an exclusive basis, performs or procures all general administrative and operational services as may be required to administer the operations of the Trust, other than the excluded services described below (the “**Excluded Services**”).

The services the Administrator provides to the Trust (the “**Administrative Services**”) include the following:

- (i) preparing all returns, filings and other documents necessary to discharge Trustee’s obligations pursuant to the

Trust Indenture and applicable law, including taxation and securities laws, and otherwise ensuring compliance by the Trust with applicable law; (ii) voting securities owned by the Trust; (iii) assisting with the calculation of distributions to Unitholders, withholding all amounts required by applicable tax law, and making the remittances and filings in connection with such withholdings; (iv) providing investor relations services; (v) performing all services in connection with acquiring or disposing of property; (vi) performing all services required for the purpose of completing any sale of Units from time to time; (vii) establishing and implementing distribution reinvestment plans, unit purchase plans and incentive option or other compensation plans; (viii) calling and holding all annual and/or special meetings of Unitholders pursuant to the Trust Indenture and preparing, approving and arranging for the distribution of all materials including notices of meetings and information circulars in respect thereof; (ix) preparing and causing to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Trust Indenture and under applicable laws; (x) engaging and overseeing third party providers of services to the Trust in connection with provision of the Administrative Services; (xi) hire and oversee employees of the Trust in connection with the provision of the Administrative Services and (xii) providing all other services as may be necessary, or requested by the Trustee, for the administration of the Trust, other than the Excluded Services.

The Excluded Services include the following: (i) the issue, certification, exchange or cancellation of Units; (ii) the maintenance of registers of Unitholders; (iii) making the distribution of payments or property to Unitholders and statements in respect thereof; (iv) any mailings to Unitholders; and (v) any matters ancillary or incidental to any of those set forth in (i) through (iv) immediately above.

Fees and Expenses

Under the Administrative Services Agreement, the Administrator receives no fees in consideration of the services it provides as Administrator of the Trust. The Administrator is entitled to the reimbursement of all costs and expenses reasonably incurred by the Administrator in carrying out its obligations and duties under the Administrative Services Agreement, including but not limited to payroll and payroll related costs, overhead, accounting and other general and administrative costs, and out of pocket and third party fees and expenses.

Reliance, Limitation of Liability and Indemnification

The Administrative Services Agreement provides that, in carrying out the Administrative Services, the Administrator is entitled to rely on: (a) statements of fact of other persons (any of which may be persons with whom the Administrator is affiliated or associated) who are considered by the Administrator to be knowledgeable of such facts, provided that the Administrator has satisfied its standard of care under the Administrative Services Agreement in making the assessment as to whether such persons are knowledgeable of such facts (each, a “**Knowledgeable Person**”); and (b) statements from, the opinion or advice of, or information from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert selected by the Administrator (“**Experts**”), provided that the Administrator has satisfied its standard of care under the Administrative Services Agreement in selecting such Expert to provide such statements, opinion, advice or information.

The Administrative Services Agreement provides that the Administrator, its affiliates and associates and each of their respective directors, officers and employees (including Trust employees supervised by the Administrator) (collectively, the “**Service Providers**”), will not be liable to the Trust, the Trustee or any Unitholders for: (i) any loss or damage resulting from the performance or non-performance of the Administrative Services by any of the Service Providers, or any act or omission believed by a Service Provider to be within the scope of authority conferred thereon by the Administrative Services Agreement or the Trust Indenture, unless such loss or damage resulted from the fraud, wilful default or gross negligence of a Service Provider; (ii) any loss or damage resulting from the performance or non-performance of the Administrative Services by any of the Service Providers, where such loss or damage is attributable to acting in accordance with the instructions of the Trustee, provided that the Service Providers will bear, on a several basis, their proportionate share of liability in the event of joint or contributory liability with the Trustee; (iii) any loss or damage resulting from any act or omission by any of the Service Providers, provided that such act or omission is based upon the Service Provider’s reliance on (A) statements of fact of Knowledgeable Persons (excluding persons with whom the Administrator is affiliated); or (B) the opinion or advice of or information obtained from any Expert; and (iv) any damage, injury or loss of an indirect or consequential nature, including loss of profits, suffered by the Trust, the Trustee or any Unitholder, or any of their respective affiliates, which is in any way connected with the activities, investments or affairs of the Trust or the performance or non-performance of the Administrative Services or any other aspect of the Administrative Services Agreement or the Trust Indenture.

The Administrative Services Agreement provides that the Administrator, its affiliates, associates and any person who is serving or shall have served as a director, officer, employee or agent of the Administrator (collectively the **“Administrator Indemnitees”**) will be indemnified out of the Trust’s property from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement (with the approval of the Trustee, acting reasonably), and legal fees and disbursements) (**“Claims”**) incurred by, borne by or asserted against any of the Administrator Indemnitees and which in any way arise from or relate in any manner to the Administrative Services Agreement, the Trust Indenture, or the performance or non-performance of the Administrative Services, unless such Claims arise from the fraud, wilful default or gross negligence of any of the Administrator Indemnitees.

The Administrative Services Agreement further provides that, subject to limitations on liability of the Administrator described above, the Trust, the Trustee and any person who is serving or shall have served as a director, officer or employee of the Trustee (the **“Trust Indemnitees”**) will be indemnified by the Administrator from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement (with the approval of the Administrator, acting reasonably), and legal fees and disbursements) (**“Trust Claims”**) incurred by, borne by or asserted against any of the Trust Indemnitees and which arise from the fraud, wilful default or gross negligence of the Administrator or Trust employees supervised by the Administrator in the performance of the Administrative Services, unless such Trust Claims arise from the fraud, wilful default or gross negligence on the part of a Trust Indemnitee, or are attributable to actions undertaken on the specific instructions of the Trustee.

Term and Termination

The Administrative Services Agreement had an initial term to June 30, 2011 and is automatically renewable for additional successive terms of six months unless terminated by the Administrator on prior written notice which is provided at least 30 days before the expiry of the initial term or any renewal term. The Administrative Services Agreement also provides that it may, by written notice given by one party to the other, be immediately terminated in the event of (i) certain events of bankruptcy, insolvency, receivership or liquidation of the other party or (ii) a breach by the other party in the performance of a material obligation, covenant or responsibility under the agreement (other than as a result of the occurrence of a force majeure event) which is not remedied, or when not reasonably capable of being remedied within 60 days, such party nonetheless fails to commence and diligently pursue steps to remedy such default, within 60 days after notice of such breach has been delivered; provided that, prior to the Trust or any of its affiliates (as applicable) being entitled to terminate the Administrative Services Agreement for breach by the Administrator of performance of a material obligation, receipt of approval of the Unitholders by Ordinary Resolution must be obtained authorizing such termination.

A direct or indirect change of control of the Administrator will require the prior written consent of the Trustee. The Administrative Services Agreement permits the Administrator to delegate its responsibilities, but no such delegation will relieve the Administrator of its responsibility for ensuring the performance of its duties and obligations under each such agreement. If, however, the Administrator delegates its responsibilities to a third party and in so doing does not breach its standard of care, the Administrator will not be liable for the acts or omissions of such delegate (except where such delegate is an affiliate of the Administrator). It is anticipated that the Administrator may, from time to time, delegate certain responsibilities to the GP, which shall not constitute a breach of its standard of care.

VOTING AGREEMENT

EEI Holdings, the sole shareholder of the Administrator, has entered into the Voting Agreement with the Trustee as agent for the Unitholders and the Administrator pursuant to which EEI Holdings agrees to vote its shares in the Administrator at the direction of the Unitholders, as communicated by the Trustee as agent for the Unitholders, with regard to the election or removal of the Administrator Directors and setting the number of Administrator Directors from time to time. The Voting Agreement is a unanimous shareholders agreement pursuant to the ABCA and restricts the business of the Administrator to (i) acting as administrator of the Trust pursuant to the terms of the Trust Indenture and the Administrative Services Agreement; and (ii) such other activities ancillary to the activities in subsections (i) and necessary to perform the obligations of the Administrator.

EEI Holdings has waived certain shareholder rights afforded to it under the ABCA, including the right to appoint an auditor, dissent rights, and oppression rights. The Voting Agreement also provides the Administrator with the right to compel EEI Holdings to transfer its shares in the Administrator to the Administrator or its nominee at a

nominal price in certain circumstances, including the death, disability, resignation, termination or removal of Richard Clark as a director or officer of the Administrator for any reason and other circumstances. The Administrator's articles require that all transfers of its shares require the approval of the Board.

FIDUCIARY RESPONSIBILITY OF THE ADMINISTRATOR

The Administrator, as administrator of the Trust, has a duty to administer the Trust in a manner beneficial to the Trust's unitholders. As well, the directors and officers of the Administrator have fiduciary obligations in that capacity to the Trust and the unitholders of the Trust and the directors and officers of each Subsidiary have fiduciary obligations in that capacity to that Subsidiary and its shareholders. Situations may arise in which the interests of the Trust and its affiliates and associates may conflict with the interests of a Subsidiary and the Administrator Directors and the directors of the Subsidiary will be obligated to resolve such conflicts.

PROMOTER

Within the two most recently completed financial years or during the current financial year, no person or company has been a promoter (as defined by the *Securities Act* of Alberta) of the Trust.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Pursuant to the terms of the Voting Agreement, EEL Holdings has granted all of the voting rights to elect the Administrator Directors to the Unitholders of the Trust.

Except as described above or elsewhere in this Annual Information Form, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Administrator or the GP; (ii) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Units; or (iii) any affiliate of the persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this Annual Information Form that has materially affected or is reasonably expected to materially affect the Trust or a subsidiary of the Trust.

THE INDUSTRY

Oil and Natural Gas Industry in the U.S.

Overview

The oil and gas industry in the United States is very well-established. Since the 1860's, oil has been produced in economic quantities in a number of discrete sedimentary basins in the lower 48 states and Alaska. Accompanying this production has been the development of supportive infrastructure including pipelines, gas processing facilities and a drilling and service sector as well as a wide range of professional services.

The demand for low cost, domestic sources of hydrocarbons remains strong. U.S. domestic policy has historically supported the development and exploitation of oil and gas reserves to assure access to domestic supplies of hydrocarbons. Many state and municipal governments are also supportive and recognize the monetary contribution that the industry makes to their state and municipal budgets. In Texas, where Eagle US's oil and gas interests are predominantly located, oil has been produced since 1866.

Background

This section provides a brief overview of the legal structure of the parts of the U.S. oil and natural gas exploration and production industry in which Eagle US operates.

In the United States, ownership of land carries with it ownership of or the exclusive right to materially benefit from the extraction of substances from under the surface, including oil, natural gas and other minerals. A landowner may convey an estate in the oil and natural gas rights separate and apart from the ownership of the surface

rights. When the oil and natural gas interest is severed from the surface interest, two distinct estates or interests are created – the mineral estate and the surface estate.

The owner of the mineral estate has many interests which are capable of being conveyed alone or in various combinations, including the right to convey a working interest to an oil and natural gas exploration and production company to explore for and produce oil and natural gas from the mineral estate. Such a working interest is typically conveyed by the owner or owners of the mineral estate to the working interest owner pursuant to a lease agreement. The owner of the mineral estate typically retains a royalty interest, which is the right to receive a specified percentage of the production of any oil and natural gas recovered from the mineral estate prior to deduction of any costs or expenses.

The rights of exploration, drilling and production conveyed by a typical lease agreement customarily require that production of oil and natural gas in paying quantities be established within a specified period of time, typically two to five years. Absent an ability to extend the primary term of the lease, the lease terminates if such production is not established within the specified time period. Once such production is established during the primary term, the lease agreement would generally continue in effect (either in whole or in part as to the proration units located around producing wells) so long as production in paying quantities continues. However, the interest of the lessee under an oil and gas lease is capable of being abandoned by the lessee and may also be subject to forfeiture for failure on the part of the lessee to comply with express covenants and implied obligations, including, for example, the duty to reasonably develop the premises, the duty to protect the leasehold against drainage and the duty to manage and administer the lease.

Operations

Acquisitions

For the petroleum properties where Eagle US does not own a 100% working interest, Eagle US has been appointed as the operator in the petroleum properties pursuant to the terms of joint operating agreements. This is the case for Eagle US's properties in the Salt Flat Field and for some of its properties in Hardeman County, Texas and in Greer, Harmon and Jackson counties, Oklahoma. The joint operating agreements govern the operation of the petroleum properties as between Eagle US and other working interest owners in those properties. Pursuant to the joint operating agreements, Eagle US, in its capacity as operator, conducts the day-to-day operations for these properties. As the operator and the majority interest owner, Eagle US has the ability to manage the capital spending as contemplated by the applicable joint operating agreements, in accordance with the rights and powers typically afforded (in both Canada and the U.S.) to majority interest owners as a standard term of such agreements.

Marketing

Eagle US sells 99% of its crude oil production to Sunoco Partners Marketing & Terminals L.P. ("Sunoco") pursuant to respective contracts based on location. Sunoco purchases Eagle US's production in Caldwell and Palo Pinto counties based on an index, and adjusted for transportation and marketing. The price for oil production from the Salt Flat Field in Caldwell County is based on the Light Louisiana Sweet crude pricing index and the price for production from Palo Pinto County is based on the West Texas Intermediate pricing index. Eagle US's contracts with Sunoco on its Salt Flat Properties are binding until May 31, 2015, after which the contracts will continue month to month unless terminated by either party. Eagle US's crude oil production in Palo Pinto County is sold under a contract that is binding until May 31, 2015, after which the contract will continue month to month unless terminated by either party. Eagle US's production in Hardeman County, Texas is sold to Sunoco under contract through May 31, 2015 based on a West Texas Intermediate pricing index, after which the contract will continue on a month to month basis unless terminated by either party.

Eagle US sells its natural gas and natural gas liquids in Hardeman County to Medallion Energy Services. The respective natural gas and gas liquids contracts in Palo Pinto County and Hardeman County are index based, are "percent of proceeds" and are adjusted for volumes delivered and other charges.

Title to Properties

It is customary in the U.S. oil and natural gas industry to conduct a preliminary review of title to both producing and non-producing properties. Prior to the commencement of drilling operations on those properties, a title examination typically is performed and curative work is undertaken with respect to significant defects. Management follows customary U.S. industry due diligence practices in connection with its acquisitions, including performing title reviews on producing properties, undeveloped properties that are assigned significant value and the more significant leases prior to completing an acquisition and, depending on the materiality of the properties,

Management may obtain title opinions or reports or review previously obtained title opinions or reports. Depending on the nature of each acquisition, to the extent title opinions or other investigations reflect material title defects, one of either the purchaser or the seller would be responsible for the costs and for curing any title defects. As discussed above, a title examination on other properties and leaseholds would typically be performed prior to the commencement of drilling operations thereon and any curative work would be performed. Eagle US's oil and natural gas properties will be subject to customary royalty and other interests, liens for current taxes and other customary burdens. See "Risk Factors".

Competition

The U.S. petroleum industry is highly competitive in all phases. Eagle US encounters competition from other petroleum companies in all areas of operations, including the acquisition of leasing options on petroleum properties and the exploration and development of those properties. Eagle US's competitors include numerous independent petroleum companies, individuals, and drilling and income programs. Many of Eagle US's competitors are large, well established companies that have substantially larger operating staffs and greater capital resources than Eagle US. Such competitors may be able to pay more for lease options on petroleum properties and to define, evaluate, bid for and purchase a greater number of properties and locations than the financial or human resources of Eagle US will permit. Eagle US's ability to acquire additional properties and to discover reserves in the future will depend upon its ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. Moreover, these competitors may attract and hire away the Trust's or Eagle US's key employees. To protect its interests, the Trust and Eagle US must pay competitive market-value compensation to its employees at all times. See "Risk Factors".

Regulation of the Petroleum Industry in the U.S.

Operations will be substantially affected by U.S. federal, state and local laws and regulations. In particular, petroleum production and related operations are, or have been, subject to price controls, taxes and numerous other laws and regulations. All of the jurisdictions in which Eagle US owns or operates properties for petroleum production have statutory provisions regulating the exploration for and production of petroleum, including provisions related to permits for the drilling of wells, bonding requirements to drill or operate wells, the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled, sourcing and disposal of water used in the drilling and completion process, and the abandonment of wells. Operations are also subject to various conservation laws and regulations. These include regulation of the size of drilling and spacing units or proration units, the number of wells which may be drilled in an area, and the unitization or pooling of petroleum wells, and regulations that generally prohibit the venting or flaring of natural gas and that impose certain requirements regarding the rateability or fair apportionment of production from fields and individual wells.

Failure to comply with applicable laws and regulations can result in substantial penalties, and the regulatory burden on the industry in the U.S. increases the cost of doing business and affects profitability. Additional proposals and proceedings that affect the oil and natural gas industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission, ("FERC"), and the courts. Eagle US cannot predict when or whether any such proposals may become effective, nor can they estimate the costs of complying therewith.

Regulation of Transportation of Oil in the U.S.

Sales of crude oil, condensate and natural gas liquids are not currently regulated and are made at negotiated prices. Nevertheless, Congress could re-enact price controls in the future.

Sales of crude oil will be affected by the availability, terms and cost of transportation. The transportation of oil in common carrier pipelines is also subject to rate and access regulation. The FERC regulates interstate oil pipeline transportation rates under the *Interstate Commerce Act*. In general, interstate oil pipeline rates must be cost-based, although settlement rates agreed to by all shippers are permitted and market based rates may be permitted in certain circumstances. Effective January 1, 1995, the FERC implemented regulations establishing an indexing system (based on inflation) for transportation rates for oil that allowed for an increase or decrease in the cost of transporting oil to the purchaser. A review of these regulations by the FERC in 2000 was successfully challenged on appeal by an association of oil pipelines. On remand, the FERC in February 2003 increased the index ceiling slightly, effective July 2001. Following the FERC's five-year review of the indexing methodology, the FERC issued an order in 2006 increasing the index ceiling. In 2010, FERC issued a final order concluding its third five-year review of the oil-pricing index. In this 2010 order, FERC again raised the index ceiling, establishing an index level of Producer Price Index for Finished Goods, plus 2.65% adjustment for the five-year period commencing July 1, 2011.

Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates, varies from state to state. Insofar as effective interstate and intrastate rates are equally applicable to all comparable shippers, Management believes that the regulation of oil transportation rates will not affect operations in any way that is of material difference from those of competitors who are similarly situated.

Further, interstate and intrastate common carrier oil pipelines must provide service on a non-discriminatory basis. Under this common carrier standard, pipelines must offer service to all similarly situated shippers requesting service on the same terms and under the same rates. When oil pipelines operate at full capacity, access is governed by pro-rationing provisions set forth in the pipelines' published tariffs. Accordingly, Management believes that access to oil pipeline transportation services generally will be available to the Trust to the same extent as to similarly situated competitors.

Regulation of Transportation and Sales of Natural Gas in the U.S.

Historically, the transportation and sale for resale of natural gas in interstate commerce has been regulated by the FERC under the *Natural Gas Act of 1938* ("NGA"), the *Natural Gas Policy Act of 1978* (the "NGPA"), and regulations issued under those statutes. In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at market prices, Congress could re-enact price controls in the future. Deregulation of wellhead natural gas sales began with the enactment of the NGPA and culminated in adoption of the *Natural Gas Wellhead Decontrol Act* which removed all price controls affecting wellhead sales of natural gas effective January 1, 1993.

Regulation of Production in the U.S.

The production of oil and natural gas is subject to regulation under a wide range of local, state and federal statutes, rules, orders and regulations. Federal, state and local statutes and regulations require permits for drilling operations, drilling bonds and reports concerning operations. The jurisdictions in which Eagle US's production is located and in which Management anticipates operating have regulations governing conservation matters, including provisions for the unitization or pooling of oil and natural gas properties, the establishment of maximum allowable rates of production from oil and natural gas wells, the regulation of well spacing, and plugging and abandonment of wells. The effect of these regulations is to limit the amount of oil and natural gas wells that Eagle US can produce from and to limit the number of wells or the locations at which Eagle US can drill, although Eagle US can apply for exceptions to such regulations or to have reductions in well spacing. Moreover, each jurisdiction generally imposes a production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids.

The failure to comply with these rules and regulations can result in substantial penalties. Competitors in the oil and natural gas industry are subject to the same regulatory requirements and restrictions that affect Eagle US's operations.

Other U.S. Federal Laws and Regulations Affecting the Industry in the U.S.

The *Energy Policy Act of 2005* (the "EPAAct 2005") is a comprehensive compilation of tax incentives, authorized appropriations for grants and guaranteed loans, and significant changes to the statutory policy that affects all segments of the U.S. energy industry. Among other matters, EPAAct 2005 amends the NGA to add an anti-manipulation provision which makes it unlawful for any entity to engage in prohibited behaviour to be prescribed by FERC, and furthermore provides FERC with additional civil penalty authority. EPAAct 2005 provides the FERC with the power to assess civil penalties of up to \$US 1,000,000 per day for violations of the NGA and increases the FERC's civil penalty authority under the NGPA from \$US 5,000 per violation per day to \$US 1,000,000 per violation per day. The civil penalty provisions are applicable to entities that engage in the sale and/or transportation of natural gas for resale in interstate commerce. On January 19, 2006, FERC issued Order No. 670, a rule implementing the anti-manipulation provision of EPAAct 2005, and subsequently denied rehearing. The rule makes it unlawful for any entity, directly or indirectly, in connection with the purchase or sale of natural gas subject to the jurisdiction of FERC, or the purchase or sale of transportation services subject to the jurisdiction of FERC, (1) to use or employ any device, scheme or artifice to defraud; (2) to make any untrue statement of material fact or omit to make any such statement necessary to make the statements made not misleading; or (3) to engage in any act, practice, or course of business that operates as a fraud or deceit upon any person. The new anti-manipulation rules do not apply to activities that relate only to intrastate or other non-jurisdictional sales or gathering, but do apply to activities of gas pipelines and storage companies that provide interstate services, such as NGPA Section 311 service, as well as otherwise non-jurisdictional entities to the extent the activities are conducted "in connection with" gas sales, purchases or transportation subject to FERC

jurisdiction, which now includes the annual reporting requirements under Order 704. The anti-manipulation rules and enhanced civil penalty authority reflect an expansion of FERC's NGA enforcement authority. Should Management fail to comply with all applicable FERC administered statutes, rules, regulations, and orders, the Trust could be subject to substantial penalties and fines.

FERC Market Transparency Rules

On December 26, 2007, FERC issued a final rule on the annual natural gas transaction reporting requirements, as amended by subsequent orders on rehearing, or Order No. 704. Under Order No. 704, wholesale buyers and sellers of more than 2.5 million MMBtu of physical natural gas in the previous calendar year, including interstate and intrastate natural gas pipelines, natural gas gatherers, natural gas processors, natural gas marketers and natural gas producers, are required to report, on May 1 of each year beginning in 2009, aggregate volumes of natural gas purchased or sold at wholesale in the prior calendar year to the extent such transactions utilize, contribute to or may contribute to the formation of price indices. In order to provide respondents time to implement new regulations related to Order No. 704, the FERC has extended the deadline for calendar year 2009 until October 1, 2010. The report for calendar year 2010 and subsequent years remains May 1 of the following calendar year. It is the responsibility of the reporting entity to determine which individual transactions should be reported based on the guidance of Order No. 704. Order No. 704 also requires market participants to indicate whether they report prices to any index publishers and, if so, whether their reporting complies with FERC's policy statement on price reporting.

FERC has also issued Order Nos. 720 and 720-A. Order No. 720 required major non-interstate pipelines to post scheduled flow information, as well as information for receipt and delivery points with design capacity greater than 15,000MMBtu/day. Order No. 720 also required interstate pipelines to post information regarding no-notice service (that is, firm transportation service by which firm shippers may receive delivery up to their firm entitlements on a daily basis without penalty). Order No. 720-A broadly affirmed Order No. 720. However, in 2011, the U.S. Circuit Court of Appeals for the 5th Circuit vacated Order Nos. 720 and 720-A insofar as the orders imposed reporting requirements on non-interstate pipelines.

In November 2012, FERC issued a Notice of Inquiry seeking comments on what changes, if any, should be made to its natural gas market transparency rules. FERC is still collecting data from commenters pursuant to that Notice of Inquiry.

In 2014, FERC began to ease restrictions on communications between natural gas pipelines and electric transmission operators. Historically, FERC imposed restrictions and other regulations on sharing of gas transportation or electric transmission information. FERC intended these restrictions to prevent market participants from obtaining information that would give them an unfair advantage over competitors. As more and more electric generation and transmission has become reliant upon and/or integrated with natural gas, industry participants have requested the FERC revisit these restrictions. In Order No. 787-A, FERC upheld a previous order that for the first time allows the sharing of non-public transportation or transmission information if done for reliability or operational purposes. The precise limits of this new ability to share information is still to be determined in future FERC proceedings.

Additional proposals and proceedings that might affect the natural gas industry are pending before Congress, FERC and the courts. Management cannot predict the ultimate impact of these or the above regulatory changes to our natural gas operations. Management does not believe that Eagle US would be affected by any such action materially differently than similarly situated competitors.

Environmental, Health and Safety Regulation in the U.S.

Exploration, development and production operations are subject to various federal, state and local laws and regulations governing health and safety, the discharge of materials into the environment or otherwise relating to environmental protection. These laws and regulations may, among other things, require the acquisition of permits to conduct exploration, drilling and production operations; govern the amounts and types of substances that may be released into the environment in connection with oil and gas drilling and production; restrict the way Eagle US handles or disposes of wastes; limit or prohibit construction or drilling activities in sensitive areas such as wetlands, wilderness areas or areas inhabited by endangered or threatened species; require investigatory and remedial actions to mitigate pollution conditions caused by operations or attributable to former operations; and impose obligations to reclaim and abandon well sites and pits. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations and the issuance of orders enjoining some or all operations in affected areas.

These laws and regulations may also restrict the rate of oil and natural gas production below the rate that would otherwise be possible. The regulatory burden on the oil and gas industry increases the cost of doing business in the industry and consequently affects profitability. Additionally, the Congress and federal and state agencies frequently revise environmental, health and safety laws and regulations, and any changes that result in more stringent and costly waste handling, disposal, cleanup and remediation requirements for the oil and gas industry could have a significant impact on operating costs.

The clear trend in environmental regulation is to place more restrictions and limitations on activities that may affect the environment, and thus, any changes in environmental laws and regulations or re-interpretation of enforcement policies that result in more stringent and costly waste handling, storage, transport, disposal, or remediation requirements could have a material adverse effect on operations and financial position. Of particular note, the U.S. Environmental Protection Agency (“EPA”) has recently made the enforcement of environmental laws in the oil and gas exploration and production sector a formal enforcement priority. Increased compliance costs may not be able to be passed on to purchasers or customers. Moreover, accidental releases or spills may occur in the course of operations, and Eagle US cannot assure Unitholders that it will not incur significant costs and liabilities as a result of such releases or spills, including any third party claims for damage to property, natural resources or persons.

The following is a summary of the more significant existing environmental, health and safety laws and regulations to which Eagle US’s business operations are subject and for which compliance may have a material adverse impact on capital expenditures, results of operations or financial position.

Hazardous Substances and Waste

The *Comprehensive Environmental Response, Compensation, and Liability Act*, as amended, (the “CERCLA”), also known as the Superfund law, and comparable state laws impose liability without regard to fault or the legality of the original conduct on certain classes of persons who are considered to be responsible for the release of a “hazardous substance” into the environment. These persons include current and prior owners or operators of the site where a release occurred and entities that disposed or arranged for the disposal of the hazardous substances found at the site. Under CERCLA, these “responsible persons” may be subject to joint and several, strict liability for the costs of cleaning up hazardous substances that have been released into the environment, for damages to natural resources, and for the costs of certain health studies. CERCLA also authorizes the EPA and, in some instances, third parties to act in response to threats to the public health or the environment and to seek to recover from the responsible classes of persons the costs they incur. It is not uncommon for neighbouring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other pollutants into the environment. Operations will generate materials that may be regulated as hazardous substances.

Management anticipates operations will also generate solid and hazardous wastes that are subject to the requirements of the *Resource Conservation and Recovery Act*, as amended, (the “RCRA”), and comparable state statutes. RCRA imposes strict requirements on the generation, storage, treatment, transportation and disposal of hazardous wastes. Management anticipates that operations will generate petroleum hydrocarbon wastes and ordinary industrial wastes that may be regulated as hazardous wastes.

Eagle US owns and leases and, in connection with future acquisitions, will acquire, properties that have been used for numerous years to explore and produce oil and natural gas. Hydrocarbons and wastes may have been disposed of or released on or under the properties owned or leased by Eagle US or on or under other locations where these hydrocarbons and wastes have been taken for treatment or disposal. In addition, certain of these properties may have been operated by third parties whose treatment and disposal or release of hydrocarbons and wastes was not under Eagle US’s control. These properties and wastes disposed thereon may be subject to CERCLA, RCRA and analogous state laws. Under these laws, Eagle US could be required to remove or remediate previously disposed wastes (including wastes disposed of or released by prior owners or operators), to clean up contaminated property (including contaminated groundwater) and to perform remedial operations to prevent future contamination.

Air Emissions

The *Clean Air Act*, as amended, and comparable state laws and regulations restrict the emission of air pollutants from many sources and also impose various monitoring and reporting requirements. These laws and regulations may require Eagle US to obtain pre approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air emissions, obtain and strictly comply with stringent air permit requirements or utilize specific equipment or technologies to control emissions. Obtaining permits, including air

emission allowances and credits, has the potential to delay and increase the cost of the development of oil and natural gas projects. In addition, the EPA and state regulators have underway a number of regulatory changes (including the EPA's new compressor engine emissions standards and the potential aggregation of exploration and production-related emissions sources to make what have historically been multiple "minor" sources into larger "major" sources) that may significantly increase the regulatory burdens and costs of U.S. oil and gas exploration.

Climate Change

In response to certain scientific studies suggesting that emissions of certain gases, commonly referred to as "greenhouse gases" and including carbon dioxide and methane, are contributing to the warming of the Earth's atmosphere and other climatic changes, the U.S. Congress has been actively considering legislation to reduce such emissions. On June 26, 2009, the U.S. House of Representatives passed the *American Clean Energy and Security Act* of 2009 (the "**ACESA**"), which would have established an economy-wide cap-and-trade program to reduce U.S. emissions of "greenhouse gases" including carbon dioxide and methane that may contribute to warming of the Earth's atmosphere and other climatic changes. ACESA would have required a 17% reduction in greenhouse gas emissions from 2005 levels by 2020 and just over an 80% reduction of such emissions by 2050. Under this legislation, the EPA would have issued a capped and steadily declining number of tradable emissions allowances to major sources of greenhouse gas emissions so that such sources could continue to emit greenhouse gases into the atmosphere. These allowances would be expected to escalate significantly in cost over time. The U.S. Senate considered pursuing its own legislation for restricting domestic greenhouse gas emissions and President Obama indicated his support of legislation to reduce greenhouse gas emissions through an emission allowance system. However, in July 2010, Senate Majority Leader Harry Reid said the Senate would not take up the ACESA, and the 111th Congress ended in December 2010 without passing the ACESA. The ACESA would now need to be passed by the Senate and re-passed by the House to become law, and the current prospects of that are extremely unlikely given Republican control of the House. Any future federal laws or implementing regulations that may be adopted to address greenhouse gas emissions could require Eagle US to incur increased operating costs and could adversely affect demand for the oil and natural gas produced.

In addition, on December 15, 2009, the EPA published its finding that emissions of greenhouse gases presented an endangerment to human health and the environment. The Endangerment Finding allowed the EPA to proceed with the adoption and implementation of regulations to restrict emissions of greenhouse gases under existing provisions of the federal *Clean Air Act*. Consequently, the EPA proposed two sets of regulations that would require a reduction in emissions of greenhouse gases from motor vehicles and could trigger permit review for greenhouse gas emissions from certain stationary sources. EPA also published a final rule on October 30, 2009, requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the U.S. beginning in 2011 for emissions occurring in 2010. EPA subsequently expanded the reporting rule to include greenhouse gas emissions from owners and operators of onshore oil and natural gas production. Several of EPA's recently finalized rules regulating emissions of greenhouse gases were challenged in *Utility Air Regulatory Group v. EPA*, which the U.S. Supreme Court decided in June 2014. In a complex decision, the Court in *Utility Air Regulatory Group* upheld the EPA's authority to regulate greenhouse gas emissions from power plants and other large stationary sources of pollution, but the Court also held that EPA overstepped its authority when it attempted to regulate greenhouse gas emissions from smaller stationary sources like shopping centers, apartment buildings, and schools.

On June 2, 2014, EPA proposed its Clean Power Plan regulations, which are designed to cut carbon emissions from existing electric generating facilities. The objectives of the proposed Clean Power Plan regulations include cutting carbon emission from the power sector by 30 percent nationwide below 2005 levels, which is equal to the emissions from powering more than half of the homes in the U.S. for one year. The proposed Clean Power Plan will be implemented through a state-federal partnership under which states identify a path using either current or new electricity production and pollution control policies to meet the regulatory objectives.

In addition to federal activity, more than one-third of the states have begun taking actions to control and/or reduce emissions of greenhouse gases, primarily through the planned development of greenhouse gas emission inventories and/or regional greenhouse gas cap and trade programs. Although most of the state-level initiatives have to date focused on large sources of greenhouse gas emissions, such as coal-fired electric plants, it is possible that smaller sources of emissions could become subject to greenhouse gas emission limitations or allowance purchase requirements in the future. Any one of these climate change regulatory and legislative initiatives could have a material adverse effect on Eagle US's business, financial condition and results of operations. In Texas, the state agency responsible for regulating air emissions is the Texas Commission on Environmental Quality.

Water Discharges

The *Federal Water Pollution Control Act*, as amended, or the *Clean Water Act*, and analogous state laws impose restrictions and strict controls regarding the discharge of pollutants into navigable waters. Pursuant to the *Clean Water Act* and analogous state laws, permits must be obtained to discharge pollutants into, and in certain instances withdraw water from, state waters or waters of the U.S. Any such discharge of pollutants into regulated waters or withdrawal of water must be performed in accordance with the terms of the permit issued by the EPA or the analogous state agency. Spill prevention, control and countermeasure requirements under federal law require appropriate containment berms and similar structures to help prevent the contamination of navigable waters in the event of a petroleum hydrocarbon tank spill, rupture or leak. In addition, the *Clean Water Act* and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. In Texas, the Texas Commission on Environmental Quality is the state environmental agency responsible for regulating water quality and discharges of pollutants into water.

The *Oil Pollution Act of 1990*, as amended, (the “OPA”), which amends the *Clean Water Act*, establishes strict liability for owners and operators of facilities that are the site of a release of oil into waters of the U.S. The OPA and its associated regulations impose a variety of requirements on responsible parties related to the prevention of oil spills and liability for damages resulting from such spills. A “responsible party” under the OPA includes owners and operators of certain onshore facilities from which a release may affect waters of the U.S.

Oil and Natural Gas Industry in Canada

Government Regulation in Canada

The oil and natural gas industry in Canada is subject to extensive controls and regulations imposed by various levels of government and Eagle Canada's oil and gas operations are subject to various Canadian federal, provincial, territorial, and local laws and regulations. These laws and regulations may be changed in response to economic or political conditions, and regulate, among other things, land tenure and the exploration, development, production, handling, storage, transportation, and disposal of oil and gas, oil and gas by-products, and other substances and materials produced or used in connection with oil and gas operations.

More particularly, matters subject to current governmental regulation and/or pending legislative or regulatory changes include the licensing for drilling of wells, the method and ability to produce wells, surface usage, transportation of production from wells, conservation matters, the discharge or other release into the environment of wastes and other substances in connection with drilling and production activities (including fracture stimulation operations), bonds or other financial responsibility requirements to cover drilling contingencies and well plugging and abandonment costs, reports concerning Eagle Canada's operations, the spacing of wells, unitization and pooling of properties, and royalties and taxation. Failure to comply with the laws and regulations in effect from time to time may result in the assessment of administrative, civil, and criminal penalties, the imposition of remedial obligations, and the issuance of injunctions that could delay, limit, or prohibit certain of Eagle Canada's operations. The Trust cannot predict the ultimate cost of compliance with these requirements or their effect on Eagle Canada's operations.

Federal authorities do not regulate the price of oil and gas in export trade. Legislation exists, however, that regulates the quantities of oil and natural gas which may be removed from the provinces and exported from Canada in certain circumstances. At various times, regulatory agencies have imposed price controls and limitations on oil and gas production. In order to conserve supplies of oil and gas, these agencies may also restrict the rates of flow of oil and gas wells below actual production capacity. Further, a significant spill from one of Eagle Canada's facilities could have a material adverse effect on Eagle Canada's results of operations, competitive position, or financial condition.

Although Eagle Canada does not expect that these controls and regulations will affect Eagle Canada's operations in a manner materially different than they would affect other oil and gas companies of similar size, the controls and regulations should be considered carefully by investors in the oil and gas industry. All current legislation is a matter of public record and Eagle Canada is unable to predict what additional legislation or amendments may be enacted.

Pricing and Marketing in Canada

Crude Oil

Producers of crude oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. Such price depends, in part, on crude oil quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance, other contractual terms, and the world price of oil. Oil may be exported from Canada pursuant to export contracts with terms not exceeding one year in the case of light crude, and not exceeding two years in the case of heavy crude, provided that an order approving such export has been obtained from the National Energy Board (the "NEB"). Any oil exported under a contract of longer duration (to a maximum of 25 years) requires the exporter to obtain an export licence from the NEB and the issuance of such licence requires the approval of the Governor in Council.

The North American Free Trade Agreement

The North American Free Trade Agreement ("NAFTA") among the Canadian, United States and Mexican governments came into effect on January 1, 1994. Under NAFTA, the Canadian government is free to determine whether exports of energy resources to the United States or Mexico should be allowed, provided that export restrictions do not: (1) reduce the proportion of energy resources exported relative to energy resources consumed domestically (with the most recent 36 month period proportion used as the basis for comparison); (2) impose a higher export price than domestic price (subject to an exception relating to certain voluntary measures that restrict the volume of exports); and (3) disrupt normal channels of supply.

NAFTA prohibits discriminatory border restrictions and export taxes and also prohibits the imposition of minimum or maximum export or import price requirements except with respect to the enforcement of countervailing and anti-dumping orders and undertakings. Discipline on regulators is addressed as the signatories to NAFTA agree to ensure that their regulatory bodies provide equitable implementation of regulatory measures and minimize the disruption of contractual arrangements.

Pipeline Capacity

Despite some recent oil pipeline capacity expansions, the overall pipeline capacity in Canada has been constrained. The space deficit is unlikely to be resolved quickly given that heavy oil production is set to increase, while the prospects for major increases in pipeline capacity in the near future are uncertain. In terms of increasing overall pipeline capacity, several projects are currently underway and some have been recently completed.

Land Tenure

Rights are granted to energy companies to explore for and produce oil and natural gas pursuant to leases, licenses, and permits and regulations as legislated by the respective provincial and federal governments. Tenure is the process of leasing and administering petroleum and natural gas rights owned by the Crown.

Petroleum and natural gas rights owned by the province can be obtained via competitive bid auctions which are held approximately every two weeks. Companies that obtain licenses or leases to explore and develop Crown resources are subject to the relevant regulatory requirements. Oil and natural gas can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Lands in a petroleum and natural gas license are earned by the drilling of a well. A lease is proven productive at the end of its five-year term by drilling, producing, mapping, being part of a unit agreement or by paying offset compensation. If a lease is proven productive, it will continue indefinitely beyond the initial term of the lease. The tenure only comes to an end when the holder can no longer prove his agreement is capable of producing oil or gas. Jurisdictions in western Canada have legislation in place for mineral rights reversion to the Crown where formations cannot be shown to be capable of production at the end of their primary lease term. Such legislation may also include mechanisms available to energy companies to "continue" lease terms for non-productive lands, having met certain criteria as laid out in the relevant legislation.

Royalties

Canada

For crude oil, natural gas and related production from federal or provincial government lands, the royalty regime is a significant factor in the profitability of Eagle Canada's production. Crown royalties payable in respect of crown lands are determined by governmental regulation and are typically calculated as a percentage of the value of

gross production. The value of the production and the rate of royalties payable generally depend on prescribed reference prices, well productivity, geographical location, the field discovery rate and the type of product produced.

Royalties payable on production from privately owned lands are determined by negotiations between the mineral owner and the resource owners, although production from such lands is subject to certain provincial taxes and royalties. Any such royalties (or royalty-like interests) are carved out of the working interest owner's interest through non-public transactions and are often referred to as overriding royalties, gross overriding royalties, net profit interests or net carried interests.

Alberta

Royalties are important to the Alberta government's revenue stream. Conventional oil royalties are set according to a sliding rate formula with separate elements accounting for oil price and well production. Similarly, natural gas royalties are set according to a sliding rate formula which is sensitive to price and production volume. In 2009, the Alberta government implemented the Alberta Royalty Framework (the "**ARF**") which introduced a new well event-based royalty rate formula with a quantity component that is influenced by a reported well production. The ARF also announced a five-year program of "transitional" royalty rates providing for lower royalties at certain price points in the initial years of a qualifying well's life. This program gave conventional oil and natural gas licensees the option to select a transitional royalty rate instead of the conventional rate, provided that certain criteria were met. The option was only available where well events occurred on wells with spud dates between November 19, 2008 and January 1, 2011 and where the measured well depth was between 1,000 and 3,500 metres. The option also had to be exercised on the earlier of the last day of the first production month of the well event, or December 31, 2010. Any such wells paying transitional royalty rates automatically shifted to the conventional rate on January 1, 2014.

Under the ARF, royalty rates for conventional oil currently range from 0% to 40% and royalty rates for natural gas (methane and ethane) currently range from 5% to 36%. ARF rates for propane and butane are fixed at 30% and the rate for pentane is fixed at 40%. Condensate royalties under the ARF are calculated in a similar manner to royalties for conventional oil and currently range from 0% to 40%.

The Alberta government has also introduced a number of royalty reduction and incentive programs to encourage oil and gas exploration and development in Alberta.

Environmental Regulation in Alberta and Canada

The operator of Eagle Canada's oil and natural gas properties in Canada (and Eagle Canada should it become the operator of its properties) is subject to stringent federal, provincial, territorial, and local laws and regulations relating to environmental protection as well as controlling the manner in which various substances, including wastes generated in connection with oil and gas exploration, production, and transportation operations, are released into the environment. Compliance with these laws and regulations can affect the location or size of wells and facilities, prohibit or limit the extent to which exploration and development may be allowed, and require proper abandonment of wells and restoration of properties when production ceases. Failure to comply with these laws and regulations may result in the assessment of administrative, civil, or criminal penalties, imposition of remedial obligations, incurrence of capital or increased operating costs to comply with governmental standards, and even injunctions that limit or prohibit exploration and production activities or that constrain the disposal of substances generated by oil field operations. Environmental legislation in the province of Alberta has been consolidated into the *Environmental Protection and Enhancement Act (Alberta)*, which came into force on September 1, 1993, and the *Oil and Gas Conservation Act (Alberta)*. The *Oil and Gas Conservation Act (Alberta)* establishes a regulatory regime and scheme of approvals for the development of oil and gas resources and related facilities in Alberta.

The Trust believes that it is reasonably likely that the trend in environmental legislation and regulation will continue toward stricter standards. A recent example of this trend is the high-level of regulatory attention that the practice of hydraulic fracturing continues to receive in various jurisdictions. The province of Alberta recently announced its intention to adopt mandatory disclosure requirements and an online registry for hydraulic fracturing activities and ingredients similar to the program already in force in British Columbia. Additionally, the Alberta Energy Regulator ("**AER**") released a new Hydraulic Fracturing Directive, effective August 21, 2013, which sets out AER requirements for managing the subsurface integrity of wells associated with hydraulic fracturing. While Eagle Canada believes that it is in substantial compliance with applicable environmental laws and regulations presently in effect and that continued compliance with existing requirements will not have a material adverse impact on us, Eagle Canada cannot give any assurance that it will not be adversely affected in the future.

Alberta Wetlands Policy

Wetland management within Alberta is regulated by section 36 of the *Water Act* together with the Alberta Wetland Policy and the Provincial Wetland Restoration and Compensation Guide. Before undertaking an activity within a wetland, approval must be obtained in accordance with the *Water Act* and the *Water Ministerial Regulation*.

The new Alberta Wetlands Policy has been phasing in since September 2014. The goal of the policy is to conserve, restore, protect, and manage the province's wetlands. This new policy covers natural wetlands in Alberta, including bogs, fens, swamps, marshes and shallow open water as well as all restored natural wetlands and wetlands constructed for the purposes of wetland replacement. The policy seeks to identify the relative wetland value, prioritize the most important ones, and mitigate the damage caused to them through the avoidance and minimization of harm and the replacement of lost wetlands. It seeks to establish appropriate knowledge and information systems that to facilitate performance measures, monitoring and reporting. It also seeks to improve wetland stewardship in Alberta. Implementation of the Wetland Policy is currently underway and a new Alberta classification system has been developed. Any development activity in Alberta must meet Policy requirements.

Climate Change Regulation in Canada and Alberta

Federal

Internationally, Canada is a signatory to the United Nations Framework Convention on Climate Change and previously ratified the Kyoto Protocol established thereunder, which set legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide, and other greenhouse gases. The first commitment period under the Kyoto Protocol was the five-year period from 2008-2012. In December 2011, the Canadian federal government announced that it would not agree to a second commitment period under the Kyoto Protocol after 2012. The federal government instead endorsed the Durban Platform, a broad agreement reached among the 194 countries that are party to the United Nations Framework Convention on Climate Change, during a conference held in Durban, South Africa in December 2011. The Durban Platform sets forth a process for negotiating a new climate change treaty that would create binding commitments for all major greenhouse gases emitters. The Canadian government expressed cautious optimism that agreement on a new treaty could be reached by 2015. The Durban Platform followed the Copenhagen Accord reached in December 2009 as government representatives met in Copenhagen, Denmark to negotiate a successor to the Kyoto Protocol. The Copenhagen Accord represents a broad political consensus and reinforces commitments to reducing greenhouse gases emissions but is not a binding international treaty. Although Canada had committed under the Copenhagen Accord to reduce its greenhouse gases emissions by 17% from 2005 levels by 2020, the target is not legally binding. The impact of Canada's withdrawal from the Kyoto Protocol on prior greenhouse gases emission reduction initiatives is uncertain.

Domestically, the Canadian federal government released in 2007 its *Regulatory Framework for Air Emissions*, which was updated in March 2008 in a document entitled *Turning the Corner: Taking Action to Fight Climate Change*. Canada's previous greenhouse gases emission reduction target was 20% from 2006 levels by 2020, but on January 30, 2010 the Canadian federal government announced a new greenhouse gases emission reduction target consistent with its commitment under the Copenhagen Accord to reduce greenhouse gases emissions to 17% below 2005 levels by 2020. In December 2014 the Canadian government published "Canada's Action on Climate Change" declaring its intention to take action on climate change by reducing greenhouse gases emissions by implementing a sector-by-sector regulatory approach to protect the environment and support economic prosperity. To date, regulations for Canada's renewable fuels transportation and coal-fired electricity sectors have been developed. However, none have been developed for the oil and gas sector and regulations for the electricity sector aren't expected to take effect until 2015. In 2009, the Canadian federal government announced its commitment to work with the provincial governments to implement a North America-wide cap-and-trade system for greenhouse gases emissions, in cooperation with the United States, under which Canada would have its own cap-and-trade market for Canadian-specific industrial sectors that could be integrated into a North American market for carbon permits. The Government of Canada currently proposes to enter into equivalency agreements with provinces to establish a consistent regulatory regime for greenhouse gases, but the success of any such plan is uncertain, possibly leaving overlapping levels of regulation. It is uncertain whether or when either Canadian federal greenhouse gases regulations for the oil and gas industry or an integrated North American cap-and-trade system will be implemented, or what obligations might be imposed under any such systems.

Alberta

Alberta introduced the *Climate Change and Emissions Management Act*, which provides a framework for managing greenhouse gases emissions by reducing specified gas emissions, relative to gross domestic product,

to an amount that is equal to or less than 50% of 1990 levels by December 31, 2020. The accompanying regulations include the *Specified Gas Emitters Regulation* (the "**SGER**"), which imposes greenhouse gases emissions limits, and the *Specified Gas Reporting Regulation* (the "**SGRR**"), which imposes greenhouse gases emissions reporting requirements on facilities in Alberta that have produced 100,000 or more tonnes of greenhouse gases emissions in 2003 or any subsequent year. Currently, Eagle Canada does not operate or hold an interest in any such facilities in Alberta. The Alberta Environmental Monitoring, Evaluation and Reporting Agency ("**AEMERA**") was introduced on May 22, 2014, enacted under the Protecting Alberta's Environment Act in late 2013. The agency aims to become the comprehensive source of data and information on the state of the environment in the province.

The direct and indirect costs of the various greenhouse gases regulations, existing and proposed, may adversely affect Eagle Canada's business, operations and financial results. Equipment that meets future emission standards may not be available on an economic basis and other compliance methods to reduce Eagle Canada's emissions or emissions intensity to future required levels may significantly increase operating costs or reduce the output of the projects. Offset, performance or fund credits may not be available for acquisition or may not be available on an economic basis. Any failure to meet emission reduction compliance obligations may materially adversely affect Eagle Canada's business and result in fines, penalties and the suspension of operations. There is also a risk that one or more levels of government could impose additional emissions or emissions intensity reduction requirements or taxes on emissions created by Eagle Canada or by consumers of Eagle Canada's products. The imposition of such measures might negatively affect Eagle Canada's costs and prices for Eagle Canada's products and have an adverse effect on earnings and results of operations.

Future federal legislation, including the implementation of potential international requirements enacted under Canadian law, as well as provincial emissions reduction requirements, may require the reduction of greenhouse gases or other industrial air emissions, or emissions intensity, from the Eagle Canada's operations and facilities. Mandatory emissions reduction requirements may result in increased operating costs and capital expenditures for oil and natural gas producers. The Eagle Canada is unable to predict the impact of emissions reduction legislation on the Eagle Canada and it is possible that such legislation may have a material adverse effect on its business, financial condition, results of operations and cash flows.

Eagle Canada believes that it is in material compliance with applicable environmental legislation and is committed to continued compliance. The Trust also believes that it is reasonably likely that a trend towards stricter standards in environmental legislation will continue and anticipates making increased expenditures of both a capital and an expense nature as a result of increasingly stringent environmental laws.

Insurance

The Subsidiaries maintain insurance coverage in the amounts and against the risks typical of entities carrying on businesses similar to that carried on by the Subsidiaries. Where a Subsidiary is the operator, insurance for the drilling, completion and production operations is maintained by the Subsidiary, as operator, pursuant to the applicable joint operating agreement. Where the Subsidiary is not the operator, insurance for the drilling, completion and production operations is maintained on behalf of the Subsidiary by the operator pursuant to the applicable joint operating agreement.

Employees

As of the date of this Annual Information Form, the Administrator and the Subsidiaries have, collectively, 33 employees, including the executive officers, who are involved in the operations, commercial, accounting and administrative functions of the Trust and the Subsidiaries.

RISK FACTORS

The risks set out below are not an exhaustive description of all the risks associated with the Trust, the Subsidiaries' business, and the oil and natural gas business generally. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in this Annual Information Form before making an investment decision. An investment in securities of the Trust should only be made by persons who can afford a significant or total loss of their investment.

There can be no assurance that an active trading market in the Units will be sustained. The market price for the Trust's securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Trust's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Trust. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the oil and gas sector, which have often been unrelated to the operating performance of particular companies.

The following is a summary of certain risk factors relating to the activities of the Trust and the Subsidiaries, which prospective investors should carefully consider before deciding whether to purchase Units. Residents of the United States and other non-residents of Canada should have additional regard to the risk factors under the heading "Risk Factors Applicable to Residents of the United States and Other Non-Residents of Canada".

The Trust is a limited purpose trust and is entirely dependent upon the operations and assets of the Subsidiaries through the Trust's ownership of the Eagle US Notes and the Trust's direct and indirect ownership of the Subsidiaries. Accordingly, the Trust's ability to pay distributions to Unitholders is dependent upon the ability of the Subsidiaries to meet their interest and principal obligations and expected levels of distribution payments to the Trust. The Subsidiaries' income will be derived from the production of oil and natural gas from U.S. and Canadian resource properties and is susceptible to the risks and uncertainties associated with the oil and natural gas industry generally, and specifically in the U.S. and Canada

If the Subsidiaries' oil and natural gas reserves associated with its interests in Texas, Oklahoma and Alberta are not supplemented through additional development or the acquisition of additional oil and natural gas properties, the ability of the Subsidiaries to meet their obligations to the Trust and the ability of the Trust to pay distributions to Unitholders may be adversely affected.

Risks Relating to the Business and Operations of the Subsidiaries

The level of distributions paid by the Trust may be decreased in the event that the production from the Subsidiaries' petroleum assets significantly decreases from current production levels.

As of the date of this Annual Information Form, the ability of the Trust to make regular cash distributions to Unitholders is entirely dependent on the Subsidiaries' production from their petroleum assets. The level of distributions paid by the Trust may be decreased in the event that the production from the Subsidiaries' petroleum assets significantly decreases from current production levels.

The Subsidiaries may not be able to achieve the anticipated benefits of its current and future acquisitions of petroleum assets. The integration of acquisitions may result in the loss of key employees and the disruption of ongoing business relationships.

The Subsidiaries intend to make acquisitions and dispositions of assets in accordance with their investment strategy. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as the ability to realize the anticipated growth opportunities and synergies from combining newly acquired assets with those of the Subsidiaries. The integration of newly acquired assets may require substantial Management effort, time and resources and may divert Management's focus from other strategic opportunities and operational matters, and may also result in the loss of key employees and the disruption of ongoing business, supplier, customer and employee relationships. The Subsidiaries will continually assess the value and contribution of assets that they hold. In this regard, assets may be disposed of from time to time so that Management can focus efforts and resources more efficiently. Depending on the state of the market for these types of assets, if disposed of, the Subsidiaries may realize less than their carrying value in the Trust's consolidated financial statements.

Declines in oil, natural gas liquids and natural gas prices will negatively affect the Trust's financial results and distributions.

The financial results and condition of the Trust and the Subsidiaries, and therefore the amounts the Trust can pay to Unitholders as distributions, will be dependent on the prices received by the Subsidiaries for crude oil, natural gas and natural gas liquids production. Prices for crude oil, natural gas and natural gas liquids have exhibited extreme volatility over the past few years and monthly distributions may be similarly affected. Declines in prices for crude oil, natural gas and natural gas liquids could result in reductions to, or elimination of, distributions. Prices for crude oil, natural gas and natural gas liquids are determined by economic factors, political factors and a variety of additional factors beyond the Subsidiaries' control. These factors include economic conditions, in the United States, Canada and worldwide, the actions of the Organization of Petroleum Exporting Countries,

governmental regulation, political stability in the Middle East and elsewhere, internal capacity to produce and transport oil and natural gas in the United States from shale deposits, the foreign supply of crude oil and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of crude oil, natural gas or natural gas liquids would have an adverse effect on the carrying value of the Subsidiaries' proved and probable reserves, net asset value, borrowing capacity, revenues, profitability and cash flows from operating activities and ultimately on the overall financial condition of the Trust and its Subsidiaries, and therefore on the amounts to be distributed to Unitholders.

Estimated reserves of the Subsidiaries are based on many assumptions that may turn out to be inaccurate. There are numerous uncertainties inherent in estimating quantities of recoverable oil and natural gas reserves, including many factors beyond Management's control. The incorrect assessment of value of the Subsidiaries' reserves could adversely affect the value of the Units and distributions to Unitholders.

In general, estimates of economically recoverable oil and natural gas reserves and resources, the future net revenues and finding and development costs therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. The reserves and recovery information contained in the NSAI Reserve Report and McDaniel Reserve Report is only an estimate and the actual production and ultimate reserves from the properties may be greater or less than the estimates prepared by NSAI and McDaniel. The NSAI Reserve Report and McDaniel Reserve Report have been prepared using certain commodity price assumptions which are described in the notes to the reserves tables under the heading "Reserves Information." If the Subsidiaries realize lower prices for crude oil, natural gas and natural gas liquids and they are substituted for the price assumptions utilized in the reserves reports, the present value of estimated future net revenues for reserves and net asset value would be reduced and the reduction could be significant. The estimates in the NSAI Reserve Report and McDaniel Reserve Report are based in part on the timing and success of activities Management intends to undertake in 2015 and future years. The reserves and estimated future net revenues to be derived therefrom contained in the NSAI Reserve Report and McDaniel Reserve Report will be reduced in future years to the extent that such activities do not achieve the production performance set forth in the NSAI Reserve Report and McDaniel Reserve Report. Estimates of proved undeveloped reserves are sometimes based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. For these estimates, recovery factors and drainage areas are estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Additionally, due to the lack of production history using horizontal drilling techniques on certain parts of Eagle US's acreage, any estimates of future production associated with the planned use of such horizontal drilling techniques may be subject to greater variance to actual production than would be the case with properties having a longer production history using such techniques.

If actual production or reserves are less than expected, funds flow from operations and cash available for distribution to Unitholders could be negatively affected.

The net present value of future net revenues attributable to the Subsidiaries' reserves will not necessarily be the same as the current market value of their estimated petroleum reserves.

Potential investors and Unitholders should not assume that the net present value of future net revenues attributable to the Subsidiaries' reserves is the current market value of its estimated petroleum reserves. NSAI and McDaniel based the estimated discounted future net revenues from proved reserves on certain commodity price assumptions, which assumptions are described in the notes to the reserves tables. Actual future net revenues from the Subsidiaries' properties will be affected by factors such as:

- actual prices received for oil, natural gas and natural gas liquids;
- actual cost of development and production expenditures;
- the amount and timing of actual production; and
- changes in governmental regulations or taxation.

The timing of both production and incurrence of expenses in connection with the development and production of oil, natural gas and natural gas liquids from the properties will affect the timing and amount of actual future net

revenues from proved reserves, and thus their actual present value. In addition, the 10% discount factor used when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with the Subsidiaries or the oil and natural gas industry in general. Additionally, such calculation excludes a number of important costs that the Subsidiaries will actually incur, such as interest expense, income taxes and general and administrative expenses. Actual future prices and costs may differ materially from those used in the present value estimates included in this Annual Information Form.

Increases in interest rates could increase the Trust's costs and reduce the Trust's income and ability to pay distributions.

There is a risk that interest rates will increase given the current historical low level of interest rates. An increase in interest rates could result in a significant increase in the amount paid by Eagle US or Eagle Canada to service debt, resulting in a decrease in distributions to Unitholders, and could impact the market price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income paid by the Trust to Unitholders, increasing the level of competition for capital faced by the Trust, which could have a material impact on the trading price of the Units.

The value of the Canadian dollar against the U.S. dollar will affect the Trust's results and distributions.

World oil prices are quoted in U.S. dollars. With respect to its operations in Canada, an increase (decrease) in the exchange rate for the Canadian dollar versus the U.S. dollar would result in the receipt by Eagle Canada of fewer (more) Canadian dollars for its production. With respect to its operations in the United States, an increase (decrease) in the exchange rate for the Canadian dollar versus the U.S. dollar would result in fewer (more) Canadian equivalent dollars being received for its United States based production but also result in lower (higher) Canadian dollar equivalent operating expenses associated with that production. The Trust and its Subsidiaries monitor and, when appropriate, use derivative financial instruments to manage their exposure to currency exchange rate risks. Changes in the exchange rate for the Canadian dollar and future Canadian/United States exchange rates may impact future distributions and the future value of the Subsidiaries' reserves as determined by independent evaluators.

The global economy has not fully recovered, and unforeseen events may negatively impact the financial condition of the Trust.

Market events and conditions including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions have historically caused significant volatility to commodity prices. These conditions worsened in 2008 and early 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions may cause the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company and trust valuations and may continue to impact the performance of the global economy going forward.

If the economic climate in Canada, the U.S. or the world generally deteriorates, demand for petroleum products could diminish further and prices for oil and natural gas could decrease further, which could adversely impact the Trust's results of operations, liquidity and financial condition.

Non-compliance with the covenants under the Credit Facility could adversely affect the financial condition of the Trust.

The Subsidiaries and the Trust are required to comply with covenants under the Credit Facility. In the event that they do not comply with covenants under the Credit Facility, access to capital could be restricted or repayment could be required on an accelerated basis by the lenders, and the ability to make distributions to Unitholders may be restricted. The lenders have security over substantially all of the assets of the Trust and its Subsidiaries. If the Trust or a Subsidiary, as applicable, becomes unable to pay its debt service charges or otherwise commits an event of default such as breach of its financial covenants, the Credit Facility lenders may foreclose on or sell the Subsidiary's working interests in its properties. Amounts paid in respect of interest and principal on debt may reduce distributions. Variations in interest rates could result in significant changes in the amount required to be applied to debt service before payment by Eagle US of interest on the Eagle US Notes and distributions by Eagle US and Eagle Canada to Eagle US Holdco and Eagle Canada Holdco, respectively. Certain covenants in the

Credit Facility may also limit distributions. Although Management believes the Credit Facility will be sufficient for the near term, there can be no assurance that the amount will be adequate for the Subsidiaries' future financial obligations including the Subsidiaries' future capital expenditure programs, or that additional funds will be able to be obtained. For more information, see "Debt Financing".

The Trust's level of indebtedness may reduce financial flexibility.

On December 15, 2014, the borrowing base under the Credit Facility was increased from \$US 55 million to \$US 70 million concurrent with the closing of the Dixonville Acquisition. On February 11, 2015, the borrowing base was further increased to \$US 95 million. As at December 31, 2014, \$CAD 47.2 million was drawn under the Credit Facility by way of prime rate loans. The Trust's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Trust manages its capital structure and makes adjustments to it based upon economic conditions and the risk characteristics of the underlying oil and natural gas assets. The Trust may engage in external debt financing, including under the Credit Facility, in order to make additional investments in its Subsidiaries for the purpose of enabling them to acquire new properties or develop existing properties. Management's objective is to maintain an external debt to estimated future annual cash flow ratio below 2.0. This ratio may increase at certain times as a result of acquisitions. In order to facilitate the management of this ratio, the Trust prepares annual capital expenditure budgets, which are updated as necessary depending on factors such as current and forecast prices, successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. In the event that debt levels exceed the limits stated above, operations could be affected in several ways, including the following:

- a significant portion of cash flows could be used to service indebtedness;
- a high level of debt would increase vulnerability to general adverse economic and industry conditions;
- a high level of debt may place the Trust at a competitive disadvantage compared to competitors that are less leveraged and therefore, may be able to take advantage of opportunities that the Trust's indebtedness would prevent it from pursuing;
- the Trust's debt covenants may also affect flexibility in planning for, and reacting to, changes in the economy and in the industry;
- a high level of debt may make it more likely that a reduction in the Trust's borrowing base following a periodic redetermination could require the Trust to repay a portion of then-outstanding bank borrowings; and
- a high level of debt may impair the ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate or other purposes.

A high level of indebtedness increases the risk that the Trust may default on its debt obligations. The Trust's ability to meet its debt obligations and to reduce its level of indebtedness depends on future performance. General economic conditions, oil, natural gas liquids and natural gas prices, and financial, business and other factors affect operations and future performance. Many of these factors are beyond the Trust's control. The Trust may not be able to generate sufficient cash flows to pay the interest on debt and future working capital, borrowings or equity financing may not be available to pay or refinance such debt. Factors that will affect the ability to raise cash through an offering of capital stock or a refinancing of debt include financial market conditions, the value of assets and performance at the time the Trust needs capital.

Many of the risk factors outlined above are likely to occur only in the event that the Trust incurs high levels of debt or if the producing properties of the Subsidiaries suffer a substantial impairment that has a material impact on cash flow from operations or if a substantial decline in the price of oil or natural gas were to occur.

Future acquisition and development projects will require substantial capital expenditures. Trusts have historically relied on external sources of capital, borrowings and equity sales, and the Trust may be unable to obtain needed capital or financing on satisfactory terms, which could lead to expiration of leases or a decline in oil and natural gas reserves.

The Subsidiaries' planned acquisition and development activities will be capital intensive. The Subsidiaries expect to continue to make substantial capital expenditures for the acquisition, development and production of oil and natural gas reserves. If adequate sources of capital are not available on attractive terms, or at all, to fund planned capital expenditures, the Subsidiaries may not be able to fully implement its drilling strategy. The actual amount and timing of future capital expenditures may differ materially from estimates as a result of, among other things, commodity prices, actual drilling results, the availability of drilling rigs and other services and equipment, and regulatory, technological and competitive developments.

Changes in the Trust's financing needs may require it to alter capitalization substantially through the issuance of debt or additional Units. The issuance of additional debt may require that a portion of cash flows provided by operating activities be used for the payment of principal and interest on existing debt, thereby reducing the ability to use cash flows to fund working capital, capital expenditures, acquisitions and distributions. The issuance of additional Units could have a dilutive effect on the value of previously issued Units.

Future cash flows provided by operating activities and access to capital are subject to a number of variables, including:

- proved reserves;
- the level of oil, natural gas and natural gas liquids the Subsidiaries are able to produce from existing wells;
- the prices at which oil, natural gas and natural gas liquids are sold;
- the costs of developing and producing oil, natural gas and natural gas liquids;
- the ability to acquire, locate and produce new reserves;
- the ability and willingness of the Trust's banks to lend; and
- the ability to access the equity and debt capital markets.

If the borrowing base under the Credit Facility or revenues decreases as a result of commodity prices, operating difficulties, declines in reserves or for any other reason, the Trust, the Subsidiaries (or other subsidiaries formed for future acquisitions) may have limited ability to obtain the capital necessary to sustain operations at current levels. If additional capital is needed, the Trust may not be able to obtain debt or equity financing on favourable terms, or at all. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Subsidiaries' ability to make capital investments and maintain or expand existing assets and reserves may be impaired, which in turn could lead to a possible expiration of its leases and a decline in petroleum reserves, and the Subsidiaries' assets, liabilities, business, financial condition, results of operations and distributions may be materially and adversely affected as a result. Alternatively, the Trust may issue additional Units from treasury at prices which may result in a decline in production per Unit and reserves per Unit or the Subsidiaries may wish to borrow to finance significant acquisitions or development projects to accomplish their long term objectives on less than optimal terms.

The Subsidiaries may participate in hedging activities that reduce the realized prices received for oil and natural gas sales. This may require the Subsidiaries to provide collateral for hedging liabilities and involve risk that counterparties may be unable to satisfy their obligations to the Subsidiaries.

In order to manage exposure to price volatility in marketing oil, natural gas liquids and natural gas, the Subsidiaries have entered into commodity price risk management arrangements for a portion of expected production. Commodity price hedging may limit the prices actually realized and therefore, if future oil, natural gas liquids or natural gas prices are higher than the hedged price, commodity price hedging could reduce future oil, natural gas liquids or natural gas revenues from what such revenues would otherwise have been. Commodity price hedging activities could impact earnings in various ways, including recognition of certain mark-to-market gains and losses on derivative instruments. The fair value of oil, natural gas liquids and natural gas derivative instruments can fluctuate significantly between periods. In addition, commodity price risk management transactions may expose the Subsidiaries to the risk of financial loss in certain circumstances, including instances in which:

- production is less than expected;
- there is a widening of price differentials between delivery points for production and the delivery point assumed in the hedge arrangement; or
- the counterparties to these contracts fail to perform their obligations.

Hedging transactions involve the risk that counterparties, which are generally financial institutions, may be unable to satisfy their obligations. If any counterparties were to default on obligations under the hedging contracts or seek bankruptcy protection, it could have an adverse effect on the ability to fund planned activities and could result in a larger percentage of future production being subject to commodity price changes. The risk of counterparty default is heightened in a poor economic environment.

The Subsidiaries' obligations under future hedging arrangements may be secured by all or a portion of its proved reserves, the value of which must cover the fair value of the transactions outstanding under the facility by some multiple. If the collateral value falls below the coverage designated, the Subsidiaries would be required to post cash or letters of credit with the counterparties if the Subsidiaries did not have sufficient unencumbered oil and

natural gas properties available to cover the shortfall. Future collateral requirements would be dependent to a great extent on oil and natural gas prices.

Units may from time to time trade at a price that is less than the net asset value per Unit.

Net asset value from time to time will vary depending upon a number of factors beyond the Trust's control, including oil and gas prices. The trading price of the Units from time to time is determined by a number of factors, some of which are beyond the Trust's control and such trading price may be greater or less than the net asset value.

Failure of third parties to meet their contractual obligations may have a material adverse effect on the Trust's financial condition.

The Trust and its Subsidiaries are exposed to third party credit risk through contractual arrangements with current or future joint venture partners, third party operators, marketers of its petroleum and natural gas production and other parties. Poor credit conditions in the industry and of joint venture partners or other working interest owners may impact a joint venture partner's or working interest owner's willingness to participate in ongoing capital programs, potentially delaying such programs and the results thereof until the Trust or its Subsidiaries finds a suitable alternative partner.

The Subsidiaries' business is heavily regulated, and such regulation increases its costs and may adversely affect its financial condition.

Oil and natural gas operations (including drilling, land tenure, exploration, development, production, refining, water and waste disposal, emissions controls, transportation and marketing) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties, emissions, water use and disposal, and the exportation of oil and natural gas. Increasing regulation increases costs. In order to conduct oil and gas operations, licenses and permits from various governmental authorities are required. There can be no assurance that the Subsidiaries will be able to obtain all of the licenses and permits that may be required to conduct operations that they may wish to undertake. See "The Industry".

Income tax laws applying to mutual fund trusts or SIFT trusts may in the future be changed, interpreted, or applied in a manner that adversely affects the Trust and its Unitholders.

The Trust intends to continue at all times to qualify as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act. The Trust constitutes a "SIFT trust" for the purposes of the Tax Act but the Trust's indirect Canadian investments, through Eagle Canada Holdco and Eagle Canada, have been structured such that the SIFT tax will not apply to the Trust or its Subsidiaries. There can be no assurance, however, that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA respecting mutual fund trusts, SIFT trusts, or the applicability of SIFT tax will not be changed in a manner that adversely affects the Trust or Unitholders. Any such change could increase the amount of tax payable by the Trust or the Subsidiaries or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment available to Unitholders in respect of such distributions.

Should the Trust cease at any time to qualify as a mutual fund trust under the Tax Act, the Canadian federal income tax considerations applicable to an investment in Units would be materially and adversely different in certain respects, including that the Units would not be qualified investments for Registered Plans. Should the Trust become subject to SIFT tax, the amount of cash available to pay distributions could be materially reduced.

Canadian tax laws may be changed or certain tax positions taken by the Trust and its Subsidiaries may be challenged

The income of the Trust and the Trust Subsidiaries must be computed in accordance with Canadian and U.S. laws, as applicable, and the Trust, Eagle Canada Holdco, Eagle US Holdco, and Eagle Canada are subject to Canadian tax laws. There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof or the administrative and assessing practices and policies of the CRA will not be changed in a manner that adversely affects Unitholders. There can be no assurance that the taxation authorities will not seek to challenge certain tax positions taken by the Trust and its Subsidiaries. Any such change or challenge could increase the amount of tax payable by the Trust, Eagle Canada Holdco, Eagle US Holdco, and Eagle Canada or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment available to Unitholders in respect of such distributions.

There can be no assurance that the Canadian taxation authorities will not seek to challenge certain tax positions taken by the Trust and its Subsidiaries.

No material Canadian income taxes are expected to be payable by Eagle Canada for several years, based on the current tax modeling incorporating all available Canadian tax deductions. The CRA may adopt tax positions that differ from the positions taken by Eagle Canada, including with regards to the deductibility of some amounts, and it may be necessary to resort to administrative or court proceedings to sustain some or all of such positions taken by Eagle Canada. Eagle Canada could lose a contest with the CRA if a Canadian court does not agree with a particular position. The costs of any contest with the CRA or the denial of any tax deduction will be borne indirectly by the Unitholders as such events could reduce the cash available for distribution.

Eagle US Holdco will be required to include in calculating its income all dividends received on its Eagle US shares (which will include any distributions received by Eagle US Holdco on its Eagle US shares, except distributions received on a liquidation of Eagle US or a redemption of Eagle US shares). Eagle US Holdco should be entitled to a deduction equal to the amount of such dividends derived from Eagle US's earnings from carrying on an active business in the U.S., provided that the central management and control of Eagle US is, at all times, exercised in the United States. The result of this income inclusion and corresponding deduction is that Eagle US Holdco should not be subject to tax on dividends received by Eagle US Holdco from Eagle US. If this deduction was denied, Eagle US Holdco would be subject to Canadian income tax on the dividends from Eagle US, which could adversely affect the financial position of Eagle US Holdco and the Trust and reduce the amount of cash available for distribution to Unitholders.

Eagle Canada's entitlement to designate dividends paid to Eagle Canada Holdco and Eagle Canada Holdco's entitlement to designate dividends paid to the Trust as eligible dividends under the Tax Act may depend on Eagle Canada not constituting a "Canadian-controlled private corporation" for the purposes of the Tax Act. If Eagle Canada or Eagle Canada Holdco designates a dividend as an eligible dividend in excess of the amounts it is entitled to designate (referred to as an "excessive eligible dividend designation" within the meaning of the Tax Act), Eagle Canada or Eagle Canada Holdco, as applicable, could be subject to an additional tax under the Tax Act on the excess amount, which would reduce the amount of cash available for distribution to the Trust and the amount available for distribution by the Trust to the Unitholders.

U.S. tax laws may be changed or certain tax positions taken by the Trust and its Subsidiaries may be challenged

There can be no assurance that U.S. federal income tax laws and Internal Revenue Service (the "IRS") and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax considerations applicable to the Trust and its Subsidiaries will not be changed, possibly on a retroactive basis, in a manner that adversely affects the Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by Eagle US, Eagle US Holdco, or the Trust, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders.

In addition, the IRS may adopt tax positions that differ from the positions taken by the Trust or the Subsidiaries, including Eagle US's position that the interest on the Eagle US Notes is deductible. It may be necessary to resort to administrative or court proceedings to sustain some or all of such positions. The Trust or the Subsidiaries could lose a contest with the IRS if a United States court does not agree with some or all of the positions taken by them. Any contest with the IRS may materially and adversely impact the market for the Units and the price at which they trade, cash flow of the Trust and distributions. The costs of any contest with the IRS will be borne indirectly by Unitholders because the costs will reduce cash available for distribution.

The Eagle US Notes held by the Trust are financing transactions and the Units may also be treated as a financing transaction as a result of the rights of redemption of the Unitholders. If the Units were considered financing transactions, the Eagle US Notes and the Units would together likely constitute a financing arrangement under the conduit financing rules. If certain taxation certifications are not provided by Unitholders, certain interest payments on the Eagle US Notes could be subject to a 30% U.S. withholding tax. While it is reasonable to assume that Unitholders will provide the necessary taxation certifications, no assurance can be given that such certifications will be provided.

Future tax measures could impact the Trust

There can be no assurance that future revisions to Canadian or United States domestic tax law, or to the terms of the Canada – United States Tax Treaty will not result in an adverse change to the tax treatment of the operations

of Eagle Canada, Eagle US, the amounts paid by Eagle US to Eagle US Holdco and the Trust, or a denial of treaty benefits to Eagle US Holdco or the Trust with respect to such payments.

Recent proposals to increase U.S. federal income taxation of independent producers may negatively affect the Trust's results.

Recently, U.S. federal budget proposals would potentially increase and accelerate the payment of federal income taxes of independent producers of oil and natural gas. Proposals that would significantly affect the Subsidiaries would repeal the expensing of intangible drilling costs, repeal the percentage depletion allowance and increase the amortization period of geological and geophysical expenses. These changes, if enacted, will make it more costly to explore for and develop oil and natural gas resources. The Trust is unable to predict whether any changes, or other proposals to such laws, ultimately will be enacted. Any such changes could negatively impact cash flows, the cash available for distribution to Unitholders, and the value of the Units.

Potential legislative and regulatory actions could increase costs, reduce revenue and cash flow from oil and natural gas sales, reduce liquidity or otherwise alter the way the Subsidiaries conduct their business.

The activities of exploration and production companies operating in the United States and Canada are subject to extensive regulation at the federal, state, provincial and local levels. Changes to existing laws and regulations or new laws and regulations such as those described below could, if adopted, have an adverse effect on the Subsidiaries and the Trust.

U.S. regulation of derivatives trading could reduce hedging opportunities and negatively affect the Trust's results.

U.S. regulation of derivatives trading could reduce hedging opportunities and negatively affect the Trust's results. In 2010, the U.S. Congress enacted the Dodd Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"), which contains measures aimed at increasing the transparency and stability of the over the counter (OTC) derivative markets and preventing excessive speculation. Pursuant to the Dodd Frank Act, the U.S. Commodity Futures Trading Commission (the "CFTC") enacted regulations that impose, *inter alia*, reporting requirements and leverage limitations on certain types of financial transactions. Most energy transactions are exempt from these regulations and requirements. However, the CFTC continues to issue new and revised regulations and the precise application of either the Dodd Frank Act or the CFTC's regulations is yet to be determined. In the future, the Subsidiaries may use the OTC market for its oil and natural gas derivative contracts. However, the Dodd Frank Act or the CFTC's regulations could reduce liquidity in the energy futures markets. Such changes could materially reduce hedging opportunities and negatively affect revenues and cash flow during periods of low commodity prices.

Regulation of environmental matters related to climate change could have a negative impact on the Trust.

Federal and state governments are considering enacting new legislation and promulgating new and revised regulations governing or restricting the emission of greenhouse gases from certain stationary sources common in the Trust's industry. The EPA has already made findings and issued proposed regulations (such as the Clean Power Plan) that could lead to the imposition of restrictions on greenhouse gas emissions from certain stationary sources and that could require the Subsidiaries to establish and report an inventory of greenhouse gas emissions. In addition, the U.S. Congress has been considering various bills that would establish an economy-wide cap-and-trade program to reduce U.S. emissions of greenhouse gases, including carbon dioxide and methane. Such a program, if enacted, could require phased reductions in greenhouse gas emissions over several or many years as could the issuance of a declining number of tradable allowances to sources that emit greenhouse gases into the atmosphere. Legislative and regulatory proposals for restricting greenhouse gas emissions or otherwise addressing climate change could require Eagle US to incur additional operating costs and could adversely affect demand for the oil and natural gas that Eagle US sold. At the state level, Eagle US is aware of changes in air quality standards that are regulated in Texas by the Texas Railroad Commission and the Texas Commission on Environmental Quality and has implemented and will continue to implement changes at Eagle's facilities to meet or exceed these new standards. The potential increase in operating costs could include new or increased costs to obtain permits, operate and maintain equipment and facilities, install new emission controls on equipment and facilities, acquire allowances to authorize greenhouse gas emissions, pay taxes related to greenhouse gas emissions and administer and manage a greenhouse gas emissions program. Moreover, incentives to conserve energy or use alternative energy sources could reduce demand for oil and natural gas.

Acquiring, developing and exploring for oil and natural gas involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome.

The business plan of the Subsidiaries contemplates acquisitions of additional producing properties and developmental drilling, and its future financial condition and results of operations will depend on the success of these activities. Oil and natural gas acquisition, development and production activities are subject to numerous risks beyond the Subsidiaries' and Trust's control.

These risks include, but are not limited to, encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, other environmental risks, fires, spills and delays in payments between parties caused by operation or economic matters. A further risk specific to Eagle Canada is that Aboriginal peoples in Canada have claimed title and rights to portions of Western Canada. Eagle Canada is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful this could have an adverse effect on Eagle Canada's operations. These risks will increase as the Subsidiaries undertake more developmental drilling. Although the Subsidiaries will maintain insurance in accordance with customary industry practice, they are not fully insured against all of these risks. Continuing production from a property, and to some extent the marketing of production therefrom, are largely dependent upon the ability of the operator of the property. Although Eagle US operates all of its properties, Eagle Canada does not operate its properties (and other companies may operate other properties the Subsidiaries acquire in the future) and, as a result, returns on assets operated by others depends upon a number of factors outside the Subsidiaries' control. To the extent the operator fails to perform these functions properly, income may be reduced. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Trust's financial condition, prospects and its ability to maintain distributions.

Distributions on Units are variable and may be reduced or suspended entirely.

The actual cash flow available for distribution to Unitholders is dependent on the amount of cash flow paid to the Trust by its Subsidiaries and can vary significantly from period to period for a number of reasons, including among other things: (i) the operating entities' operational and financial performance (including fluctuations in the quantity of their oil, natural gas liquids and natural gas production and the sales price that they realize for such production (after hedging contract receipts and payments)); (ii) fluctuations in the costs to produce oil, natural gas liquids and natural gas, including royalty burdens, and to administer and manage the Trust and its Subsidiaries; (iii) the amount of cash required or retained for debt service or repayment; (iv) amounts required to fund capital expenditures and working capital requirements; and (v) foreign currency exchange rates and interest rates. These amounts are subject to the discretion of the Board, which will regularly evaluate the Trust's distribution payout with respect to anticipated cash flows, debt levels, capital expenditure plans and amounts to be retained to fund acquisitions and expenditures. In addition, the Trust's level of distributions per Unit will be affected by the number of outstanding Units and other securities that may be entitled to receive cash distributions. Distributions may be increased, reduced or suspended entirely depending on the Trust's revenue streams and the performance of its assets. The market value of the Units may deteriorate if the Trust is unable to meet distribution expectations in the future and such deterioration may be material.

The Trust Indenture also provides for the consolidation of the Units to the pre-distribution number of Units after any pro-rata distribution of additional Units to all Unitholders. Accordingly, the Trust Indenture allows for the payment of distributions in a form other than cash and Unitholders may have taxable income and cash taxes payable in excess of the amount of cash distributions they receive from the Trust.

The Subsidiaries are participating in larger projects and have concentrated risk in certain areas of operations.

The Subsidiaries' petroleum assets are currently located in Texas, Oklahoma and Alberta. The Subsidiaries plan to undertake a variety of small and large projects in respect of its petroleum assets. However, project delays may impact expected revenues from operations and significant project cost over-runs could make a project uneconomic. The Subsidiaries' ability to execute projects and market oil and natural gas depends upon numerous factors beyond Management's control, including:

- obtaining the necessary permits and licenses;
- the availability of processing capacity;
- the availability and proximity of pipeline capacity or other means of transporting oil and natural gas;
- the availability of storage capacity;
- changes in oil and natural gas prices;

- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected changes in costs;
- availability of capital;
- accidental events;
- the availability and productivity of skilled labour; and
- changes in regulation, including regulations of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Subsidiaries could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil, natural gas liquids and natural gas that are produced.

All of the Subsidiaries' producing properties and operations are located in northern Alberta or in a few counties in Texas and Oklahoma making the Trust vulnerable to risks associated with its Subsidiaries operating in a few major geographic areas.

All of the proved reserves and production of Eagle US are located in a few counties in Texas and Oklahoma, and of Eagle Canada in northern Alberta. As a result, the Subsidiaries, and by extension the Trust, may be disproportionately exposed to the impact of delays or interruptions of production from these wells caused by transportation capacity constraints, curtailment of production, availability of equipment, facilities, personnel or services, significant governmental regulation and permit or license approvals, natural disasters, adverse weather conditions, plant closures for scheduled maintenance or interruption of transportation of oil or natural gas produced from the wells in these areas. In addition, the effect of fluctuations on supply and demand may become more pronounced within specific geographic oil and gas producing areas containing the Subsidiaries' properties, which may cause these conditions to occur with greater frequency or magnify the effect of these conditions on the Subsidiaries. Due to the concentrated nature of the Subsidiaries' portfolio of properties, a number of these properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on the Subsidiaries' results of operations than they might have on other companies that have a more diversified portfolio of properties. Such delays or interruptions could have a material adverse effect on the results of operations of the Subsidiaries and the financial condition of the Trust.

The Subsidiaries only operate in one region of the United States and one region of Canada and expansion outside of these areas or into new business activities may increase their risk exposure.

All of the proved reserves and production of Eagle US are located in a few counties in Texas and Oklahoma, and of Eagle Canada in northern Alberta. In the future, the Subsidiaries may acquire oil and gas properties outside the geographic areas in which they currently own oil and gas properties. In addition, the Subsidiaries are not limited to investment in oil and gas production and development, and may acquire and own assets or property in connection with gathering, processing, transporting, extracting, buying, storing or selling petroleum, natural gas, natural gas liquids or other related products, or in connection with other forms of energy and related businesses. Expansion of activities into new areas may present new additional risks or alternatively, significantly increase the exposure to one or more of the present risk factors which may adversely affect the Trust's future financial condition.

The Trust's growth strategy depends on the Subsidiaries' successful acquisition of additional proved reserves. The Subsidiaries may be subject to risks in connection with acquisitions and the integration of significant acquisitions may be difficult.

The overall business strategy contemplates future acquisitions targeting undercapitalized, conventional oil and natural gas producing properties and developmental drilling thereon. The successful acquisition of producing properties requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their appropriate differentials;
- development and operating costs;
- availability of capital; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, Management anticipates undertaking a review of the subject properties that is generally consistent with industry practices. Management's review may not reveal all existing or potential problems, nor will it permit Management to become

sufficiently familiar with the properties to fully assess their deficiencies and potential recoverable reserves. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. The Subsidiaries may not be entitled to contractual indemnification for environmental liabilities and may acquire properties on an "as is" basis.

Significant acquisitions and other strategic transactions may involve other risks, including:

- diversion of Management's attention to evaluating, negotiating and integrating significant acquisitions and strategic transactions;
- challenge and cost of integrating acquired operations, information management and other technology systems and business cultures with those of the Subsidiaries while carrying on its ongoing business;
- difficulty associated with coordinating geographically separate organizations; and
- challenge of attracting and retaining personnel associated with acquired operations.

The process of integrating operations could cause an interruption of, or loss of momentum in, the Subsidiaries' business. Management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the business. If Management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, the Subsidiaries' business could suffer.

The Subsidiaries may not be able to realize the anticipated benefits of acquisitions and dispositions.

The Subsidiaries plan to make acquisitions of producing properties in the ordinary course of business. The price the Subsidiaries pay for the purchase of properties is based on engineering and economic estimates of the reserves made by Management and independent engineers modified to reflect technical and economic views. These assessments include a number of material factors and assumptions. Consequently, the reserves acquired may be less than expected, which could adversely impact cash flow from operating activities and distributions to Unitholders. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the ability to realize the anticipated developmental drilling opportunities. There is no assurance that the Subsidiaries will be able to continue to complete acquisitions or dispositions of oil and natural gas properties which realize all the synergistic benefits anticipated by the Subsidiaries.

Increased regulation of hydraulic fracturing and oil and gas development could result in reductions or delays in production, which could adversely impact the Trust's revenues.

A number of federal agencies, including the U.S. Environmental Protection Agency (the "EPA") and the U.S. Department of Energy, as well as the provincial AER in Alberta, are analyzing, or have been requested to review, a variety of environmental issues associated with oil and gas development, including hydraulic fracturing. In addition, the EPA has asserted federal regulatory authority over hydraulic fracturing involving diesel additives under the Safe Drinking Water Act's Underground Injection Control ("UIC") Program; and, in February 2014, EPA issued "Permitting Guidance for Oil and Gas Hydraulic Fracturing Activities Using Diesel Fuels." EPA asserts that because use of diesel fuel during hydraulic fracturing is regulated by the UIC Program, any company that performs hydraulic fracturing using diesel fuel must receive prior authorization through the applicable UIC program. At the same time, the EPA has commenced a study of the potential environmental impacts of hydraulic fracturing activities, with the initial progress report released December 2012 and final draft report expected to be released for public comment and peer review in 2015. In the interim, however, the EPA has utilized its existing Safe Drinking Water Act's enforcement authorities to order actions and potentially to pursue penalties against some oil and natural gas producers where EPA believes their activities may have impacted groundwater. Also, legislation continues to be introduced before Congress to provide for federal regulation of hydraulic fracturing and to require disclosure of the chemicals used in the fracturing process. Moreover, the EPA has announced that it will publish a proposed rule to address effluent limitations for the treatment and discharge of wastewater resulting from hydraulic fracturing activities in early 2015. Other governmental agencies, including the U.S. Department of Energy and the U.S. Department of the Interior, have or are evaluating various other aspects of hydraulic fracturing, with the Department of Interior currently developing a rule to require oil and natural gas producers to publicly disclose their hydraulic fracturing chemicals in connection with their drilling of wells on federal lands. These studies or reviews, depending on their degree of pursuit and any meaningful results obtained, could spur initiatives to further regulate hydraulic fracturing under the federal Safe Drinking Water Act or other regulatory mechanisms. In addition, some states have adopted, and other states are considering adopting, regulations that could impose more stringent permitting, disclosure and well construction requirements on

hydraulic fracturing operations. In addition, some states and municipalities have adopted, and other states and municipalities are considering adopting, moratoriums and/or regulations that could impose more stringent disclosure and/or well construction requirements on hydraulic fracturing operations or ban such operations altogether. For instance, in late December 2014, the administration of Governor Andrew Cuomo announced that it would ban hydraulic fracturing in New York State. In June 2011, Texas Governor Rick Perry signed a law requiring disclosure of chemicals used in hydraulic fracturing for which implementing regulations were adopted in December 2012.

It is believed that the trend in environmental legislation and regulation in Alberta will continue towards stricter standards in regards to hydraulic fracturing. The Province of Alberta has recently announced its intention to adopt mandatory disclosure requirements and an online registry for hydraulic fracturing activities. Additionally, the AER released a new Hydraulic Fracturing Directive, effective August 21, 2013, which sets out AER requirements for managing the subsurface integrity of wells associated with hydraulic fracturing.

The enactment of new laws or regulations significantly restricting hydraulic fracturing could make it more difficult, costly, or impossible for the operators to perform fracturing to stimulate production from tight formations. Restrictions on hydraulic fracturing also could reduce the amount of oil, natural gas and natural gas liquids that are ultimately produced in commercial quantities from Eagle US's and Eagle Canada's properties. In addition, if hydraulic fracturing becomes regulated at the federal level in the U.S. as a result of federal legislation or regulatory initiatives by the EPA, Eagle US's business and operations and the properties in which Eagle US have an interest could be subject to additional permitting requirements, and also to attendant permitting delays, increased operating and compliance costs and process prohibitions.

On April 17, 2012, the EPA approved final regulations under the Clean Air Act that, among other things, require additional emissions controls for natural gas and natural gas liquids production, including New Source Performance Standards to address emissions of sulfur dioxide and volatile organic compounds ("VOCs") and a separate set of emission standards to address hazardous air pollutants frequently associated with such production activities. The final regulations require the reduction of VOC emissions from natural gas wells through the use of reduced emission completions or "green completions" on all hydraulically fractured wells constructed or refractured after January 1, 2015. For well completion operations occurring at such well sites before January 1, 2015, the final regulations allow operators to capture and direct flowback emissions to completion combustion devices, such as flares, in lieu of performing green completions. These regulations also establish specific new requirements regarding emissions from dehydrators, storage tanks and other production equipment. Compliance with these requirements could require a number of modifications to operations, including the installation of new equipment, and could significantly increase Eagle US's costs of development and production, although the Trust does not expect these requirements to be any more burdensome to Eagle US than to other similarly situated companies involved in oil and natural gas exploration and production operations.

At the same time, certain environmental groups have suggested that additional laws may be needed to more closely and uniformly regulate the hydraulic fracturing process and legislation has been proposed by some members of United States Congress to provide for such regulation. The Trust cannot predict whether any such legislation will ever be enacted and if so, what its provisions would be. If additional levels of regulation and permits were required through the adoption of new laws and regulations at the federal or state level, that could lead to delays, increased operating costs and process prohibitions that could reduce the volumes of natural gas that move through Eagle US's gathering systems which would materially adversely affect Eagle US's revenues and results of operations.

Operations are subject to hazards and unforeseen interruptions for which the Trust may not be adequately insured.

There are a variety of operating risks inherent in the Subsidiaries' wells, gathering systems and associated facilities, such as leaks, explosions, mechanical problems and natural disasters, all of which could cause substantial financial losses. Any of these or other similar occurrences could result in the disruption of operations, substantial repair costs, personal injury or loss of human life, significant damage to property, environmental pollution, impairment of operations and substantial revenue losses. The location of the Subsidiaries' wells, gathering systems and associated facilities near populated areas, including residential areas, commercial business centers and industrial sites, could significantly increase the level of damages resulting from these risks.

The Subsidiaries are not fully insured against all risks. In addition, pollution and environmental risks generally are not fully insurable. Additionally, Management may elect not to obtain insurance if they believe that the cost of available insurance is excessive relative to the perceived risks presented. Losses could, therefore, occur for

uninsurable or uninsured risks or in amounts in excess of existing insurance coverage. Moreover, insurance may not be available in the future at commercially reasonable costs and on commercially reasonable terms. Losses and liabilities from uninsured and underinsured events and a delay in the payment of insurance proceeds could adversely affect the Trust's financial condition and ability to make distributions to Unitholders.

The nature of the Subsidiaries' assets exposes it to significant costs and liabilities with respect to environmental, operational and safety matters.

The Subsidiaries (and other subsidiaries formed for future acquisitions) may incur significant costs and liabilities as a result of environmental and safety requirements applicable to oil and gas production activities. These costs and liabilities could arise under a wide range of U.S. and Canadian federal, state, provincial and local environmental and safety laws and regulations, including agency interpretations of the foregoing and governmental enforcement policies, which have tended to become increasingly strict over time. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, imposition of cleanup and site restoration costs and liens, and to a lesser extent, issuance of injunctions to limit or cease operations. In addition, claims for damages to persons or property may result from environmental and other impacts of operations.

Strict joint and several liabilities may be imposed under certain environmental laws, which could cause the Subsidiaries to become liable for the conduct of others or for consequences of its actions that were in compliance with all applicable laws at the time those actions were taken. Changes in environmental laws and regulations occur frequently, and any changes that result in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require the Subsidiaries to make significant expenditures to attain and maintain compliance and may otherwise have a material adverse effect on its results of operations, competitive position or financial condition. If the Subsidiaries are not able to recover the resulting costs through insurance or increased revenues, the ability to make distributions to Unitholders could be adversely affected. See "Environmental, Health and Safety Regulation in the U.S." and "Environmental Regulation in Alberta and Canada", above for more information.

Competition in the oil and natural gas industry is intense, making it more difficult to acquire properties, market oil and natural gas and secure trained personnel.

The ability of the Subsidiaries to acquire and develop additional reserves in the future will depend on the ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment for acquiring properties, marketing oil and natural gas and securing equipment and trained personnel. Also, there is substantial competition for capital available for investment in the oil and natural gas industry. Many competitors possess and employ financial, technical and personnel resources substantially greater than the Subsidiaries'. Those companies may be able to pay more for productive oil and natural gas properties or to identify, evaluate, bid for and purchase a greater number of properties than the Subsidiaries' financial or personnel resources permit. Furthermore, these companies may also be better able to withstand the financial pressures of unsuccessful drilling attempts, sustained periods of volatility in financial markets and generally adverse global and industry-wide economic conditions, and may be better able to absorb the burdens resulting from changes in relevant laws and regulations, which would adversely affect competitive position. In addition, companies may be able to offer better compensation packages to attract and retain qualified personnel. The cost to attract and retain qualified personnel has increased over the past few years due to competition and may increase substantially in the future. The Subsidiaries may not be able to compete successfully in the future in acquiring and developing reserves, marketing hydrocarbons, attracting and retaining quality personnel and raising additional capital, which could have a material adverse effect on the Trust.

Application of International Financial Reporting Standards ("IFRS") to the Trust's financial results may result in non-cash losses which may adversely affect the market price of Units.

IFRS requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the financial statements. The accounting policies may result in non-cash charges to net income and write downs of net assets in the financial statements. Such non-cash charges and write-downs may be viewed unfavourably by the market and may result in an inability to borrow funds and/or may result in a decline in the Unit price. Under IFRS, the net amounts at which petroleum and natural gas costs on a cash generating unit ("CGU") basis are subject to an assessment at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount will be made. The recoverable amount is the greater of its value in use and its fair value less costs to sell. In determining fair value less costs to sell, the Trust will consider recent transactions within the industry, long-term views of commodity prices, externally evaluated reserves volumes and discount rates specific to the CGU. If net

capitalized costs for a CGU exceed the estimated recoverable amounts, the Trust will have to charge the amount of the excess to earnings. A decline in the net value of oil and natural gas properties could cause capitalized costs to exceed the recoverable amounts, resulting in a charge against earnings. The net value of oil and gas properties is highly dependent upon the prices of oil and natural gas. Under IFRS, the accounting for financial instruments may result in non-cash charges against net income as a result of changes in the fair market value of financial instruments. A decrease in the fair market value of the financial instruments as the result of fluctuations in commodity prices and foreign exchange rates may result in a write-down of net assets and a non-cash charge against net income. Such write-downs and non-cash charges may be temporary in nature if the fair market value subsequently increases. Where there is objective evidence of a subsequent increase in fair value, these non-cash impairment charges may be reversed.

Success depends in large measure on certain key personnel and the Trust's ability to retain its key personnel.

The loss of key personnel could delay the completion of certain projects or otherwise have a material adverse effect on the Trust. Unitholders will be dependent on Management in respect of the administration and management of all matters relating to the Trust, its subsidiaries and affiliates, their respective properties, assets, operations, and the safekeeping of their primary workspace and computer systems.

The Subsidiaries are highly reliant on operators of any property they acquire an interest in but do not operate.

To the extent that a Subsidiary is not the operator of its properties, it will be dependent upon the operator or third parties for the timing of such activities and will be largely unable to control the activities of such operator. The failure of such operators and their contractors to properly perform their obligations may have a material adverse effect on the results of the Subsidiary's operations and, in turn, on the Trust's financial condition and the value of its Units. Further, if an operator of a Subsidiary's property intends to resign because of a disposition of the operator's working interest in the property or due to other circumstances, becomes bankrupt or insolvent, is placed in receivership or seeks debtor relief protection, initiates legal proceedings for its dissolution, liquidation or winding up, is no longer willing or able to continue to act as the operator, among other things, the Subsidiary would have the right to take over operations or appoint another party to take over operations, provided the Subsidiary complies with the procedures and requirements in the applicable joint operating agreement. If the Subsidiary takes over operations, the Subsidiary would incur the responsibilities, obligations and costs typically incurred by such operators.

Oil and natural gas reserves are a depleting resource and decline as such reserves are produced.

Distributions by the Trust, absent commodity price increases or cost effective acquisition and development activities, will decline over time in a manner consistent with declining production from typical oil, natural gas and natural gas liquid reserves. Future oil, natural gas and natural gas liquids reserves and production, and therefore the Trust's cash flows from operating activities, will be highly dependent on the Subsidiaries' success in exploiting reserves base and acquiring additional reserves. Without reserves additions through acquisition or development activities, reserves and production may decline over time as reserves are produced. There can be no assurance that the Subsidiaries will be successful in developing or acquiring additional reserves on terms that meet the Trust's investment objectives.

Acreage must be drilled before lease expiration, generally within two to five years, in order to hold the acreage by production. In the highly competitive market for acreage, failure to drill sufficient wells in order to hold acreage will result in a substantial lease renewal cost, or if renewal is not feasible, loss of a Subsidiary's lease and prospective drilling opportunities.

If Eagle US or Eagle Canada acquires leasehold that is not held by production, it must establish production prior to the expiration of the applicable lease or else the lease for such acreage will expire. The cost to renew leases may increase significantly, and it may not be able to renew such leases on commercially reasonable terms or at all. As such, Eagle US's or Eagle Canada's actual drilling activities may materially differ from current expectations, which could adversely affect the ability to pay distributions.

The Subsidiaries may incur losses as a result of title defects in the properties in which the Subsidiaries' invest.

Industry practice in the U.S. for acquiring oil and gas leases or interests does not typically involve retaining lawyers to examine the title to the mineral interest and instead relies upon the judgment of oil and gas lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before

attempting to acquire a lease in a specific mineral interest. Prior to the drilling of an oil or gas well, however, it is the normal practice in the industry for the person or company acting as the operator of the well to obtain a preliminary title review to ensure there are no obvious defects in title to the well. Frequently, as a result of such examinations, certain curative work must be done to correct defects in the marketability of the title, and such curative work entails expense. Failure to cure any title defects may adversely impact the ability in the future to increase production and reserves. There is no assurance that Eagle US and other Subsidiaries formed for future acquisitions will not suffer a monetary loss from title defects or title failure. Additionally, undeveloped acreage has greater risk of title defects than developed acreage. If there are any title defects or defects in assignment of leasehold rights in properties in which the Subsidiaries (and other subsidiaries formed for future acquisitions) holds an interest, they may suffer a financial loss.

Risks Relating to the Trust's Structure and Ownership of Units

Distributions do not represent a "yield" and are not comparable to debt instruments and rights of redemption have limited liquidity.

Units will have no value when reserves from the properties owned by the Subsidiaries can no longer be economically produced and, as a result, distributions do not represent a "yield" in the traditional sense and are not comparable to bonds or other fixed yield securities where investors are entitled to a full return of the principal amount of debt on maturity in addition to a return on investment through interest payments. Distributions represent a blend of return of Unitholders' initial investment and a return on Unitholders' initial investment. Unitholders have a limited right to require a repurchase of their Units, which is referred to as a redemption right. It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investment. The right to receive cash in connection with a redemption is subject to material limitations. Any securities which may be distributed in specie to Unitholders in connection with a redemption may not be listed on any stock exchange and a market may not develop for such securities and such securities may be illiquid. In addition, there may be resale restrictions imposed by law upon the recipients of the securities pursuant to the redemption right. See "Description of the Trust – Redemption at the Option of Unitholders".

The Units do not represent a traditional investment in the oil and natural gas sector and should not be viewed by investors as shares in a corporation.

The Units represent a fractional interest in the Trust. Corporate law does not govern the Trust and the rights of Unitholders. As Unitholders, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring oppression or derivative actions. The rights of Unitholders are specifically set forth in the Trust Indenture. In addition, trusts are not defined as recognized entities within the definitions of legislation such as the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and in some cases the *Winding Up and Restructuring Act* (Canada). As a result, in the event of an insolvency or restructuring, a Unitholder's position as such may be quite different than that of a shareholder of a corporation. The Trust's sole asset is its investment in Eagle Canada Holdco and Eagle US Holdco and the Eagle US Notes. The price per Unit is a function of anticipated distributable income, the properties acquired by the Subsidiaries and the ability to effect long-term growth in value. The market price of the Units will be sensitive to a variety of market conditions including, but not limited to, interest rates and the ability to acquire suitable oil and natural gas properties. Changes in market conditions may adversely affect the trading price of the Units.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation and does not carry on or intend to carry on the business of a trust company.

Unitholder limited liability is subject to contractual and statutory assurances which may have some enforcement risks.

The Trust Indenture provides that no Unitholder will be subject to any liability in connection with the Trust or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of the Trust's assets. Pursuant to the Trust Indenture, the Trust will indemnify and hold harmless each Unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of such Unitholder not having such limited liability. The Trust Indenture provides that all written instruments signed by or on behalf of the Trust must contain a provision to the effect that such obligation will not be binding upon Unitholders personally.

Personal liability may also arise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of this nature arising is considered unlikely. *The Income Trusts Liability Act (Alberta)* came into force on July 1, 2004. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the trustee that arises after the legislation came into force. The Trust's operations will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability on Unitholders for claims against the Trust.

Payment of distributions.

The Trust Indenture provides that all of the distributable income of the Trust at the end of any calendar month, including December 31 shall be declared payable and distributed to the Unitholders of record on the last day of each such calendar month. These distributions are enforceable by the Unitholders of record. However, if this amount is not determined and declared payable in accordance with the rules of the TSX, the right to receive this income will trade with the Units. The Trust Indenture provides that this distributable income is allocated to Unitholders for tax purposes and to the extent a Unitholder trades Units in this period, they will be allocated such income but will have disposed of their right to receive such distribution. The Trust Indenture also provides for the consolidation of the Units to the pre-distribution number of Units after any pro-rata distribution of additional Units to all Unitholders. Accordingly, the Trust Indenture allows for the payment of distributions in a form other than cash and Unitholders may have taxable income and cash taxes payable in excess of the amount of cash distributions they receive from the Trust.

Risk Factors Applicable to Residents of the United States and Other Non-Residents of Canada

There is limited liability of residents in the United States to enforce civil remedies.

The Trust, Eagle Canada, Eagle Canada Holdco and Eagle US Holdco are organized under the laws of Alberta, Canada and have their principal place of business in Canada. Eagle US is organized under the laws of the State of Delaware and has its principal place of business in Houston, Texas. Most of the Administrator's directors and officers and the representatives of the experts who provide services to the Trust (such as its auditors), and all of the Trust's assets and all or a substantial portion of the assets of such persons are located in Canada. As a result, it may be difficult for investors in the United States to effect service of process within the United States upon such directors, officers and representatives of experts who are not residents of the United States or to enforce against them judgments of the United States courts based upon civil liability under the United States federal securities laws or the securities laws of any state within the United States. There is doubt as to the enforceability in Canada against the Trust or against any of the Administrator's directors, officers or representatives of experts who are not residents of the United States, in original actions or in actions for enforcement of judgments of United States courts of liabilities based solely upon the United States federal securities laws or securities laws of any state within the United States.

There are differences in reporting practices in Canada and the United States.

The Trust reports its production and reserve quantities in accordance with Canadian practices and specifically in accordance with NI 51-101. These practices are different from the practices used to report production and to estimate reserves in reports and other materials filed with the Securities Exchange Commission by companies in the United States. The Trust incorporates additional information with respect to production and reserves which is either not generally included or prohibited under rules of the Securities Exchange Commission and practices in the United States. The Trust follows the Canadian practice of reporting gross production and reserve volumes (before deduction of Crown and other royalties); however, it also follows the United States practice of separately reporting reserve volumes on a net basis (after the deduction of royalties and similar payments). The Trust also follows the Canadian practice of using forecast prices and costs when estimating reserves; whereas the Securities Exchange Commission requires that prices and costs be averaged for the 12 months as of the date of the reserves report. Included in this Annual Information Form are estimates of proved, and proved plus probable reserves. Probable reserves are higher risk and are generally believed to be less likely to be accurately estimated or recovered than proved reserves. The Securities Exchange Commission generally prohibits the inclusion of estimates of probable reserves in filings made with the commission. This prohibition does not apply to the Trust as a Canadian foreign private issuer.

As a consequence of the foregoing, the reserve estimates and production volumes in this Annual Information Form may not be comparable to those made by companies utilizing United States reporting and disclosure standards.

The Trust has the authority to impose restrictions on the issuance or transfer of Units to a non-resident of Canada.

The Trust intends to comply with the requirements under the Tax Act for a "unit trust" and "mutual fund trust" at all relevant times such that it maintains its status as a unit trust and a mutual fund trust for purposes of the Tax Act.

A mutual fund trust such as the Trust may lose its status under the Tax Act as a "mutual fund trust" if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of non-residents of Canada, except in certain limited circumstances. As a consequence of Eagle Canada's investments in Canadian energy assets, this limitation may apply to the Trust. The Trustee and Administrator have various powers that can be used for the purpose of monitoring and controlling the extent of non-resident ownership of the Units. See "Description of the Trust – Limitation on Non-Resident Ownership".

If restrictions on issuances of Units by the Trust to non-residents are imposed by the Trust, the ability of the Trust to raise financing for future acquisitions or operations could be negatively affected. In addition, the fact that such restrictions may be implemented in the future may limit the ability of Unitholders to sell their Units at the best price, and could discourage certain categories of investors from purchasing Units in the open market, which could negatively affect the liquidity of the Units and the future market price for Units.

There is additional taxation applicable to non-residents.

Net income of the Trust, other than certain net realized capital gains, distributed to non-residents (other than the distribution of US-source income to US residents under the Canada-U.S. Tax Treaty) will be subject to withholding tax under the Tax Act at a 25% rate, subject to reduction under an applicable income tax treaty.

An additional 15% Canadian withholding tax also applies to the return of capital portion of distributions made to non-resident unitholders for publicly traded trusts whose trust units derive more than 50% of their value from any combination of real property situated in Canada, "Canadian resource property" (as defined in the Tax Act), or "timber resource property" (as defined in the Tax Act). The Trust does not expect that this additional withholding tax will apply to the Trust and its Unitholders. There can be no assurance that Canadian tax laws or international tax treaties will not be changed in a manner which adversely affects the rate of withholding on distributions of the Trust's capital and/or income.

If the Trust ceases to qualify as a "mutual fund trust" for purposes of the Tax Act, non-resident Unitholders may be subject to Canadian tax (subject to any treaty relief) on gains realized on a disposition of Units if such Units constitute "taxable Canadian property" as defined in the Tax Act. However, Units will generally not constitute "taxable Canadian property" unless in the 60 month period preceding the disposition date more than 50% of the value of the Units was derived, directly or indirectly, from "real or immovable property situated in Canada", "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act) and/or options and interests in any of the foregoing. It is not expected that the Units will constitute "taxable Canadian property"; however, no assurances can be given in this regard.

There is a foreign exchange risk of non-resident Unitholders.

The Trust's distributions are declared in Canadian dollars and converted to foreign denominated currencies at the spot exchange rate at the time of payment. As a consequence, investors are subject to foreign exchange risk. To the extent that the Canadian dollar strengthens with respect to their currency, the amount of the distribution will be reduced when converted to their home currency.

ADVISORY - FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain statements contained in this Annual Information Form constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). The Trust cautions investors in the Units about important factors that could cause the Trust’s actual results to differ materially from those projected in any forward-looking statements included in this Annual Information Form.

Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the information and factors discussed throughout this Annual Information Form.

In particular and without limitation, this Annual Information Form contains forward-looking statements pertaining to the following:

- the performance characteristics of the Subsidiaries’ existing crude oil and natural gas properties;
- anticipated crude oil, natural gas and natural gas liquids production levels;
- the quantity of the Subsidiaries’ existing crude oil, natural gas and natural gas liquids reserves;
- net present values of future net revenues from the Subsidiaries’ reserves;
- projections of market prices for crude oil, natural gas and natural gas liquids and the impact of changes in crude oil, natural gas and natural gas liquids prices on the Subsidiaries’ cash flows;
- projections of anticipated costs for exploration, development, operations, production, abandonment and reclamation for the Subsidiaries;
- Management’s expectation that internally generated cash flow will be sufficient to fund the Subsidiaries’ future development costs;
- anticipated capital expenditure program for the Subsidiaries and sources of funding of the capital expenditure program;
- the ability of the Subsidiaries to achieve drilling success consistent with Management’s expectations;
- supply and demand fundamentals for crude oil, natural gas and natural gas liquids;
- realization of anticipated benefits of acquisitions or dispositions;
- plans for, and results of, exploration and development activities;
- business plans, growth strategy and opportunities;
- the source of funding for the Subsidiaries’ activities;
- treatment under governmental regulatory regimes and tax laws;
- the timing for and cost of additional development drilling, and the timing for, and levels of, increases to production and reserves;
- the development risk and exploitation potential of assets and properties owned by the Subsidiaries;
- status of the Trust as a “mutual fund trust” and the taxability of the Trust;
- the ability to maintain payment of distributions to holders of the Units, as well as the composition and stability of such distributions;
- the taxability of cash distributions received by Canadian resident Unitholders;
- expectations regarding the ability to raise capital and to continually acquire reserves through acquisitions and development;
- access to, and sufficiency of, credit facilities and related borrowing base capacity;
- the Trust’s objective to maintain an external debt to estimated future annual cash flow ratio below 2.0 times;
- access to capital markets and availability of funding for growth and acquisition opportunities; and
- control of capital spending pursuant to joint operating agreements.

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

- future commodity prices;
- future currency exchange rates;
- the ability of the Subsidiaries to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing taxes and environmental matters in the U.S.;
- the Subsidiaries' ability to successfully market future crude oil, natural gas and natural gas liquids production;
- the Subsidiaries' future production levels;
- conditions in general economic and financial markets;
- marketability of oil, natural gas and natural gas liquids;
- anticipated cash flow;
- the regulatory framework governing taxes and environmental matters in the U.S.;
- the applicability of technologies for recovery and production of the Subsidiaries' crude oil, natural gas and natural gas liquids resources;
- the recoverability of the Subsidiaries' reserves;
- future capital expenditures to be made by the Subsidiaries and the Trust's ability to obtain financing on acceptable terms for these capital projects and future acquisitions;
- future sources of funding for the Subsidiaries' capital program;
- geological and engineering estimates in respect of the Subsidiaries' resources;
- the impact of increasing competition on the Trust;
- the Subsidiaries' ability to obtain financing on acceptable terms for future capital projects and acquisitions;
- the deductibility of interest on the Eagle US Notes; and
- the Trust's status as a "mutual fund trust" and the inapplicability of SIFT tax to the Trust.

The success of the Subsidiaries' drilling program is a key assumption in the production estimates for 2015. The primary risk factors which could lead to the Subsidiaries not meeting their production targets are: (i) production additions from drilling activity are less than expected; (ii) a lack of access to drilling rigs and related equipment on a timely basis and at reasonable prices; and (iii) unexpected operational delays and challenges. Increases in capital costs from forecast amounts can result from the foregoing reasons as well as general cost inflation in the industry. Additionally, the Subsidiaries may choose to decrease capital expenditures from those anticipated in their budget projections, therefore affecting production estimates for 2015.

There are many risk factors inherent in the oil and gas industry in general that could result in production levels being less than anticipated from petroleum reserves, including such risk factors as greater than anticipated declines in existing production, the unanticipated encroachment of water or other fluids into the producing formation, mechanical failures or human error or inability to access production facilities, among other factors.

The Trust's actual results, including with respect to meeting its production targets, could differ materially from those anticipated in forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Annual Information Form:

- failure to achieve success in the planned drilling program and, in particular, to achieve the Subsidiaries' expected working interest production;
- failure to realize the anticipated benefits of the assets and properties owned by the Subsidiaries and future acquisitions;
- unforeseen difficulties in integrating future acquisitions into the Subsidiaries' operations;
- risks associated with reservoir performance;
- volatility of costs of development, operations and maintenance of properties;
- general economic, market and business conditions;
- volatility of market prices for crude oil, natural gas and natural gas liquids and marketability and hedging activities related thereto;
- risks related to the exploration, development and production of crude oil, natural gas and natural gas liquids reserves and resources;
- risks which may create liabilities to the Trust or the Subsidiaries in excess of the Trust and the Subsidiaries' insurance coverage;

- current global financial conditions, including fluctuations in interest rates, foreign exchange rates, inflation, commodity prices, and stock market volatility;
- uncertainties associated with estimating crude oil, natural gas and natural gas liquids reserves and cash flows to be derived therefrom;
- competition for, among other things, capital, acquisitions of resources and reserves, undeveloped or underdeveloped lands and skilled personnel;
- political or economic developments;
- liabilities inherent in oil and natural gas operations;
- the results of litigation or regulatory proceedings that may be brought against the Trust or the Subsidiaries;
- fluctuations in the cost of borrowing;
- incorrect assessments of the value of acquisitions and the likelihood of success of exploration and development programs;
- geological, technical, drilling and processing problems, including the availability of equipment and access to properties;
- environmental risks and hazards;
- changes in tax laws and incentive programs relating to the oil and natural gas industry, or to mutual fund trusts or SIFT trusts;
- changes in government regulations;
- the use of derivative financial instruments;
- failure to obtain regulatory, industry partner and third party consents and approvals where required;
- failure to engage or retain key personnel;
- claims made in respect of the Subsidiaries' properties or assets;
- potential losses which would stem from any disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Subsidiaries will be reliant;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- the failure of the Trust or any of its Subsidiaries to meet specific requirements of its leases or agreements;
- failure to accurately estimate abandonment and reclamation costs;
- the ability to obtain financing on acceptable terms;
- failure of third parties' reviews, reports and projections to be accurate;
- the occurrence of unexpected events; and
- the other factors discussed under "Risk Factors".

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements of the Trust made by or on behalf of the Trust, investors should not place undue reliance on any such forward-looking statements. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, and that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive.

Further, any forward-looking statement is made only as of the date of this Annual Information Form, and the Trust undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. 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 Trust 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. 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 may differ, and the difference may be material and adverse to the Trust and its Unitholders.

LEGAL PROCEEDINGS AND REGULATORY ACTION

During 2014, the Trust, its Subsidiaries or their property were not subject to any material legal proceedings where the amount involved, exclusive of interest and costs, exceeds 10% of the current assets of the Trust, nor is Management aware of any such material legal proceedings being contemplated.

During 2014, there have not been any penalties or sanctions imposed against the Trust by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other

penalties or sanctions imposed by a court or regulatory body against the Trust, and the Trust has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Units is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta and Toronto, Ontario where transfers of securities may be recorded.

MATERIAL CONTRACTS

Copies of the following documents are available for inspection during normal business hours at the Administrator's office at Suite 2710, 500 - 4th Avenue S.W., Calgary, Alberta, T2P 2V6, or under the Trust's issuer profile on the website maintained by the Canadian Securities Administrators at: www.sedar.com.

1. Trust Indenture. See "Description of the Trust – The Trust Indenture".
2. Administrative Services Agreement. See "Administrative Services Agreement".
3. The credit agreement relating to the Credit Facility. See "Debt Financing".
4. The Voting Agreement. See "Voting Agreement".
5. The Rights Plan. See "Description of the Trust – Rights Plan".

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Trust during, or related to, the Trust's most recently completed financial year other than NSAI and McDaniel, the Trust's independent reserves evaluators, and PricewaterhouseCoopers LLP, the Trust's auditor. As at the date hereof, the principals of NSAI, as a group, and the principals of McDaniel, as a group, beneficially owned, directly or indirectly, less than one per cent of outstanding securities of the Trust, including the securities of associates and affiliates of the Trust.

The Trust's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated March 19, 2015 in respect of the Trust's consolidated financial statements as at December 31, 2014 and for the year ended December 31, 2014. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Trust within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Trust or of any of the associates or affiliate entities of the Trust.

ADDITIONAL INFORMATION

Additional information about the Trust may be found on SEDAR at www.sedar.com. Additional information including remuneration and indebtedness of directors and officers of the Administrator, principal holders of the Units, and securities authorized for issuance under equity compensation plans, is contained in the Management Information Circular of the Trust for its most recent annual meeting of Unitholders, which is available on SEDAR at www.sedar.com and on the Trust's website at www.eagleenergytrust.com. Additional financial information is provided in the Trust's consolidated financial statements and accompanying management's discussion and analysis for the year ended December 31, 2014, which may be found on SEDAR at www.sedar.com and on the Trust's website at www.eagleenergytrust.com.

SCHEDULE A
FORM 51-101F3-
REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Eagle Energy Inc. as administrator (the “**Administrator**”) of Eagle Energy Trust (the “**Trust**”) are responsible for the preparation and disclosure of information with respect to the Trust’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenues as at December 31, 2014 estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the reserves data in respect to the Trust’s reserves data. The report of the independent qualified reserves evaluators is presented below.

The Reserves & Governance Committee of the board of directors (the “**Board**”) of the Administrator has:

- (a) reviewed the Administrator’s procedures for providing information to the independent qualified reserves evaluators;
- (b) met with each of the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservations; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves & Governance Committee of the Board, has reviewed the Administrator’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board has, on the recommendation of the Reserves & Governance Committee, approved:

- (a) the content and filing with the securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that the reserves are categorized according to the probability of their recovery.

DATED: March 19, 2015.

(signed) Richard W. Clark

Richard W. Clark
 President, Chief Executive Officer and Director

(signed) Kelly A. Tomin

Kelly A. Tomin
 Chief Financial Officer

(signed) David M. Fitzpatrick

David M. Fitzpatrick
 Director

(signed) Warren D. Steckley

Warren D. Steckley
 Director

SCHEDULE B
FORM 51-101F2 –
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATORS

To the Board of Directors of Eagle Energy Trust (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2014. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2014, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”) prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2014, and identifies the respective portions thereof that we have evaluated and reported on to the Administrator’s board of directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate)			
			Audited (\$ 000)	Evaluated (\$ 000)	Reviewed (\$ 000)	Total (\$ 000)
Netherland Sewell & Associates, Inc.	February 3, 2015	United States	Nil	US\$ 123,313.1	Nil	US\$ 123,313.1
McDaniel and Associates Consultants Ltd.	February 12, 2015	Canada	Nil	CAD\$ 134,341.3	Nil	CAD\$ 134,341.3

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgments regarding future events, actual events will vary and the variations may be material.

EXECUTED as to our report referred to above:

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699
Dallas, Texas, USA
March 10, 2015

MCDANIEL & ASSOCIATES
CONSULTANTS LTD.

By: /s/ C.H. (Scott) Rees III
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: /s/ P.A. Welch
P.A. Welch, P.Eng.
President & Managing Director

SCHEDULE C
ADMINISTRATOR'S AUDIT COMMITTEE MANDATE

PART I – ESTABLISHMENT OF COMMITTEE

1. Audit Committee

The Board of Directors (the "Board") of Eagle Energy Inc. (the "Corporation") has established an audit committee (the "Audit Committee" or the "Committee") of directors for the purpose of overseeing the accounting and financial reporting processes of both: (i) the Corporation and audits of its financial statements; and (ii) in its capacity as administrator of Eagle Energy Trust (the "Trust"), the Trust and audits of the Trust's financial statements.

2. Composition of Committee

- (a) The Audit Committee will consist of at least three directors. All members of the Committee must be independent as defined in applicable securities laws (subject to permitted exemptions under those laws) and the rules of any stock exchange on which the Corporation's or the Trust's securities are listed for trading.
- (b) Each member of the Audit Committee must be financially literate, or become financially literate within a reasonable period of time following his or her appointment to the Committee (provided that the Board has determined that this will not materially adversely affect the ability of the Committee to satisfy its responsibilities). A member is financially literate under applicable securities laws if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (c) At least one-quarter of the members of the Audit Committee must be resident Canadians.

3. Appointment of Committee Members

Members of the Audit Committee will be appointed by the Board and re-appointed at the meeting of the Board immediately following each annual meeting of shareholders. Committee members will hold office until the next annual meeting or earlier if their successors are appointed, they are removed by the Board or they cease to be directors of the Corporation.

4. Compensation of Committee Members

The Board will fix the remuneration of the members of the Audit Committee and may provide additional remuneration to the Chair of the Committee. Other than as remuneration for acting in his or her capacity as a member of the Board or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee, or as otherwise permitted by applicable securities laws, no consulting, advisory or other compensatory fee will be paid to a member of the Audit Committee by the Corporation, the Trust or any subsidiary of the Corporation or the Trust.

5. Vacancies

When a vacancy occurs in the membership of the Audit Committee, it may be filled by the Board and must be filled by the Board if the membership of the Committee as a result of the vacancy is less than three directors. Any member may be removed or replaced at any time by the Board. Any member will cease to be a member upon ceasing to be a director.

PART II – COMMITTEE PROCEDURES

6. Committee Chair

The Committee Members will appoint a Chair for the Audit Committee. The Chair may be removed and replaced by the Committee.

7. Absence of Committee Chair

If the Chair is not present at any meeting of the Audit Committee, one of the other members of the Committee present at the meeting will be chosen by the Committee to preside at the meeting.

8. Secretary of Committee

The Audit Committee will appoint a Secretary who need not be a director of the Corporation.

9. Meetings

The Audit Committee will meet at least four times per year. All Committee members are expected to attend each meeting, in person or by tele or video conference. A resolution in writing, signed by all the Audit Committee members entitled to vote on that resolution at a meeting of the Committee, is as valid as if it had been passed at a meeting of the Committee.

10. Notice of Meetings

- (a) A meeting of the Audit Committee may be called by any member of the Committee, by the chief executive officer or the chief financial officer of the Corporation (or persons holding equivalent offices) or by the external auditor. Notice of the time and place of a meeting will be given in writing or by electronic communication to each member of the Committee and to the external auditor at least 48 hours prior to the time fixed for the meeting.
- (b) A member of the Audit Committee may in any manner waive notice of a Committee meeting. Attendance of a member at a Committee meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Quorum and Participation

- (a) A majority of the number of members of the Audit Committee appointed by the Board constitutes a quorum at any meeting of the Committee.
- (b) A member of the Audit Committee may, if all the members of the Committee consent, participate in a meeting of the Committee by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A member participating in a Committee meeting by those means is deemed to be present at that meeting.

12. Attendance by External Auditor and Others

- (a) The external auditor is entitled, at the expense of the Corporation, to attend and be heard at every meeting of the Audit Committee, and, if so requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the external auditor.
- (b) At the invitation of the Chair of the Audit Committee, one or more officers or employees of the Corporation or directors who are not members of the Committee may attend a meeting of the Committee.

13. Procedure, Records and Reporting

The Audit Committee will fix its own procedure at meetings, keep minutes of its meetings and report to the Board when the Committee deems appropriate (but not later than the next meeting of the Board). An agenda will be prepared and provided to members sufficiently in advance of an Audit Committee meeting, along with draft minutes of the previous meeting and appropriate briefing materials.

14. Independent Advisors

The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties. Furthermore, the Committee has the authority to set and pay the compensation for any such advisors which are employed by the Committee.

15. Review of Charter

The Audit Committee will review this charter annually or otherwise as it deems appropriate and recommend to the Board any necessary changes.

16. Duties and Reliance

- (a) In exercising their powers and discharging their duties under this charter and applicable law, each member of the Audit Committee must (i) act honestly and in good faith with a view to the best interests of the Corporation and, for so long as the Corporation remains the administrator of the Trust, the Trust and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (b) Each member of the Audit Committee will be entitled to reasonable reliance, or reliance in good faith, on:
 - (i) financial statements of the Corporation and the Trust, as applicable, represented to the member of the Committee by an officer of the Corporation or in a written report of the external auditor of the Corporation to reflect fairly the financial condition of the Corporation and the Trust, as applicable;
 - (ii) the Corporation's disclosure compliance system and on the Corporation's officers, employees and others whose duties would in the ordinary course have given them knowledge of the relevant facts; and
 - (iii) a report, statement or opinion of an expert, being a person or company whose profession gives authority to a statement made in a professional capacity by the person or company including, without limitation, an accountant, actuary, appraiser, auditor, engineer, financial analyst, geologist or lawyer.

PART III – MANDATE OF COMMITTEE**17. External Auditor**

- (a) The external auditor will report directly to the Audit Committee, be responsible for planning with the Corporation and carrying out the audit of the annual financial statements (and any requested review of quarterly financial statements) of the Corporation and the Trust and ultimately be accountable to the Audit Committee and the Board as the representatives of the shareholders and, so long as the Corporation remains the administrator of the Trust, as the representatives of the unitholders of the Trust.
- (b) The Audit Committee will recommend to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's reports or performing other audit, review or attest services for the Corporation and, so long as the Corporation remains the administrator of the Trust, the Trust; and
 - (ii) the compensation of the external auditor.

- (c) The Audit Committee will be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and the Trust, including the following:
- (i) review of the mandate of the external auditor, including the annual engagement letter, audit plan and audit scope;
 - (ii) review of the independence of the external auditor, any rotation of the partners assigned to the audit in accordance with applicable laws and professional standards, the internal quality control findings of the external auditor's firm and peer reviews;
 - (iii) review of the performance of the external auditor, including the relationship between the external auditor and management and the evaluation of the lead partner of the external auditor;
 - (iv) termination or resignation of the external auditor if circumstances warrant, after due inquiry and discussion with management and the external auditor;
 - (v) resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vi) review of material written communications between the external auditor and management;
 - (vii) review of the annual management letter from the external auditor regarding internal controls and opportunities for improvement or efficiency, plus management's response and follow-up in respect of any identified weakness; and
 - (viii) communication with the external auditor regarding such other matters as are required by the Canadian Institute of Chartered Accountants Handbook and other professional standards.
- (d) The Audit Committee will meet or communicate directly with the external auditor, without management being present, as required or appropriate to discharge the responsibilities of the Committee.

18. **Non-Audit Services**

- (a) The Audit Committee will pre-approve all non-audit services to be provided to the Corporation or the Trust or their respective subsidiaries by the external auditor.
- (b) The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.
- (c) Pre-approval of *de minimus* non-audit services will be satisfied if:
- (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation or, for so long as the Corporation remains the administrator of the Trust, the Trust, and their respective subsidiaries to the Corporation's external auditor during the fiscal year in which the services are provided;
 - (ii) the Corporation or, for so long as the Corporation remains the administrator of the Trust, the Trust, or the applicable subsidiary, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
 - (iii) the services are promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (d) Pre-approval of non-audit services will also be satisfied if the Audit Committee adopts specific policies and procedures for the engagement of non-audit services and:
- (i) the pre-approval policies and procedures are detailed as to the particular service;

- (ii) the Audit Committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

19. Financial and Other Disclosure

- (a) The Audit Committee will review, discuss with management (and the external auditor where required or appropriate) and, if required or appropriate, approve or recommend that the Board approve the following Corporation and Trust documents prior to public disclosure:
 - (i) annual audited financial statements and related management's discussion and analysis;
 - (ii) quarterly unaudited financial statements and related management's discussion and analysis;
 - (iii) certifications by the chief executive officer and chief financial officer of annual and quarterly filings, disclosure controls and procedures and internal controls over financial reporting;
 - (iv) news releases announcing financial results, containing financial information based on unreleased financial results or non-GAAP financial measures or providing earnings guidance or forward-looking financial information; and
 - (v) financial information contained in any annual information form, information circular, prospectus, take-over bid circular, issuer bid circular or rights offering circular.
- (b) The Audit Committee will be satisfied that adequate procedures are in place for the review of the Corporation's and the Trust's public disclosure of financial information extracted or derived from the Corporation's or the Trust's financial statements and will periodically assess the adequacy of those procedures.
- (c) The Audit Committee will review the disclosure required by applicable securities laws to be included in its annual information form and cross-referenced in a management information circular to solicit proxies from the shareholders of the Corporation or from unitholders of the Trust for the purpose of electing directors to the Board. That disclosure will consist of the text of this charter, the composition of the Audit Committee, the relevant education and experience of Committee members, reliance on certain exemptions from securities laws relating to audit committees, oversight of the nomination and compensation of the external auditor, policies and procedures for non-audit services and external auditor service fees.

20. Financial Reporting Processes

- (a) The Audit Committee will review with management and the external auditor:
 - (i) the appropriateness of the Corporation's and the Trust's accounting principles and policies and financial reporting;
 - (ii) any changes to the Corporation's or the Trust's accounting principles and policies and financial reporting as such changes are recommended by management or the external auditor;
 - (iii) the accounting treatment of significant risks and uncertainties;
 - (iv) key estimates and judgments of management that may be material to the Corporation's or the Trust's financial reporting; and
 - (v) significant auditing and financial reporting issues discussed during the financial period and the method of resolution.
- (b) The Audit Committee will in particular review the following specific matters, where material:
 - (i) the effect of regulatory and accounting initiatives;
 - (ii) extraordinary transactions;
 - (iii) the use of special purpose entities;

- (iv) off-balance sheet transactions;
- (v) financial risk management, including the use of derivatives;
- (vi) asset retirement or reclamation obligations;
- (vii) pension obligations;
- (viii) commitments, contingencies and guarantees;
- (ix) related party transactions;
- (x) actual or pending legal claims, tax or regulatory matters; and
- (xi) any other matters of accounting or auditing risk.

21. Internal Audit

- (a) The Audit Committee will review:
 - (i) the audit plans of the internal auditor of the Corporation and the Trust and coordination with the external auditor;
 - (ii) the adequacy of the resources of the internal auditor to ensure the objectivity and independence of the internal audit function; and
 - (iii) the significant findings of the internal auditor and recommendations relating to internal audit issues, together with management's response thereto.
- (b) The Audit Committee will meet or communicate directly with the internal auditor, without management being present, as required or appropriate to discharge the responsibilities of the Committee.

22. Other Responsibilities

- (a) The Audit Committee will establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (b) The Audit Committee will review on a timely basis all discovered incidents of fraud within the Corporation, regardless of monetary value.
- (c) The Audit Committee will oversee any auditing or accounting reviews or similar procedures or investigations and may conduct its own investigations with full access to books, records, facilities and personnel of the Corporation and the Trust.
- (d) The Audit Committee will at least annually provide oversight of the Corporation's financial risk management policies.
- (e) The Audit Committee will review and approve the Corporation's policies regarding officer expenses and may review expenses actually incurred by the chief executive officer and other senior officers.
- (f) The Audit Committee will review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Corporation or the Trust.
- (g) The Audit Committee will review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its responsibilities.

SCHEDULE D
DEFINITIONS, ABBREVIATIONS, CONVERSIONS AND EXCHANGE RATES

Definitions

In this Annual Information Form, the initially capitalized terms set forth below have the following meanings:

“**ABCA**” means the *Business Corporations Act* (Alberta), and the regulations thereunder, as amended from time to time.

“**Administrative Services Agreement**” means the administrative services agreement dated September 14, 2010 among the Trustee and the Administrator, as amended and restated on April 2, 2012 and as amended, supplemented or restated from time to time, pursuant to which the Administrator provides administrative services to the Trust and pursuant to which the Administrator is delegated certain duties in connection with the governance of the Trust.

“**Administrator**” means Eagle Energy Inc., or such other party as may be appointed as administrator from time to time pursuant to the Administrative Services Agreement.

“**Administrator Directors**” means the directors of the Administrator from time to time.

“**affiliate**” or “**associate**” has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended from time to time.

“**Board**” means all of the Administrator Directors.

“**business day**” means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Credit Facility**” means the credit facility entered into by Eagle US and Eagle Canada, each as a borrower, the Trust, its other Subsidiaries and the Administrator with a syndicate of Canadian chartered banks, as described under “Debt Financing”.

“**CT**” means Eagle Energy Commercial Trust, an unincorporated open-ended trust established under the laws of the Province of Alberta. The CT was previously the sole limited partner of the Partnership and the sole shareholder of the GP, which transferred their assets and liabilities to Eagle US in June 2014 pursuant to an internal reorganization and were dissolved at the end of 2014.

“**Dixonville Properties**” means the working interest owned by Eagle Canada in the oil and gas properties near Dixonville in northern Alberta.

“**Eagle Canada**” means Eagle Energy Canada Inc., a corporation incorporated under the ABCA and the operating indirect subsidiary of the Trust in Canada.

“**Eagle Canada Holdco**” means 1857515 Alberta Ltd., a corporation incorporated under the ABCA, which is the sole shareholder of Eagle Canada and is a direct subsidiary of the Trust.

“**Eagle US**” means Eagle Hydrocarbons Inc., a corporation incorporated under the laws of the state of Delaware and the operating indirect subsidiary of the Trust in the U.S.

“**Eagle US Holdco**” means Eagle Energy Holdings Inc., a corporation incorporated under the ABCA, which is the sole shareholder of Eagle US and is a direct subsidiary of the Trust.

“**Eagle US Notes**” means collectively, Eagle US Note Series 1 and Eagle US Note Series 3.

“**Eagle US Note Series 1**” means the unsecured promissory note of Eagle US held by the Trust dated June 16, 2014 with an aggregate principal amount of \$38,854,268.95 and bearing interest at the rate of 11.5% per annum, which will mature on December 31, 2020.

“**Eagle US Note Series 3**” means the unsecured promissory note of Eagle US held by the Trust dated June 16, 2014 with an aggregate principal amount of \$51,452,875.00 and bearing interest at the rate of 10.0% per annum, which will mature on May 31, 2022.

“**EEl Holdings**” means EEl Holdings Inc., the sole shareholder of the Administrator.

“**Environmental Liabilities**” means all liabilities, losses, costs, charges, damages, expenses, and penalties (including costs and expenses of abatement and remediation of spills or releases of contaminants and all

liabilities to third parties (including governmental agencies) in respect of bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage, including foreseeable and unforeseeable consequential damages) sustained, suffered or incurred in connection with or as a result of (a) the administration of the Trust, or (b) the exercise or performance by the Trustee or the Administrator of any rights or obligations under the Trust Indenture or under any other contracts, and which, in either case, result from or relate, directly or indirectly, to:

- (a) the presence or release or threatened presence or release of any contaminants, by any means or for any reason, on or in respect of any properties of the Trust, whether or not such presence or release or threatened presence or release of the contaminants was under the control, care or management of the Trust or the Administrator or of a previous owner or operator of such property;
- (b) any contaminant present on or released from any property adjacent to or in the proximate area of any properties of the Trust;
- (c) the breach or alleged breach of any federal, provincial, state or municipal environmental law, regulation, by law, order, rule or permit by the Trust or the Administrator, or an owner or operator of a property; or
- (d) any misrepresentation or omission of a known fact or condition made by the Administrator relating to any property.

“**GP**” means Eagle Hydrocarbons LLC, a limited liability company formed pursuant to the laws of Delaware and the general partner of the Partnership. Pursuant to an internal reorganization completed in June 2014, the GP transferred all of its assets and liabilities to Eagle US and was dissolved at the end of 2014.

“**Hardeman Properties**” means the working interest owned by Eagle US in the oil and gas properties in Hardeman County, Texas and Greer, Harmon and Jackson counties, Oklahoma.

“**Management**” means the executive officers of the Administrator, Eagle US and Eagle Canada from time to time.

“**McDaniel**” means McDaniel and Associates Consultants Ltd., an independent petroleum consulting firm based in Calgary, Alberta.

“**McDaniel Reserve Report**” means the independent engineering evaluation of the oil and natural gas reserves relating to Eagle Canada’s oil and gas interests titled “Eagle Energy Inc., Evaluation of Oil and Gas Reserves Based on Forecast Prices and Costs as of December 31, 2014”, prepared by McDaniel as of December 31, 2014.

“**NSAI**” means Netherland, Sewell & Associates, Inc., an independent firm of petroleum engineers based in Dallas, Texas.

“**NSAI Reserve Report**” means the independent engineering evaluation of the oil and natural gas reserves relating to Eagle US’s oil and gas interests titled “Estimates of Reserves and Future Revenue to the Eagle Hydrocarbons Inc. Interest in Certain Oil and Gas Properties located in Oklahoma and Texas as of December 31, 2014.

“**NI 51-101**” means National Instrument 51-101 – “*Standards of Disclosure for Oil and Gas Activities*” of the Canadian Securities Administrators.

“**Option Plan**” means the Unit option plan of the Trust.

“**Options**” means options to acquire Units, granted under the Option Plan.

“**Ordinary Resolution**” means a resolution passed by more than 50% of the votes cast, either in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or a resolution approved in writing by holders of more than 50% of the votes entitled to be voted on such resolution.

“**Other Trust Securities**” means any type of securities of the Trust, other than Units, including notes, options, rights, warrants or other securities convertible into or exercisable for Units or other securities of the Trust (including convertible debt securities, subscription receipts and instalment receipts).

“**Palo Pinto Properties**” means the working interest owned by Eagle US in the oil and gas properties in Palo Pinto and Martin counties, Texas.

“Partnership” means Eagle Energy Acquisitions LP, a limited partnership that was established under the laws of the State of Delaware and governed by the LP Agreement, the partners of which were the GP, as general partner, and the CT as limited partner. Pursuant to an internal reorganization completed in June 2014, the Partnership transferred all of its assets and liabilities to Eagle US and was dissolved at the end of 2014.

“person” means and includes individuals, companies, corporations, limited partnerships, general partnerships, joint stock companies, limited liability companies, joint ventures, associations, trusts, banks, trust companies, pension funds, and other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof.

“Redemption Price” means the redemption price applicable to any redemption of Units by Unitholders as further described under “Description of the Trust – Redemption at the Option of Unitholders”.

“Registered Plans” means, collectively, registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts.

“Salt Flat Acquisition” means the acquisition on November 24, 2010 by the Partnership of the Salt Flat Properties.

“Salt Flat Properties” means the working interest owned by Eagle US in the oil and gas properties known as the Salt Flat Field located in Caldwell County, Texas.

“SIFT Rules” means the provisions of the Tax Act that apply to a SIFT trust.

“SIFT tax” means the tax to which SIFT trusts are subjected by the SIFT Rules.

“SIFT trust” means a trust as defined in section 122.1 of the Tax Act.

“Special Resolution” means a resolution passed by more than 66⅔% of the votes cast, either in person or by proxy, at a meeting of Unitholders, as applicable, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or a resolution approved in writing by holders of more than 66⅔% of the votes entitled to be voted on such resolution.

“Subsidiaries” means the subsidiaries of the Trust.

“subsidiary” has the meaning ascribed thereto in the ABCA, and **“Subsidiary”** means any one subsidiary of the Trust.

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

“Trust” means Eagle Energy Trust, an unincorporated open ended limited purpose trust established under the laws of the Province of Alberta.

“Trust Indenture” means the trust indenture establishing the Trust dated July 20, 2010, as subsequently amended and restated including on December 15, 2014, and as may be further amended, supplemented or restated from time to time.

“Trust Property” means, at any time, all of the money, properties and other assets of any nature of kind whatsoever as are, at such time, held by the Trust or by the Trustee or its delegate on behalf of the Trust.

“Trustee” means the trustee of Eagle Energy Trust, which, as at the date of this Annual Information Form, is Computershare Trust Company of Canada.

“TSX” means the Toronto Stock Exchange.

“Unitholder” means a registered holder of Units.

“Units” means the trust units of the Trust, each Unit representing an equal undivided beneficial interest in the Trust.

“United States” or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“Voting Agreement” means the voting agreement dated November 12, 2010 among EEI Holdings, the Trustee and the Administrator, with regard to, among other matters, the election of the Administrator Directors (as directed by the Trustee as agent for the Unitholders).

“West Texas Intermediate” or **“WTI”** means West Texas Intermediate grade crude oil at a reference sales point in Cushing, Oklahoma, a common benchmark for crude oil.

Certain other terms used in this Annual Information Form but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

Abbreviations and Conversions

In this Annual Information Form, the following abbreviations have the meanings set forth below:

bbbl	barrel and barrels, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	MMboe	one million barrels of oil equivalent
bbbl/d	barrels per day	Mcf	one thousand cubic feet
boe	barrels of oil equivalent converting 6 Mcf of natural gas or one barrel of natural gas liquids to one barrel of oil equivalent	Mcf/d	one thousand cubic feet per day
boe/d	barrels of oil equivalent per day	MMBTU	one million British Thermal Units
Mbbl	one thousand barrels	MMcf	one million cubic feet
Mboe	one thousand barrels of oil equivalent	Bcf	one billion cubic feet
MMboe	one million barrels of oil equivalent	Mcf	one thousand cubic feet
MMBO	one million barrels of oil		

Barrel of Oil Equivalency Measures

The Trust has adopted the standard of 6 Mcf: 1 bbl when converting natural gas to boes. Boes may be misleading, particularly if used in isolation. A boe 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 wellhead. 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.

Conversions

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Currency and Exchange Rate Information

In this Annual Information Form, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. References to "\$" are to Canadian dollars unless otherwise specified.

The following table sets forth, for the periods indicated, the high, low, average and period-end noon spot rates of exchange for one U.S. dollar, expressed in Canadian dollars, as published by the Bank of Canada. Such rates are shown as, or are derived from, the reciprocals of the noon buying rates in New York City for cable transfers payable in Canadian dollars, as available on the Bank of Canada website.

	Year Ended December 31		
	2014	2013	2012
	(\$CAD)	(\$CAD)	(\$CAD)
Highest Rate During the Period	1.1643	1.0697	1.0418
Lowest Rate During the Period	1.0614	0.9839	0.9710
Average Noon Spot Rate for the Period	1.1045	1.0299	0.9996
Rate at the End of the Period	1.1601	1.0636	0.9949

On March 18, 2014, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was \$US 1.00 equals \$CAD 1.2771.