PRESS RELEASE

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EAGLE ENERGY TRUST PROVIDES THIRD QUARTER FINANCIAL INFORMATION, REVISED OUTLOOK AND OPERATIONAL UPDATE

Calgary, Alberta: Eagle Energy Trust (the "Trust") (TSX: EGL.UN) is pleased to report its financial and operating results for the third quarter 2012, as well as provide an outlook and operational update. The Trust's unaudited interim condensed consolidated financial statements for the nine months ended September 30, 2012 and related management's discussion and analysis have been filed with the securities regulators and will be available shortly under the Trust's issuer profile on the SEDAR website at www.sedar.com, and are available on the Trust's website at www.EagleEnergyTrust.com.

This press release contains statements that are forward looking. Investors should read the Note Regarding Forward-Looking Statements at the end of this press release. In this press release, references to "Eagle" include the Trust and its operating subsidiaries.

Highlights for the three month period ended September 30, 2012

- Achieved average working interest sales volumes of 2,825 boe/d (95% oil and natural gas liquids "NGL"), which represents a 184% increase from the comparable 2011 quarter and an 18% increase from the second quarter of 2012.
- Recorded funds flow from operations of $9.0 million ($34.78 per boe or $0.32 per unit), which represents a 272% increase from the comparable 2011 quarter and a 25% increase from the second quarter of 2012.
- Achieved a 12% reduction in field operating costs, excluding transportation, since the second quarter 2012 and a 17% reduction when compared to the third quarter of 2011. Total field operating costs, including transportation, are $13.78/boe.
- Declared unitholder distributions of $0.26 per unit for the quarter ($0.0875 per unit per month).
- Drilled seven (5.7 net) oil wells during the quarter, six (4.8 net) horizontal wells in the Salt Flat Field and one (0.9 net) vertical well in the Permian Basin. In addition, one (0.8 net) salt water disposal well was drilled in the Salt Flat Field.

- Tied in ten (8.3 net) oil wells during the quarter, eight (6.4 net) horizontal wells in the Salt Flat Field and two (1.9 net) vertical wells in the Permian Basin.

- Assumed operatorship of the recently acquired Permian Basin properties.

Summary of quarterly results

The following table shows selected information for the Trust's third fiscal quarter of 2012 and information for the comparative period in 2011.

	Three months ended Sept. 30, 2012	**Three months ended Sept. 30, 2011**	**Nine months ended Sept. 30, 2012**	**Nine months ended Sept. 30, 2011**
($000's except for boe/d, per boe and per unit amounts)				
Sales volumes – boe/d	2,825	995	2,466	1,159
Revenue, net of royalties	15,181	5,533	42,205	19,973
per boe	58.41	60.42	62.47	63.14
Funds flow from operations	9,039	2,432	25,390	12,653
per boe	34.78	26.55	37.58	40.00
per unit – basic	0.32	0.14	1.13	0.71
Income (loss)(2)	(1,095)	421	6,521	213
per unit – basic	(0.04)	0.02	0.28	0.01
Cash distributions declared	7,512	4,848	19,162	14,351
per issued unit	0.2625	0.2625	0.7875	0.7875
Current assets	14,209	14,121	14,209	14,121
Current liabilities	23,723	12,023	23,723	12,023
Total assets	283,913	164,480	283,913	164,480
Total non-current liabilities	35,136	2,671	35,136	2,671
Unitholders' equity	225,055	149,785	225,055	149,785
Units outstanding for accounting purposes	28,654(1)	18,174 (1)	28,654(1)	18,174 (1)
Units issued	28,783	18,562	28,783	18,562

Note:

(1) Units outstanding for accounting purposes exclude those escrowed units due to the performance conditions that have to be met to enable such units to be released from escrow.

(2) Income (loss) on a quarterly basis often does not move directionally nor by the same amount as movements in funds flow from operations. This is primarily due to items of a non-cash nature that factor into the calculation of income (loss), which are required to be fair valued at each quarter end. As an example of this, even though third quarter 2012 funds flow from operations increased 25% from the prior quarter, income for the third quarter decreased significantly due to a strengthening commodity price environment (which negatively affected the valuation of Eagle's commodity contracts) and a stronger unit price (which negatively affected the fair market valuation of future unit based compensation).

Working interest sales volumes for the nine months ended September 30, 2012, averaged 2,466 boe/d (97% oil and NGL, 3% natural gas), 113% above September 30, 2011 levels. Third quarter 2012 volumes of 2,825 boe/d were 184% above the prior years' comparable quarter and 18% higher than the second quarter of 2012. The increase is attributable to the May 2012 Permian Basin acquisition, four additional tie-ins in the Permian Basin and an additional 19 (15.2 net) horizontal oil wells brought on stream in the Salt Flat area since September 30, 2011.

The third quarter 2012 benchmark $US West Texas Intermediate ("WTI") price increased 3% from the prior years' comparative quarter, with $US realized oil prices and Canadian dollar realized oil prices increasing by a commensurate amount. During the quarter, benchmark WTI averaged $US 92.18 per barrel and Eagle realized a field netback of $44.63 per boe. 99% of Eagle's quarterly revenue is derived from oil and NGL.

Fuel, utilities and equipment rentals (generators) account for 40% of the 2012 year to date operating costs. Third quarter 2012 operating costs, excluding transportation, have been reduced by 12% when compared to the second quarter of 2012, and by 17% when compared to the third quarter of 2011. With the power installation now complete at Salt Flat, one or two generators are used temporarily until recently drilled well sites can be electrified. In addition, the electrical contract in the Salt Flat field has been renegotiated, resulting in approximate savings of $143,000 for the June to December 2012 period and a 37% drop in the per-kilowatt-hour rate for the December 2012 to December 2014 period.

There is a quality differential between the benchmark WTI price and the $US price realized by Eagle. Eagle has negotiated a six month (September 2012 through February 2013) marketing agreement that pegs the reference price in the Salt Flat area to Louisiana Light Sweet instead of WTI at Cushing, Oklahoma. When combined with its existing marketing agreement, Eagle expects its September 2012 through February 2013 average oil price differential at Salt Flat to be a positive $US 1.53 per barrel. Eagle has also negotiated a five month (October 2012 through February 2013) marketing agreement for the Permian Basin. With this new marketing agreement in place, Eagle expects its October 2012 through February 2013 price differential for the Permian Basin to be a minus $US 1.91 per barrel relative to WTI. Realized NGL prices were approximately 40% of benchmark WTI for the quarter. Management monitors pricing regularly and endeavours to maximize realized sales prices, while minimizing counterparty risk. A key part of the Trust's strategy is to acquire US properties which are close to markets and in so doing, realize attractive sales prices compared to Canadian production.

At September 30, 2012, the Trust had a working capital deficiency of $9.5 million (which becomes a $0.8 million working capital surplus when the fair market valuation of the non-cash liability for unit-based payments is excluded). In addition, the Trust had $Cdn 33.4 million drawn on its $US 48.5 million bank credit facility.

Outlook

- 2012 full year average production guidance reduced from 2,900 boe/d, to approximately 2,700 boe/d.
- Fourth quarter 2012 average production expected to be approximately 11% above third quarter levels.
- Second half 2012 average production guidance reduced from 3,600 boe/d to approximately 3,000 boe/d.
- 2012 exit rate production guidance of approximately 3,300 boe/d, with approximately 1,000 boe/d (95% oil and NGL) coming from the Midland area and 2,300 boe/d (100% oil) coming from the Luling area.
- 2012 full year average operating cost guidance maintained at approximately $15.00 per boe, trending below $13.00 per boe during the fourth quarter.

- 2012 full year funds flow from operations guidance reduced from $46.4 million[1] to approximately $37.0 million[2].
- Full year 2012 capital expenditures of approximately $43.0 million, consistent with existing guidance of $42.0 million.
- Exit 2012 with an approximate 1.0 x debt to trailing cash flow ratio.
- Distributions remain sustainable.
- 2012 payout ratio[3] expected to increase from 60% to approximately 70%.

In the Midland area (Permian Basin), Eagle remains focused on growing this multi-zone stacked pay resource to 1,000 boe/d (up from approximately 600 boe/d at the time of acquisition) by the end of 2012. To date, five wells have been tied in and brought on stream in the Midland area since the April 1, 2012 effective date of the acquisition. These new wells are performing as expected.

In the Luling area (Salt Flat Field), although some wells performed above type curve forecast, in aggregate the 2012 program did not meet expectations. Eagle has reviewed its drilling practices and has determined that failure to displace drilling mud and cuttings curtailed production from these wells. The drilling mud program has been changed and a wellbore clean out program is underway. Although the 2012 drilling program was over budget, the last five wells in the program achieved the best cost performance to date, all coming in below budget. Four of these five wells have been brought on production and, in aggregate, are producing at expected type curve levels. Notwithstanding these challenges, Eagle's 2012 expected exit rate for this field will still result in a greater than seven fold production increase since it was acquired effective June 1, 2010.

Eagle does not anticipate any negative revisions to reserves as the adjustment to Eagle's guidance is due to drilling delays and potential mud displacement issues during completion techniques only.

Integrating Acquisitions and Enhancing Scalability

"As the originator and one of the leaders of this new class of foreign asset income trusts, it easy for me to forget that Eagle is less than two years old," said Mr. Clark, President and CEO. "Every innovation has growing pains, as do most young companies. We resolved production challenges last year and we will do the same today. Despite our growing pains, we have maintained reliable distribution payments and a conservative balance sheet. Eagle has acquired high netback assets with substantial upside, attracted experienced staff and improved its capability in both operations and finance, despite challenging levels of market volatility and strong competition in the US. This quarter we have reduced costs and improved netbacks for the coming year. We integrated our acquisition ahead of plan and added scalable systems to improve performance. The results of these efforts will go forward with us into the fourth quarter and beyond."

"Midland is performing as expected," continued Mr. Clark. "We have managed costs and improved the drilling and completions process. Various enhancements remain, through pump changes and rod design improvements. These assets will remain in the "growth phase" of their development through 2013, and we are planning to continue to acquire in this area."

"Luling is behind plan on production, but continues to have attractive economics. We set out to improve our drilling process this year, and ultimately accomplished what we set out to do, albeit in the latter part of the 2012 program.

[1] Assumed $US 88 WTI, natural gas $US 2.68 NYMEX and 2012 average working interest production of 2,900 boe/d.

[2] Assuming $US 88 WTI, natural gas $US 2.90 NYMEX and 2012 average working interest production of 2,700 boe/d.

[3] Eagle calculates this ratio as follows: Unitholders Distributions / Funds flow from operations.

Our highest production and lowest cost wells were completed during the fourth quarter this year," said Mr. Clark. "We have already implemented the changes needed to improve results. The Salt Flat field still has enhancement potential and we are working to improve our results there."

"Reliable distributions are central to Eagle's business," said Mr. Clark. "However, the growth component of our business model requires that Eagle's sustainability be considered over more than one year. Distinguishing between capital spent to maintain production and capital spent to grow, over time, demonstrates that Eagle is building a "base case" of cost effective legacy production, which is a truly sustainable financial strategy."

Non-IFRS Financial Measures

Statements throughout this press release make reference to the terms "field netback" and "funds flow from operations" which are non-International Financial Reporting Standards ("**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 "field netback" and "funds flow from operations" 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. Funds flow from operations is calculated before changes in non-cash working capital. Field netback is calculated by subtracting royalties and operating costs from revenues. See the "Non-IFRS financial measures" section of the MD&A for a reconciliation of funds flow from operations and field netback to income for the period, the most directly comparable measure in the Trust's audited annual consolidated financial statements. Other financial data has been prepared in accordance with IFRS.

Note Regarding Forward-Looking Statements

Certain of the statements made and information contained in this press release are forward-looking statements and forward looking information (collectively referred to as "forward-looking statements") within the meaning of Canadian securities laws. All statements other than statements of historic fact are forward-looking statements.

Forward-looking statements include those pertaining to Eagle's expectations regarding its average production for the fourth quarter, second half and full year of 2012; 2012 exit rate production from the Midland area, the Luling area and in total; average operating costs per boe for the fourth quarter and full year of 2012; 2012 full year funds flow from operations; 2012 full year capital expenditures; its debt to trailing cash flow ratio at the end of 2012; the amount of and sustainability of its distributions; its intentions to continue acquiring assets in the Midland area; its expectations regarding the enhancement potential of the Salt Flat field; and Eagle's business strategy to build a base case of cost effective legacy production.

In determining its 2012 average production rates, operating and capital costs, funds flow from operations, and debt to trailing cash flow ratio management has made assumptions relating to, among other things, anticipated future production from the wells in the Luling area and Midland area, regulatory approvals, future commodity prices and US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S. and Texas, drilling program, the ability to market future production from its assets and future capital expenditures. These assumptions necessarily involve known and unknown risks and uncertainties inherent in the oil and gas industry such as geological, environmental, technical, drilling and processing problems, the volatility of oil and natural gas prices, commodity supply and demand, fluctuations in currency and interest rates, obtaining regulatory approvals, competition for services and supplies as well as other business risks that are set out in the Trust's Annual Information Form dated March 22, 2012 under the heading "Risk Factors".

The success of Eagle's drilling program is a key assumption in the production estimates for the 2012 financial year. The primary risk factors which could lead to Eagle not meeting its 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 due to high industry demand or poor weather; 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, Eagle may choose to decrease capital expenditures from those anticipated in its budget projections, therefore affecting production estimates for the 2012 financial year. There are many factors that could result in production levels being less than anticipated, including greater than anticipated declines in existing production due to poor reservoir performance, 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.

As a result of these risks, actual performance and financial results in 2012 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's average working interest production rates for the fourth quarter, second half and full year of 2012, operating costs, funds flow from operations, debt level, capital budget for 2012, and the Trust's distributions, are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, commodity prices and industry conditions and regulations. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those set out in this press release. New factors emerge from time to time, and it is not possible for management to predict all of these factors or to assess in advance the impact of each such factor on the operations of Eagle, or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Unlike fixed income securities, Eagle has no obligation to distribute any fixed amount and reductions in, or suspension of, cash distributions may occur that would reduce future yield.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward looking statements will not occur. Although management believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date the forward-looking statements were made, there can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Trust and its unitholders.

Oil and Natural Gas Measures

This press release contains disclosure expressed as "boe" or "boe/d". All oil and natural gas equivalency volumes have been derived using the conversion ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. In addition, given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of six to one, utilizing a boe conversion ratio of 6 Mcf: 1 bbl would be misleading as an indication of value.

About the Trust

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

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

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

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