NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces
Increased Borrowing Capacity under a Four Year Secured Term Loan,
2017 Growth Capital Budget and Guidance,
and Suspension of Dividend

Calgary, Alberta - March 13, 2017 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") is announcing an increase to its borrowing capacity by way of a new four year secured term loan and its 2017 capital budget, production and operating cost guidance. In addition, as Eagle embarks on a more growth-oriented strategy, it is announcing a suspension of its dividend following the payment of its February dividend. The February dividend of $0.005 per common share that was previously declared on February 15, 2017 for shareholders of record on February 28, 2017 will still be paid on March 23, 2017.

In this news release, references to "Eagle" include Eagle Energy Inc. and its operating subsidiaries. This news release contains non-IFRS financial measures and statements that are forward-looking. Investors should read the sections titled "Non-IFRS Financial Measures" and "Note about Forward-Looking Statements" near the end of this news release. ***Figures within this news release are presented in Canadian dollars unless otherwise indicated.***

$CA 87 million ($US 65 million) Term Loan Financing - Overview

- Eagle has expanded its borrowing capacity by 24%, to approximately $87 million ($US 65 million), which allows Eagle to execute its growth strategy.

- Eagle has replaced its entire $70 million authorized bank credit facility with a new four year secured term loan from White Oak Global Advisors, LLC ("**White Oak**") which provides up to $87 million (the current Canadian dollar equivalent of $US 65 million) of financing. Headquartered in San Francisco, White Oak is an SEC-registered investment adviser with assets under management of approximately $US 3 billion.

- Eagle drew approximately $82 million (the current Canadian dollar equivalent of $US 61.5 million) upon closing the term loan arrangement and can draw the remaining $US 3.5 million prior to the first anniversary of closing.

- Based on Eagle's 2016 ending net debt of $59 million and execution of its approved 2017 budget (refer to "2017 Budget Highlights" below), Eagle expects 2017 ending net debt to be $71.2 million, thus affording Eagle approximately $13 million in combined working capital and undrawn term loan availability at the end of 2017 (based on the assumptions set forth below under "2017 Guidance").

- Eagle's expanded credit base, coupled with its 2017 expected funds flow from operations (refer to "2017 Guidance" below) has allowed a four-fold increase in the capital budget from 2016. Expected growth in year-over-year fourth quarter average production is 8%, but more impactful will be the exploitation of substantial, internally-identified drilling opportunities in Eagle's Hardeman and Twining fields that the 2017 capital budget is expected to provide.

Richard Clark, Chief Executive Officer, commented, "Eagle functions efficiently on both sides of the Canada-United States border. Moving from a Canadian-based to a U.S.-based lender marks just one example of Eagle's ongoing allocation of capital and optimization of opportunities between these two jurisdictions. Nearly a year ago, when we saw declining support for lending to the junior energy space in Canada, we looked at a segment of U.S.-based private lenders which had the ability to grow with us as financial partners and could provide more transparency and predictability around their lending parameters. The White Oak financing meets this objective since the borrowing base is determined using defined market parameters set out in our loan agreement, in contrast to the subjective approach of the Canadian banks."

Mr. Clark continued, "White Oak affords Eagle a partner that has the capacity to provide additional financing to fund future acquisitions. This establishes a foundation for Eagle to execute its new growth strategy over the next four years and accelerate the development of its low risk drilling inventory. When considered alongside the rates of return Eagle expects to achieve when executing its growth strategy, borrowing costs under the White Oak financing are reasonable."

Darius Mozaffarian, Co-President and Head of Originations of White Oak, added, "We are excited to be Eagle's financing partner. We have a strong conviction in the management team as well as Eagle's strategic growth in Canada and the United States."

KLR Group, LLC served as the exclusive financial advisor to Eagle for this loan agreement.

2017 Budget Highlights

- 2017 capital budget of $22.8 million ($US 12.5 million for its operations in the United States and $6.6 million for its operations in Canada). Included in the $US 12.5 million capital budget is $US 3.5 million for land acquisitions on seismically-defined play trends in Eagle's Hardeman area, which will provide a platform for economic production growth in future years.
- 2017 production guidance of 3,800 to 4,000 barrels of oil equivalent per day **("boe/d")** (including working interest and royalty interest volumes), resulting in 8% year-over-year fourth quarter production growth. Eagle's proved developed producing corporate decline rate is approximately 18% per annum.
- 2017 field netbacks of $25.78 / boe.
- 2017 monthly operating cost guidance (inclusive of transportation) of $2.1 million to $2.3 million per month, resulting in per boe operating costs of $19.04 (figure based on the mid-range guidance level of $2.2 million per month).
- 2017 funds flow from operations of $16.0 million ($0.38 per share), consistent with 2016 expected levels and incorporating a 16% forecast decrease year-over-year of general and administrative expenses.
- 2017 ending net debt of $71.2 million, affording Eagle approximately $13 million in combined working capital and undrawn term loan availability at the end of 2017 (based on the assumptions set forth below under "2017 Guidance").

Commenting on the 2017 budget and beyond, Mr. Clark said, "We are excited about our growth prospects over the next four years. If we assume an average 2017 to 2021 WTI price of $US 55.00 per barrel, an exchange rate of $US 1.00 equal to $CA 1.28, and our annual drilling programs performing as expected, we could see Eagle's debt to trailing cash flow ratio reduce to below 1:1 at the time our term loan matures. We are pleased to find a financial partner like White Oak who supports our vision and believes in the capabilities of our team to execute this plan."

Wayne Wisniewski, President and Chief Operating Officer, added, "Our investment and focus on geological and geophysical work over the past two years has put us in the enviable position of being opportunity rich. In addition to de-risking our asset portfolio, we have added potential drilling locations both north and south of the border. All our projects have significant positive torque to oil price increases in addition to having low drill, complete and equip costs. Our drill, complete and equip cost for horizontal wells in our portfolio ranges from $CA 1.3 million to $CA 4.0 million and have strong capital efficiency and finding and development cost metrics. We currently project drilling and completion cost increases in the 15% range when compared to 2016; however, even with those cost assumptions, our "quality through choice" drilling portfolio is expected to achieve a rate of return in excess of 30% at $US 50.00 per barrel WTI flat oil pricing. Our robust drilling inventory, coupled with high quality, low decline base assets and new access to capital, should allow us to double production and reserves within the next 24 to 36 months."

2017 Guidance

Eagle's 2017 guidance for its capital budget, average production and monthly operating costs together with resulting funds flow from operations, ending net debt and field netback (excluding hedges) (based on management's assumptions) are as follows:

	2017 Guidance	Notes
Capital Budget	$22.8 mm	(1)
Average Production	3,800 to 4,000 boe/d	(2)
Operating Costs per month	$2.1 to $2.3 mm	(3)
Funds Flow from Operations	$16.0 mm	(4)
Ending net debt	$71.2 mm	
Field Netback (excluding hedges)	$25.78 / boe	(5)

Notes:

(1) The 2017 capital budget of $22.8 million consists of $US 12.5 million for Eagle's operations in the United States and $6.6 million for Eagle's operations in Canada.

(2) 2017 production is forecast to consist of 84% oil, 3% natural gas liquids ("**NGLs**") and 13% natural gas. These numbers include working interest and royalty interest volumes.

(3) Operating cost guidance is stated on a per month basis rather than per boe basis due to the mostly fixed nature of the costs.

(4) 2017 funds flow from operations is expected to be approximately $16.0 million based on the following assumptions:

(a) average production of 3,900 boe/d (the mid-point of the guidance range);

(b) pricing at $US 55.46 per barrel WTI oil, $US 3.36 per Mcf NYMEX gas, $CA 2.79 per Mcf AECO and $US 19.41 per barrel of NGL (NGL price is calculated as 35% of the WTI price);

(c) differential to WTI is $US 3.18 discount per barrel in Salt Flat, $US 3.50 discount per barrel in Hardeman, $CA 11.50 discount per barrel in Dixonville and $CA 8.00 discount per barrel in Twining;

(d) average operating costs of $2.2 million per month ($US 0.8 million per month for Eagle's operations in the United States and $1.2 million per month for Eagle's operations in Canada), the mid-point of the guidance range; and

(e) a foreign exchange rate of $US 1.00 equal to $CA 1.30.

(5) This figure assumes average operating costs of $2.2 million per month (the mid-point of the guidance range) and a $US 55.46 WTI price. Field netback is a non-IFRS financial measure. Refer to the section below titled "Non-IFRS Financial Measures".

Tables showing the sensitivity of Eagle's 2017 funds flow from operations to changes in commodity price, production and exchange rates are set out below under the heading "2017 Sensitivities".

Updated Dividend Strategy

Concurrent with embarking on a more growth oriented strategy, Eagle is announcing a suspension of its dividend following the payment of its February dividend. The February dividend of $0.005 per common share of Eagle that was previously declared on February 15, 2017 for shareholders of record on February 28, 2017 will still be paid on March 23, 2017.

Commenting on the updated dividend strategy, Mr. Clark said, "Previously, Eagle focused on a sustainable business model using less than 100% of our annual cash flow to deliver total returns to our shareholders through both dividends and modest production growth. However, our capital budget for 2017, a year in which we build the platform for future reserves and production growth, requires 145% of Eagle's 2017 expected cash flow. This decision makes the payment of a dividend neither sustainable nor sensible. When Eagle has successfully implemented this capital intensive phase of its growth, the Board may consider reinstating an appropriate dividend."

$CA 87 million ($US 65 million) Term Loan Financing - Details

The following lists the key terms of the loan agreement between Eagle and White Oak:

- Effective Date – March 13, 2017
- Term – 4 years
- Maturity Date - March 13, 2021
- Aggregate Term Loan Commitment / Initial Borrowing Base - $US 65 million

- Borrowing Base Redeterminations – Quarterly, commencing June 15, 2017 and based upon an advance rate of 75% of the proved developed producing reserves value, discounted at 10% ("**PDP PV10 reserves value**").
- Drawings - $US 61.5 million initially drawn on the Effective Date. The incremental $US 3.5 million can be drawn at Eagle's option upon Eagle completing a notice of borrowing and drawing prior to March 13, 2018.
- Coupon – LIBOR plus 8% (with LIBOR having a floor of 1%).
- Financial covenants – The four financial covenants in the loan agreement are briefly described below:
    - Consolidated Leverage Ratio – as at the end of each fiscal quarter, commencing with the quarter ended June 30, 2017, Eagle is to maintain a Consolidated Leverage Ratio of not greater than 3.50 to 1.00 for each fiscal quarter ending on or prior to December 31, 2017 and a ratio of not greater than 3.00 to 1.00 for each fiscal quarter ending on or after March 31, 2018.
        - The "Consolidated Leverage Ratio" is defined in the loan agreement as the ratio of Consolidated Funded Debt to Consolidated Adjusted EBITDAX for the trailing four fiscal quarters. Consolidated Adjusted EBITDAX is generally defined as net income before interest, taxes, depreciation, depletion, amortization or other expenses, gains or losses that do not represent a cash item in such period.
    - Consolidated Fixed Charge Ratio – as at the end of each fiscal quarter, commencing with the quarter ended March 31, 2017, Eagle is to maintain a Consolidated Fixed Charge Ratio of not less than 2.50 to 1.00.
        - The "Consolidated Fixed Charge Ratio" for the fiscal quarter is defined in the loan agreement as the ratio that (i) Consolidated Adjusted EBITDAX plus (ii) income tax payments minus (iii) maintenance capital expenditures associated with proved developed producing reserves is to interest expense (each for the fiscal quarter).
    - Asset Coverage Ratio – as at the end of each fiscal quarter, commencing with a March 31, 2017 effective date reserve report internally prepared by Eagle, Eagle is to maintain an Asset Coverage Ratio of not less than 1.333 to 1.000.
        - The "Asset Coverage Ratio" is defined in the loan agreement as the ratio of the PDP PV10 reserves value (using prices quoted on NYMEX) to the aggregate principal balance outstanding under the term loan.
    - Consolidated Current Ratio – as at the end of each fiscal quarter, commencing with the quarter ended March 31, 2017, Eagle is to maintain a Consolidated Current Ratio of not less than 1.00 to 1.00.
        - The "Consolidated Current Ratio" is defined in the loan agreement as the ratio of Consolidated Current Assets to Consolidated Current Liabilities, but, in each case, excluding any risk management assets or risk management liabilities that are classified as current.

Consolidated Adjusted EBITDAX and the financial ratios described above, which are used for the purpose of the financial covenants in the loan agreement, are non-IFRS financial measures. Refer to the section below titled "Non-IFRS Financial Measures".

2017 Capital Budget - Details

Eagle's board of directors has approved a 2017 capital budget of $22.8 million ($US 12.5 million in the United States and $6.6 million in Canada), consisting of the following:

- Salt Flat, Texas
    - 2 (2.0 net) horizontal oil wells
    - Seismic processing, facilities, pump changes
    - Land and abandonments
- Hardeman, Texas and Oklahoma
    - 2 (2.0 net) horizontal oil wells
    - Seismic processing, pump installs
    - Land
- Dixonville, Alberta
    - Pipeline and facilities
    - Geological and geophysical work
- Twining, Alberta
    - 3 (3.0) net horizontal oil wells
    - Facility capital
    - Abandonment

The capital budget excludes corporate and property acquisitions, which are evaluated separately on their own merit.

2017 Sensitivities

The following tables show the sensitivity of Eagle's 2017 funds flow from operations to changes in commodity prices, production and foreign exchange ("**FX**") rates:

Funds Flow from Operations	2017 Average Production (3,900 boe/d)		
Sensitivity to Commodity Price	**FX 1.25**	**FX 1.30**	**FX 1.35**
$US 45.00 WTI	$14.7 mm	$16.0 mm	$17.2 mm
$US 55.00 WTI	$14.9 mm	$16.0 mm	$17.2 mm
$US 65.00 WTI	$17.9 mm	$19.2 mm	$20.5 mm

Sensitivity to Production	2017 Average Production (3,900 boe/d) (WTI $US 55, FX 1.30)		
	3,800	**3,900**	**4,000**
Funds Flow from Operations ($CA)	$15.1 mm	$16.0 mm	$17.0 mm

Assumptions:

(1) Operating costs are assumed to be $2.2 million per month (mid-point of guidance range).

(2) Differential to WTI is held constant.

(3) The foreign exchange rate is assumed to be $US 1.00 equal to $CA 1.30, unless otherwise indicated in the table.

Advisories

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms "field netback", "Consolidated Adjusted EBITDAX", "Consolidated Leverage Ratio", "Consolidated Fixed Charge Ratio", "Asset Coverage Ratio" and "Consolidated Current Ratio", which are non-IFRS financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. Management believes that field netback provides useful information to investors and management because such a measure reflects the quality of production and the level of profitability. The term "Consolidated Adjusted EBITDAX" is used for purposes of covenant calculations in the loan agreement and is calculated as set out below. The terms "Consolidated Leverage Ratio", "Consolidated Fixed Charge Ratio", "Asset Coverage Ratio" and "Consolidated Current Ratio" are used for purposes of covenant calculations in the loan agreement and are calculated as described above under the heading, "$CA 87 million ($US 65 million) Term Loan Financing-Details".

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

"Consolidated Adjusted EBITDAX", as defined in the loan agreement, means:

(a) net income; plus;

(b) interest expense, accrued taxes, depreciation, depletion, amortization, exploration expense and other non-recurring expenses that do not represent a cash item in such period or any future period; plus or minus;

(c) gains or losses attributable to write-ups or write-downs of assets; plus or minus;

(d) unrealized foreign exchange gains or losses; plus or minus;

(e) non-cash gains, losses or adjustments under Financial Accounting Standards Board (FASB) Statement 133 as a result of changes in the fair market value of derivatives; plus or minus;

(f) non-cash, share-based compensation or recovery amounts.

In addition, EBITDAX is calculated after giving effect on a pro-forma basis to any permitted acquisition or asset disposition as if such acquisition or disposition occurred at the beginning of such period.

Note about Forward-Looking Statements

Certain of the statements made and information contained in this news release are forward-looking statements and forward-looking information (collectively referred to as "**forward-looking statements**") within the meaning of Canadian securities laws. All statements other than statements of historic fact are forward-looking statements. Eagle cautions investors that important factors could cause Eagle's actual results to differ materially from those projected, or set out, in any forward-looking statements included in this news release.

In particular, and without limitation, this news release contains forward-looking statements pertaining to the following:

- Eagle's loan with White Oak, including terms relating to future drawings and financing covenant ratio calculations;
- Eagle's expectations regarding its future business strategy and that the White Oak loan, among other things, will allow Eagle to execute a growth strategy;
- Eagle's expectation that 2017 ending net debt will be $71.2 million, thus affording Eagle approximately $13 million in combined working capital and undrawn term loan availability at the end of 2017;
- Eagle's 2017 capital budget and specific uses;
- Eagle's expectations regarding its 2017 full year average production, monthly operating costs, field netbacks (excluding hedges) and proved developed producing corporate decline rate;
- Eagle's expectation that year-over-year fourth quarter average production will increase and that its 2017 capital budget will enable it to exploit substantial, internally-identified drilling opportunities in Eagle's Hardeman and Twining fields;
- Eagle's expectations regarding its 2017 funds flow from operations and sensitivities of these metrics to commodity prices, production and foreign exchange rates;
- Eagle's expectations regarding the reduction in 2017 general and administrative expenses;
- Eagle's expectations regarding its 2017 drilling program, capital projects, drilling inventory, estimated drilling, completion and equipping costs and the expected rate of return of Eagle's drilling portfolio;
- Eagle's expectation to double production and reserves within the next 24 to 36 months;
- Anticipated crude oil, natural gas liquids and natural gas production weighting; and
- Eagle's expectations regarding its dividend strategy.

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

- future crude oil, NGL and natural gas prices, differentials and weighting;
- future foreign exchange rates;
- future production levels;
- future recoverability of reserves;
- future dividend levels;
- future capital expenditures and the ability of Eagle to obtain financing or refinancing on acceptable terms for its capital projects, operations and future acquisitions;
- Eagle's 2017 capital budget, which is subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations;
- not including capital required to pursue future acquisitions in the forecasted capital expenditures;
- future production estimates, which are based on the proposed drilling program with a success rate that, in turn, is based upon historical drilling success and an evaluation of the particular wells to be drilled, among other things; and
- projected operating costs, which are based on historical information and anticipated changes of the cost of equipment and services, among other things.

Eagle's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and those in Eagle's Annual Information Form ("**AIF**") dated March 17, 2016 for the year ended December 31, 2015, which is available on Eagle's website at www.EagleEnergy.com and on SEDAR at www.sedar.com:

- volatility of crude oil, NGL, and natural gas prices;
- commodity supply and demand;
- fluctuations in foreign exchange and interest rates;
- inherent risks and changes in costs associated in the development of petroleum properties;
- ultimate recoverability of reserves;
- timing, results and costs of drilling and production activities;
- availability of financing and capital; and
- new regulations and legislation that apply to Eagle and the operations of its subsidiaries.

Additional risks and uncertainties affecting Eagle are contained in the AIF under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2017 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's production rates, operating costs, field netbacks, drilling program, 2017 capital budget, funds flow from operations, and dividends are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, obtaining financing, commodity prices and industry conditions and regulations. New factors emerge from time to time, and it is not possible for management to predict all of these factors or to assess, in advance, the impact of each such factor on Eagle's business, or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. Although management believes that the expectations conveyed by the forward-looking statements are reasonable based on information available to it on the date the forward-looking statements were made, there can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to Eagle and its shareholders. Eagle does not undertake any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise.

Advisory Regarding Oil and Gas Equivalency Measures

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

About Eagle Energy Inc.

Eagle is an oil and gas corporation with shares listed for trading on the Toronto Stock Exchange under the symbol "EGL".

All material information about Eagle may be found on its website at www.EagleEnergy.com or under Eagle's issuer profile at www.sedar.com.

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