NEWS RELEASE

EAGLE ENERGY™
INC.

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Confirms Operations Are On Track and Addresses Misleading Comments from Dissidents

Your vote is extremely important. Do not be misled.

Your Board recommends that Eagle Shareholders Vote the <u>YELLOW</u> Proxy

Calgary, Alberta – June 9, 2017 (TSX:EGL): Eagle Energy Inc. ("**Eagle**") confirms operations remain on track and addresses the misleading comments issued by dissidents.

Operations Remain On Track

Eagle remains on track to achieve its 2017 annual guidance for its capital budget, average production and monthly operating costs. We intend to commence drilling our North Texas asset in the third quarter of 2017, as planned. We remain of the view that this asset could provide significant future value to Eagle's shareholders.

Eagle's Plan

Eagle's shareholders should vote the proxy they believe provides the highest likelihood of a better outcome. We believe voting the **<u>YELLOW</u>** proxy is the best way to:

- maximize the long-term value of Eagle's shares by continuing with our plan (see our corporate presentation at www.EagleEnergy.com),
- realize the value of Eagle's North Texas assets, and
- retain the breadth and depth of board and management experience needed for the type of assets and operations that Eagle has in both Canada and the U.S.

Dissidents' Statements Unfounded

The dissidents' tone and their accusations aimed at Eagle suggest a culture within the dissident group that concerns us. We always welcome new or better ideas for Eagle's business or strategy that could realistically result in a better future value proposition for Eagle. However, t**he dissidents have not proposed any ideas that we have not already considered, are underway, or are likely to create a superior outcome to Eagle's plan.**

Concerning Plan for New Leadership

We caution you regarding the dissidents' intent to appoint Mr. Gundersen as Eagle's President and CEO. His only experience as a CEO is 14 months with Maple Leaf Royalties Corp., which operated no properties. In contrast, Mr. Clark and Mr. Wisniewski, in combination, have decades of executive and board room experience in the Canadian and U.S. oil and gas industries, encompassing governance, finance, capital markets and oil field operations, with CEO and executive leadership responsibilities for production ranging up to 100,000 boe/d.

None of the companies listed in the biographies of the dissident nominees operated oil and gas assets in the U.S. **The dissident nominees have not shown that they have U.S. energy industry experience. U.S. energy industry experience is crucial for Eagle's board. More than half of Eagle's assets, value and future development exist in the U.S.**

Kingsway's Questionable Oil and Gas Experience

Kingsway Financial Services Inc.'s only oil and gas experience is its 2016 acquisition, through an affiliate, of Texas assets that produce 23 barrels of oil per day from one well. These assets, however, are burdened by more than $6 million in decommissioning and environmental liabilities, which far exceeds the value of the assets' production.

Of greater concern to Eagle is that the person who is the CEO of both Kingsway's affiliate that owns the assets and the company that operates the assets has been charged with environmental violations in Australia. The penalties, if convicted, are serious. We have grave concerns about Kingsway and these companies' ability to operate oil and gas assets.

The Dissidents' View of Eagle's Future

The dissidents' view of Eagle's future is to sell Eagle's best assets, pay down debt and cut costs. This strategy will leave Eagle as a shell with no reason for a continued existence and no ability to ever attract the attention of the investing community. While this strategy may help the dissidents, including Kingsway with an undisclosed agenda, we do not believe that this is the best result for Eagle or its shareholders.

The Dissidents will Burden Eagle with Unnecessary Costs

Shareholders should be aware that the changes proposed by the dissidents are highly risky and could trigger an event of default under Eagle's loan. The dissidents will burden Eagle Shareholders with 100% of their costs for this proxy fight. Eagle will be burdened by other unnecessary costs such as early termination fees for its loan and employment severance. These costs may be significant. These funds would be better spent on future oil and gas operations.

The Dissidents' Communications are False, Misleading and Alarmist

The North Texas Asset is Not "High Risk" as They Claim

If the dissidents were truly experienced with the U.S. oil and gas industry, then they would recognize that the North Texas asset is not "high risk" as they claim. We have spent over two years developing our plan for these assets, including completion of substantial technical subsurface and engineering work. Eagle's independent reserves evaluator has assigned proved undeveloped reserves to this asset. It is a development drilling project with solid well control and production history.

Eagle's Long-Term Incentive Plan is Within Industry Norm

The dissidents falsely accuse Eagle of issuing "free" shares to its directors and management.

- Eagle's restricted share units/performance share units were granted to directors and officers as part of Eagle's long-term, deferred compensation plan. Eagle's plan is consistent with industry norms. It is designed with state of the art compensation principles to align management and shareholder interests in the long-term success of the company without cash cost.

- The dissidents know this as they too have received such awards under similar compensation plans in other companies.

- The dissidents' question, "who approved this?" is wholly disingenuous. As Mr. Gundersen well knows (because he voted for it), **Eagle's long-term incentive plan was approved last year by the shareholders of both Eagle and Maple Leaf Royalties Corp**.

Eagle's Loan is Within Industry Norm

Eagle's loan is within the new industry norm for junior oil and gas companies, given the current market. Several of Eagle's peers recently entered into financing transactions with term loans that are comparable to Eagle's. Some have more stringent terms with higher interest rates and a material equity component, which Eagle's financing does not have. The dissidents have not demonstrated that they will be able to obtain better financing terms for Eagle.

Eagle's Executive Compensation Arrangements are within Industry Norm

The dissidents criticize Eagle for its general and administrative expenses (G&A) and executive compensation arrangements.

When Mr. Gundersen was CEO of Maple Leaf Royalties Corp., its G&A per boe ($8.00) was higher than Eagle's ($7.49 in 2016), yet it did not operate any properties and had no employees. In comparison, Eagle has substantial cross border operations.

Eagle's executive compensation arrangements are influenced by the U.S. market where it began operating and where it competes for talent. Eagle engages independent assessments of its executive compensation arrangements through independent human resources consulting firms. They compare Eagle's executive compensation arrangements to its peers in Canada and the U.S. The most recent study concluded that, in total, Eagle's executive compensation was between the peer group's 25th and 50th percentile for total compensation. Apart from a 2% cost-of-living increase in 2015, the base salaries of the management team have remained unchanged since 2014.

Half of the dissident nominees are currently directors or officers of oil and gas companies with similar executive compensation, long-term incentive and severance arrangements as Eagle.

Annual General Meeting

The Annual General Meeting of Eagle's shareholders is scheduled for 10:00 a.m. (Calgary time) on Tuesday June 27, 2017 at the Metropolitan Centre at 333 – 4th Avenue S.W., Calgary, Alberta.

Eagle's Board's Recommendations

Your vote is extremely important.

Eagle's Board unanimously recommends that Eagle Shareholders vote only the **YELLOW** Proxy or Voting Instruction Form in favour of the current Board.

Shareholders who have previously voted the dissidents' proxy or voting instruction form and wish to support Eagle's Board have the right to change their vote by simply voting the **YELLOW** Proxy or Voting Instruction Form.

For more information, Eagle Shareholders are encouraged to access the Management Information Circular of Eagle on its website at www.EagleEnergy.com or under Eagle's profile at www.sedar.com.

VOTE TODAY. Time is of the essence and Eagle Shareholders are urged to vote online by following the instructions found on the **YELLOW** Proxy or Voting Instruction Form to ensure votes are received in a timely manner.

Eagle's Board thanks you for your continued support.

QUESTIONS OR REQUESTS FOR ASSISTANCE WITH VOTING MAY BE DIRECTED TO EAGLE'S PROXY SOLICITOR:

LH LAUREL HILL ADVISORY GROUP

NORTH AMERICAN TOLL FREE:
1-877-452-7184

COLLECT CALLS OUTSIDE NORTH AMERICA:
1-416-304-0211

EMAIL: ASSISTANCE@LAURELHILL.COM

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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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 Eagle's plans including the North Texas assets, the dissidents' plans and the date of Eagle's shareholder meeting.

With respect to forward-looking statements contained in this news release, assumptions have been made regarding, among other things: future crude oil, NGL, natural gas prices, differentials and weighting; future foreign exchange rates; 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; future production estimates and operating costs; future capital expenditures and the ability of Eagle to obtain financing on acceptable terms.

Eagle's actual results could differ materially from those anticipated in these forward-looking statements as a result of the following risk factors and those in Eagle's Annual Information Form ("AIF") dated March 16, 2017 for the year ended December 31, 2016, which is available on Eagle's website at www.EagleEnergy.com and on SEDAR at www.sedar.com: the 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.

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, drilling program, 2017 capital budget, and reserves are subject to change in light of ongoing results and economic and industry conditions. 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. *These statements speak only as of the date of this news release and may not be appropriate for other purposes.*

Note Regarding Barrel of Oil Equivalency

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.