



EAGLE ENERGY™
INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces Independent Advisory Firm Recommendation Supporting a Vote on Eagle's YELLOW Proxy and Additional Cost Reduction Initiatives

Calgary, Alberta – June 15, 2017 (TSX:EGL): Eagle Energy Inc. (“**Eagle**”) announces Institutional Shareholder Services Inc. (“**ISS**”) recommendations for voting and additional cost reduction initiatives.

ISS Recommends Yellow Proxy

ISS, a leading independent advisor to institutional investors on corporate governance and proxy voting analysis, has recommended that shareholders vote using only Eagle's **YELLOW** proxy for the majority of Eagle's current directors and DO NOT VOTE the dissidents' blue proxy.

In its report dated June 14, 2017, ISS gave the following reasons why shareholders should NOT vote for the dissidents' blue proxy (emphasis added):

- Given that control of the board is being sought, the dissidents' disclosed business plan does not appear to provide any new detailed long-term strategic initiatives.
- While the proposed board reconstitution might trigger a default event under the new loan, no specific alternative financing was proposed by the dissidents.
- The timing and urgency of the [dissidents'] proposed liquidation execution for some of the company's assets (in order to repay debt) do not appear to represent an optimal risk-reward combination for the shareholders in the long-run given current depressed valuations and given loss of potential upside associated with such liquidated assets.
- [The dissidents state] that the company's assets are of a high quality, while at the same time, the dissidents propose to sell a portion of these assets in what appears to be not ideal market conditions.
- Not so long ago, one of the dissidents offered to buy one of the company's assets, which might indicate that even the dissidents themselves think that being on a buying side of energy assets transaction[s] appears to be more attractive at this time.

Cost Reduction Plan

Eagle's 2017 capital and operating budget assumed an average WTI price of \$US 55.46 per barrel of oil. In response to significantly weaker current oil prices, Eagle has decided to accelerate cost reductions.

For 2016, Eagle was a top quartile performer in reducing year-over-year general and administrative costs (“**G&A**”) by 16%. In addition, Eagle budgeted and is on track to realize a further 16% year-over-year reduction in G&A in 2017.

Now, with lower oil prices prevailing, Eagle has embarked on additional G&A reduction initiatives aimed at further material reductions. Eagle's plan is comprehensive and includes cost reductions targeting office and overhead, corporate travel, a review of all employee and Board compensation and potential staff

reductions. As a first step, within the next 60 days, Eagle intends to implement material reductions in executive compensation, including materially reducing the CEO's compensation. Eagle intends to update our shareholders on the progress of this initiative.

Clarification of Previous Statements

Eagle wishes to clarify that Mr. Wisniewski's quote in the March 13, 2017 press release, which stated "Eagle doubling production and reserves within the next 24 to 36 months", was not referring to the execution of Eagle's internal five year strategic growth plan; rather, it was referring to potential additional capital that Eagle might obtain from a financial partner the size of White Oak Global Advisors, LLC (Eagle's lender) to assist with future acquisitions. There are no guarantees that (i) Eagle will find suitable acquisitions, (ii) White Oak Global Advisors, LLC will provide additional financing for such acquisitions, or (iii) additional financing will be economically feasible to Eagle.

Whether or not Eagle finds and finances suitable acquisitions does not prevent Eagle from executing its five year strategic growth plan, which includes the development of our North Texas asset. Eagle believes its plan will more than double production and reserves, and see Eagle at less than one times debt to cash flow within five years¹, while drilling less than one third of its existing inventory.

Support Eagle's Current Board to Ensure Eagle's Future Success

Eagle's directors possess the expertise required for Eagle to execute its plan.

- Messrs. Fitzpatrick, Gibson and Steckley each have over 35 years' experience in the oil and gas industry. Mr. Clark has over 27 years' experience. Each has solid energy sector experience in both Canada and the United States.
- Mr. Fitzpatrick and Mr. Steckley, both engineers, have served as a public company CEO, president or COO for over 20 years. Mr. Gibson, a chartered accountant, has served as a public company CFO for over 18 years. Mr. Clark has served as a legal advisor to public company CEOs spanning 19 years and in an executive role over 20 years.
- Each has served as a director of many public oil and gas companies, both large and small, over the past 20 years.

Annual General Meeting - Vote the YELLOW Proxy or Voting Instruction Form

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

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

Vote for Eagle's Board using only Eagle's YELLOW Proxy or Voting Instruction Form. Discard the dissidents' (blue) proxy or voting instruction form. (Voting on the dissidents' proxy or voting instruction form, even if it is against their nominees, will cancel your previous vote using Eagle's YELLOW Proxy or Voting Instruction Form.)

If you have already voted using the dissidents' proxy or voting instruction form, you can change your vote by simply voting using the YELLOW Proxy or Voting Instruction Form. It is the later-dated proxy or voting instruction form that will be counted.

For more information, Eagle Shareholders are encouraged to review in detail Eagle's letter to Shareholders and the Management Information Circular on its website at www.EagleEnergy.com or under Eagle's profile at www.sedar.com.

¹ These statements are made using the following assumptions: WTI pricing of \$US 55 to \$US 56 and foreign exchange of \$CA 1.28 / \$US 1.00 for the next five years.

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:**



**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 development of its North Texas assets, the dissidents’ plans, Eagle’s plans to reduce general and administrative costs, 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, general and administrative and 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.