EAGLE ENERGY™
INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces Proactive Amendments to its Four Year Term Loan Agreement

Calgary, Alberta - June 29, 2017 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") today announces that it has proactively worked with its lender, White Oak Global Advisors, LLC ("White Oak") to relax certain financial covenant thresholds in recognition of prevailing low oil prices during the second quarter. As a result, Eagle expects to be onside with all its financial covenants without any need for waivers.

White Oak has exhibited a willingness to work as a financial partner with Eagle management within White Oak's reasonable business and lending parameters during periods of low oil prices. This further supports Eagle's view that a four year term loan refinancing with White Oak delivers more transparency and predictability around lending and establishes a foundation upon which Eagle can execute its growth strategy.

Summary of the Amendments to Loan Agreement

The following summarizes the key amendments to the loan agreement between Eagle and White Oak (the "**Loan Agreement**"):

- **Financial covenants -** Of the four financial covenants in the Loan Agreement, the Consolidated Current Ratio and the Asset Coverage Ratio remain unchanged. The thresholds for the other two covenants, the Consolidated Leverage Ratio and the Consolidated Fixed Charge Ratio, were eased by 10% for the quarter ending June 30, 2017 through the following amendments *(as indicated in italics below):*

  Consolidated Leverage Ratio

  As at the end of each fiscal quarter, commencing with the quarter ending June 30, 2017, Eagle is to maintain a Consolidated Leverage Ratio of not greater than (i) for the quarter ending June 30, 2017, *3.85 to 1.00 (amended from 3.50 to 1.00)*, (ii) for the quarters ending September 30, 2017 and December 31, 2017, 3.50 to 1.00 and (iii) for each quarter ending on or after March 31, 2018, 3.00 to 1.00.

  Consolidated Fixed Charge Ratio

  As at the end of each fiscal quarter, Eagle is to maintain a Consolidated Fixed Charge Ratio of not less than (i) for the quarter ending June 30, 2017, *2.25 to 1.00 (amended from 2.50 to 1.00),* and (ii) for each quarter thereafter, 2.50 to 1.00.

- **Other -** In addition, amendments were made to both the definition of the price deck used and the producing wells eligible to be included in the PDP PV10 lending value calculation, with both Eagle and the lender agreeing that these changes make the Loan Agreement more practical, workable and less affected by single day volatility in commodity futures pricing.

A copy of the Loan Agreement and the amendments thereto can be found under Eagle's issuer profile on SEDAR at www.sedar.com.

The financial covenant ratios described above are non-IFRS financial measures. Refer to the section below titled "Advisories - Non-IFRS Financial Measures".

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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Advisories

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms listed below, 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. These terms are used for purposes of covenant calculations in the Loan Agreement.

"**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**" 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 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).

"**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. Notwithstanding the foregoing, for the purposes of determining the Consolidated Leverage Ratio, (i) Consolidated Adjusted EBITDAX for the four fiscal quarter period ending June 30, 2017, shall be deemed equal to Consolidated Adjusted EBITDAX for the fiscal quarter ending June 30, 2017 multiplied by 4, (ii) Consolidated Adjusted EBITDAX for the four fiscal quarter period ending on September 30, 2017 shall be deemed equal to Consolidated Adjusted EBITDAX for the two fiscal quarter period then ending multiplied by 2 and (iii) Consolidated Adjusted EBITDAX for the four fiscal quarter period ending on December 31, 2017 shall be deemed equal to Consolidated Adjusted EBITDAX for the three fiscal quarter period then ending multiplied by 4/3. 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.

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 amendments to the Loan Agreement, Eagle's expectation that the loan with White Oak, among other things, will allow Eagle to execute its growth strategy and that it will be onside with all its financial covenants without any need for waivers.

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 capital expenditures and the ability of Eagle to obtain financing or refinancing on acceptable terms; 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, 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 dated March 16, 2017 (the "**AIF**"): 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".

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. These statements speak only as of the date of this news release and may not be appropriate for other purposes. 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.