NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces First Quarter 2018 Results and Confirms Annual General Meeting Date

Calgary, Alberta - May 10, 2018 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") is pleased to report its financial and operating results for the first quarter ended March 31, 2018.

As a reminder, Eagle's annual general meeting ("**AGM**") will be held on June 26, 2018 at 10:00 a.m. at Altius Centre, 2nd Floor, 500 - 4 Avenue SW, Calgary for shareholders of record on May 14, 2018.

When reflecting on Eagle's first quarter performance, Wayne Wisniewski, President and Chief Executive Officer, stated, "Given our view of the growth opportunities in our North Texas asset, we are seeking to reduce debt and corporate costs, including interest costs, to better position Eagle to capitalize on this project. Our disposition of Salt Flat in February, resulting in a 34% reduction in debt, was a step towards achieving that goal. In addition, we continue to make strides in reducing our general and administrative expenses, which were 24% below first quarter 2017 levels."

Mr. Wisniewski continued, "We are pleased to report that Eagle's first horizontal well in North Texas continues to perform above expectations. During the quarter, we drilled our second horizontal well in North Texas at a location over 10 miles from the first horizontal well. Completion operations are currently underway."

First Quarter 2018 Financial Results

Eagle's unaudited condensed consolidated interim financial statements and accompanying notes for the three months ended March 31, 2018 and related management's discussion and analysis have been filed with the securities regulators and are available online under Eagle's issuer profile at www.sedar.com and on Eagle's website at www.EagleEnergy.com.

This news release contains non-IFRS financial measures and statements that are forward-looking. Investors should read "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.

Highlights for the Three Months ended March 31, 2018

- Disposed of the Salt Flat Field in Caldwell County, Texas for cash proceeds of $34.4 million in early February.
- Reduced long term debt by 34% (from $US 58.2 million to $US 38.5 million) and further funded the North Texas drilling program with net proceeds from the Salt Flat disposition.
- Drilled a second horizontal well in North Texas at a location over 10 miles from the first horizontal well, with completion operations currently underway.
- Field netback improved by 32% on a per barrel of oil equivalent ("**boe**") basis (from $20.81 to $27.47 per boe) when compared to the first quarter of 2017.
- Increased funds flow from operations excluding one-time disposition costs and debt prepayment expenses by 219% (from $1.6 million to $5.1 million) when compared to the first quarter of 2017.

- Recorded $1.7 million of funds flow from operations and $5.1 million for funds flow from operations excluding one-time disposition costs and debt prepayment expenses.

- Reduced general and administrative costs, excluding one-time disposition costs, by 24% when compared to the first quarter of 2017.

2018 Outlook

Eagle remains focused on continuing to drill wells on its North Texas property due to its high netbacks and opportunities for meaningful growth. This light oil development asset has approximately 25,000 net acres under lease and is the site of Eagle's first horizontal well in North Texas, which was brought on production in December 2017 and continues to perform above expectations. Eagle has drilled its second horizontal well at a location over 10 miles from the first horizontal well, with completion operations currently underway. Success on this second well would prove up additional leased acreage in the area. A third horizontal well is planned for late 2018.

In light of our view of the growth opportunities in our North Texas asset, Eagle is seeking to reduce debt and corporate costs, including interest costs, in order to better position itself to capitalize on this project. Alternatives for funding growth could potentially include asset sales. The February 8, 2018 disposition of Eagle's assets in Salt Flat was an initial step towards Eagle achieving its overall goals.

The Salt Flat disposition reduced Eagle's total corporate production by approximately 1,200 boe per day ("**boe/d**"). Following the Salt Flat disposition, an improved corporate decline rate of 14% lends itself to Eagle sustaining 2018 average corporate production at post-Salt Flat disposition levels with low capital expenditures.

The Salt Flat disposition also reduced Eagle's term loan by 34% (from $US 58.2 million to $US 38.5 million). On a go-forward basis, and excluding one-time debt prepayment expenses relating to the disposition, lower debt levels at current interest rates will result in reduced monthly interest costs. In addition, general and administrative expenses are expected to decrease in 2018 as Eagle continues to focus on efficiencies and cost reduction.

Summary of Quarterly Results

	Q1/2018	Q4/2017	Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016	Q2/2016
($000's except for boe/d and per share amounts)								
Sales volumes – boe/d	2,974	3,804	3,749	3,966	3,767	3,803	4,085	4,147
Revenue, net of royalties	12,461	14,725	12,459	14,167	14,218	13,891	12,854	13,149
per boe	46.57	42.08	36.12	39.25	41.95	39.72	34.20	34.84
Operating, transportation and marketing expenses	5,109	6,864	6,301	5,885	7,165	6,799	6,564	5,928
per boe	19.10	19.61	18.27	16.31	21.14	19.44	17.46	15.71
Field netback	7,352	7,861	6,158	8,282	7,053	7,092	6,290	7,221
per boe	27.47	22.47	17.85	22.94	20.81	20.28	16.74	19.13
Funds flow from operations	1,718	3,488	3,346	4,272	1,589	3,901	4,582	5,148
per boe	6.42	9.98	9.70	11.84	4.69	11.15	12.19	13.64
per share – basic	0.04	0.08	0.08	0.10	0.04	0.09	0.11	0.12
per share – diluted	0.04	0.08	0.07	0.10	0.04	0.09	0.11	0.12
Earnings (loss)	(2,568)	(14,293)	(4,711)	675	1,303	30,508	52	(9,288)
per share – basic	(0.06)	(0.34)	(0.11)	0.02	0.03	0.72	0.00	(0.23)
per share - diluted	(0.06)	(0.34)	(0.11)	0.02	0.03	0.72	0.00	(0.23)
Cash dividends declared	-	-	-	-	425	637	636	1,274
per issued share	0.00	0.00	0.00	0.00	0.01	0.015	0.015	0.03
Current assets	14,941	13,869	11,122	11,847	18,819	9,302	9,787	10,618
Current liabilities	7,528	13,715	8,042	6,599	11,474	74,758	72,387	75,035
Total assets	174,877	207,314	213,867	222,155	233,951	218,199	190,945	195,044
Total non-current liabilities	70,870	94,312	92,367	97,086	104,359	26,202	31,690	32,397
Shareholders' equity	96,479	99,287	113,458	118,470	118,118	117,239	86,868	87,612
Shares issued	43,750	43,302	43,302	42,857	42,857	42,452	42,452	42,452

For the three months ended March 31, 2018, sales volumes were lower than the previous quarters primarily due to the effect of the Salt Flat disposition, which closed on February 8, 2018, being only partially offset by additional production from wells drilled in Eagle's Twining and North Texas areas.

First quarter 2018 field netback on a per boe basis increased 22% from the fourth quarter of 2017 due to higher commodity prices, lower royalties and lower operating costs.

When one-time disposition costs and debt prepayment expenses ($3.4 million in total) associated with the February 2018 Salt Flat disposition are excluded from first quarter 2018 funds flow from operations, first quarter results show an increase of 46% (to $5.1 million from $3.5 million) from the fourth quarter of 2017. This is due to higher per boe field netbacks and a realized foreign exchange gain on debt repayment more than offsetting a 22% decrease in sales volumes due to the disposition.

Changes in earnings (loss) from one quarter to the next often do not move directionally or by the same amount as quarterly changes in funds flow from operations. This is due to items of a non-cash nature that factor into the calculation of earnings (loss), and those that are required to be fair valued at each quarter end. First quarter 2018 funds flow from operations was 51% less than the fourth quarter of 2017, yet first quarter 2018 net income was 82% more than the fourth quarter of 2017, primarily due to a non-cash impairment expense relating to oil and gas properties taken in the fourth quarter of 2017.

Non-IFRS Financial Measures

Statements throughout this news release make reference to the terms "field netback" and "funds flow from operations excluding one-time disposition costs and debt prepayment expenses", 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.

"**Field netback**" is calculated by subtracting royalties, operating expenses, and transportation and marketing expenses from revenues. This method of calculating field netback is in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter). 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.

"**Funds flow from operations excluding one-time disposition costs and debt prepayment expenses"** is calculated by adding back both costs associated with the disposition and the cash portion of finance expenses relating to the debt prepayment to funds flow from operations. Management believes this measure provides useful information to investors and management because it shows what funds flow would have been if Eagle had not incurred the one-time costs associated with the disposition of the Salt Flat properties.

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 AGM;
- Eagle's drilling plans on its North Texas property and its expectation that additional leased acreage would be proved up in the area if the second horizontal well is successful;
- Eagle's intentions to reduce debt and corporate costs, including interest costs;
- Eagle's expectations regarding alternatives for funding growth potentially including asset sales;
- Eagle's expectations regarding its corporate decline rate of 14% lending itself to Eagle sustaining 2018 average corporate production at post-Salt Flat field disposition levels with low capital expenditures; and
- Eagle's expectations regarding reducing its interest costs and general and administrative expenses in 2018.

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 and interest rates;
- future capital expenditures and the ability of Eagle to obtain financing on acceptable terms;
- the ability of Eagle to complete its drilling program;
- 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 estimated based on historical information and anticipated changes in 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 20, 2018 (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 with the development of petroleum properties;
- ultimate recoverability of reserves;
- timing, results and costs of drilling and production activities;
- availability and terms of financing and capital; and
- new regulations and legislation that apply to the operations of Eagle and 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 2018 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's production rates, operating and general and administrative costs, field netbacks, drilling program, capital budget, reserves and potential transactions are subject to change in light of ongoing results, prevailing economic circumstances, obtaining regulatory approvals, commodity prices, exchange rates, financing terms, 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. 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.

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.

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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