

NEWS RELEASE



FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces Sale of Twining Assets

Calgary, Alberta - July 20, 2018 (TSX: EGL): Further to Eagle Energy Inc.'s ("**Eagle**") previously announced strategy of reducing debt and interest charges, Eagle is pleased to announce it has signed an agreement to sell its entire interest in its oil and natural gas properties near Twining, Alberta to a third party for cash consideration of \$13,820,000 before customary post-closing adjustments (the "**Sale**"). The Sale is expected to close on or about August 28, 2018, subject to customary closing conditions.

Eagle intends to use the net proceeds from the Sale to reduce outstanding debt under its secured term loan and to further fund its North Texas development program. The Sale is expected to reduce leverage, increase corporate netback per barrel of oil equivalent and lower its corporate decline rate.

Eagle's management and the board of directors arrived at this decision through a competitive sale process and after carefully considering the advice of Tudor Pickering Holt & Co. Securities – Canada, ULC ("**TPH**"). TPH is an independent investment bank with extensive financial and technical knowledge of the energy sector.

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

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 closing of the Sale, Eagle's intention to use the net proceeds from the Sale to reduce outstanding debt under Eagle's secured term loan and to further fund its North Texas development program, and Eagle's expectation that the Sale will reduce leverage, increase corporate netback per barrel of oil equivalent and lower its corporate decline rate.

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 capital expenditures and the ability of Eagle to obtain financing or refinancing on acceptable terms for its capital projects, operations and future acquisitions; 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 estimated future 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 20, 2018 for the year ended December 31, 2017, 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. Additional risks and uncertainties affecting Eagle are contained in the AIF under the heading "Risk Factors".

As a result of these risks, the closing of the Sale, proposed use of the net proceeds from the Sale and impact on Eagle's leverage, corporate netback and corporate decline rate may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. Eagle's projections of future performance or results 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.