NEWS RELEASE

EAGLE ENERGY™
INC.

FOR IMMEDIATE RELEASE

Eagle Energy Inc. Announces Second Quarter 2018 Results and Previously Announced Sale of Twining Assets

Calgary, Alberta - August 9, 2018 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") is pleased to report its financial and operating results for the second quarter ended June 30, 2018, as well as to reiterate the previously announced sale of its Twining assets.

When reflecting on Eagle's second quarter and the Twining asset sale announcement, Wayne Wisniewski, President and Chief Executive Officer, stated, "Eagle continues to execute its previously announced plan to reduce debt and corporate costs. To the end of June, and excluding one-time costs associated with the Salt Flat disposition, our year to date general and administrative expenses are 34% lower than 2017. In addition, when compared to 2017 year end, we have reduced our term loan by 34% and intend to use the net proceeds from our Twining asset sale closing in August 2018 to further reduce debt."

Mr. Wisniewski continued, "We are pleased to report that we plan to drill our third North Texas horizontal well late in the third quarter. The well location is approximately one mile from our initial horizontal well, a well which has exceeded production expectations. Although our second North Texas horizontal well (which is located 13 miles from our initial well) did not meet our budget expectations with a 30 day initial production rate of 70 barrels of oil equivalent per day, technical work is ongoing to better understand the lower than expected oil cut."

Second Quarter 2018 Financial Results

Eagle's unaudited condensed consolidated interim financial statements and accompanying notes for the three and six months ended June 30, 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 June 30, 2018

- Field netback improved by 28% on a per barrel of oil equivalent ("**boe**") basis (from $22.94 to $29.26 per boe) when compared to the second quarter of 2017.

- General and administrative expenses to the end of June 2018, excluding one-time costs associated with the Salt Flat disposition, are 34% lower than 2017.

- Long term debt at the end of the second quarter is 34% lower than at 2017 year end ($US 38.5 million compared to $US 58.2 million).

Sale of Twining Assets

On July 20, 2018, and further to Eagle's previously announced strategy of reducing debt and interest charges, Eagle announced that it has signed an agreement to sell its entire interest in its oil and 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.
- 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 will reduce leverage, increase corporate field netback per boe and lower Eagle's corporate decline rate.

2018 Outlook

For 2018, Eagle plans to:

- Continue to focus on drilling wells on its North Texas property with opportunities for meaningful growth and high netbacks.
  - Eagle holds over 25,000 net acres on contiguous leases held in six different areas across Hardeman County that are prospective for horizontal development.
  - Eagle plans to spud its third horizontal well in the third quarter of 2018 approximately one mile from the location of its initial horizontal well, a well which has exceeded production expectations.
  - North Texas oil sells at par to WTI, while many producers in the Permian face negative WTI differentials.
- Continue to reduce debt and corporate costs, including interest costs, in order to better position Eagle to capitalize the North Texas development program.
  - Alternatives for funding growth include asset sales.
  - The February 2018 Salt Flat disposition and the July 2018 announced Sale are steps towards achieving our overall goals.
  - Eagle has reduced its term loan by 34% from the end of 2017 to the end of June 2018 (from $US 58.2 million to $US 38.5 million) and intends to use the net proceeds from the Sale closing in August 2018 to further reduce debt.
  - On a go-forward basis, lower debt leads to reduced monthly interest costs.
- Continue to reduce general and administrative expenses by focusing on efficiencies and cost reduction.
  - General and administrative expenses to the end of June 2018, excluding one-time costs associated with the Salt Flat disposition, are 34% lower than 2017.

Summary of Quarterly Results

($000's except for boe/d and per share amounts)	Q2/2018	Q1/2018	Q4/2017	Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Sales volumes – boe/d	2,262	2,974	3,804	3,749	3,966	3,767	3,803	4,085
Revenue, net of royalties	10,228	12,461	14,725	12,459	14,167	14,218	13,891	12,854
per boe	49.69	46.57	42.08	36.12	39.25	41.95	39.72	34.20
Operating, transportation and marketing expenses	4,206	5,109	6,864	6,301	5,885	7,165	6,799	6,564
per boe	20.43	19.10	19.61	18.27	16.31	21.14	19.44	17.46
Field netback	6,022	7,352	7,861	6,158	8,282	7,053	7,092	6,290
per boe	29.26	27.47	22.47	17.85	22.94	20.81	20.28	16.74
Funds flow from operations	1,932	1,718(2)	3,488	3,346	4,272	1,589	3,901	4,582
per boe	9.39	6.42	9.98	9.70	11.84	4.69	11.15	12.19
per share – basic	0.04	0.04	0.08	0.08	0.10	0.04	0.09	0.11
per share – diluted	0.04	0.04	0.08	0.07	0.10	0.04	0.09	0.11
(Loss) earnings	(15,093)	(2,568)	(14,293)	(4,711)	675	1,303	30,508	52
per share – basic	(0.34)	(0.06)	(0.34)	(0.11)	0.02	0.03	0.72	0.00
per share - diluted	(0.34)	(0.06)	(0.34)	(0.11)	0.02	0.03	0.72	0.00
Cash dividends declared	-	-	-	-	-	425	637	636
per issued share	0.00	0.00	0.00	0.00	0.00	0.01	0.015	0.015
Current assets	10,920(1)	14,941	13,869	11,122	11,847	18,819	9,302	9,787
Current liabilities	5,762(1)	7,528	13,715	8,042	6,599	11,474	74,758	72,387
Total assets	159,935	174,877	207,314	213,867	222,155	233,951	218,199	190,945
Total non-current liabilities	62,427	70,870	94,312	92,367	97,086	104,359	26,202	31,690
Shareholders' equity	81,709	96,479	99,287	113,458	118,470	118,118	117,239	86,868
Shares issued	43,750	43,750	43,302	43,302	42,857	42,857	42,452	42,452

(1) Figures exclude amounts related to assets classified as held for sale.

(2) Includes one-time disposition costs of $3.4 million relating to the Salt Flat disposition.

For the three months ended June 30, 2018, sales volumes were lower than the previous quarters, primarily due to the effect of the February 2018 Salt Flat disposition being only partially offset by additional production from wells drilled in Eagle's Twining and North Texas areas.

Second quarter 2018 field netback on a per boe basis increased 7% from the first quarter of 2018 due to higher commodity prices and narrower oil price differentials on Canadian production. "Field netback" is a non-IFRS financial measure. See "Non-IFRS Financial Measures", below.

Second quarter 2018 funds flow from operations increased 12% from the first quarter of 2018 due to higher realized prices and lower second quarter administrative and financing expenses because of one-time Salt Flat disposition costs that occurred in the first quarter. A higher realized risk management loss partially offset this increase.

Total non-current liabilities decreased as a result of debt repayment from Salt Flat disposition proceeds.

Changes in (loss) earnings 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 (loss) earnings, and those that are required to be fair valued at each quarter end. Second quarter 2018 funds flow from operations was 6% higher than the first quarter of 2018, yet the second quarter 2018 loss was 488% more than the first quarter of 2018 due to a non-cash impairment expense relating to the Twining oil and gas properties based on the sale agreement signed July 19, 2018.

Advisories

Non-IFRS Financial Measures

Statements throughout this news release make reference to the term "field netback", which is a non-IFRS financial measure that does 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.

Oil and Gas Advisories

The 30 day initial production rate is preliminary in nature and may not be indicative of stabilized on-stream production rates. Initial production results are not necessarily indicative of long-term performance or of ultimate well recovery rates.

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:

- the Sale, including the closing date of the Sale;
- Eagle's expected use of the net proceeds from the Sale to reduce outstanding debt under its secured term loan and to further fund its North Texas development program;
- Eagle's expectation that the Sale will reduce leverage, increase corporate field netback per boe and lower Eagle's corporate decline rate;
- Eagle's drilling plans and expectations for development of its North Texas property;
- Eagle's intentions to reduce debt and corporate costs, including interest costs;
- Eagle's expectations that alternatives for funding growth include asset sales; and
- Eagle's expectations regarding reducing 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:

- completion of the Sale;
- 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**"):

- the Sale may not close as and when expected;

- 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. The Sale, 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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