



EAGLE ENERGY TRUST PRESS RELEASE

FOR IMMEDIATE RELEASE: October 25, 2010

EAGLE ENERGY TRUST FILES PRELIMINARY PROSPECTUS FOR INITIAL PUBLIC OFFERING

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Calgary, Alberta—October 25, 2010: Eagle Energy Trust, (“Eagle” or the “Trust”) is pleased to announce that it has filed a preliminary prospectus with the securities regulatory authorities in each of the provinces of Canada in connection with a proposed initial public offering of Eagle’s trust units (“Units”). In conjunction with the initial public offering, an application has been made to list the Units on the TSX.

The net proceeds of the offering will be used by the Trust to indirectly acquire an average 73% working interest (“Salt Flat Interest”) in the Salt Flat Field, to fund capital expenditures and for general corporate purposes. The Salt Flat Interest is a light oil producing property located in South Central Texas.

The underwriting syndicate for the offering is led by Scotia Capital Inc. and includes BMO Nesbitt Burns Inc., CIBC World Markets Inc., TD Securities Inc., National Bank Financial Inc., Dundee Securities Corporation, Canaccord Genuity Corp., FirstEnergy Capital Corp., GMP Securities L.P., HSBC Securities (Canada) Inc. and Raymond James Ltd.

A copy of Eagle's preliminary prospectus which contains important information relating to Eagle and the Units is available on the SEDAR website at www.sedar.com under Eagle's profile. The preliminary prospectus is subject to completion or amendment and there will not be any sale or any acceptance offers to buy Units until a receipt for the final prospectus has been issued. Completion of the offering is subject to and conditional upon the receipt of all necessary approvals, including regulatory approvals.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws and may not be offered or sold in the United States absent registration or an available exemption from the registration requirement of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Eagle Energy Trust

Eagle is a newly formed energy trust created to provide investors with a publicly traded, oil and natural gas focused, yield producing investment, with favourable tax treatment relative to taxable Canadian corporations. Eagle intends to qualify as a “mutual fund trust” and will not be a “SIFT trust”, as defined in the *Income Tax Act* (Canada) (the “Tax Act”) provided that the Trust complies at all times with the investment restrictions as set forth in the preliminary prospectus, which preclude the Trust from investing in any entity other than a “portfolio investment entity”, holding any “non-portfolio property” (each as defined in the Tax Act), or carrying on business in Canada. The strategy of the Trust is to acquire and exploit conventional long-life hydrocarbon reserves, in certain established on-shore production basins in the U.S, including initially, the Salt Flat Interest. The Trust will indirectly own, through Eagle Energy Commercial Trust (the “CT”) and Eagle Energy Acquisitions L.P. (the



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"Partnership"), predominantly producing properties with development and exploitation potential. The Trust intends to make monthly distributions of a portion of its available cash to Unitholders and use the remainder of its available cash to reinvest in the CT and the Partnership to fund growth through additional acquisitions and other working capital expenditures.

Forward-Looking Statements

This news release contains forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Eagle, including, without limitation, those listed under "Risk Factors" and "Forward-Looking Statements" in Eagle's preliminary prospectus (collectively, "forward-looking information"). Forward-looking information in this press release includes, but is not limited to, information concerning the proposed initial public offering, its completion and receipt of necessary approvals. The Trust cautions investors in the Units about important factors that could cause the Trust's actual results to differ materially from those projected in any forward-looking statements included in this press release. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that the expectations set out in Eagle's preliminary prospectus or herein will prove to be correct and accordingly, prospective investors should not place undue reliance on these forward-looking statements. These statements speak only as of the date of this press release and Eagle does not assume any obligation to update or revise them to reflect new events or circumstances.

Richard W. Clark President & Chief Executive Officer

All material information pertaining to Eagle Energy Trust may be found at www.sedar.com or on the company's website at www.EagleEnergyTrust.com

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