



EAGLE ENERGY TRUST PRESS RELEASE

FOR IMMEDIATE RELEASE: December 7, 2010

EAGLE ENERGY TRUST ANNOUNCES EXERCISE OF OVER-ALLOTMENT OPTION

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THE UNITED STATES.**

Calgary, Alberta—December 7, 2010: Eagle Energy Trust (“Eagle” or the “Trust”) (TSX:“EGL.UN”) announced that the underwriters of Eagle’s recent initial public offering of 15,000,000 units (“Units”) of the Trust, have provided notice of the exercise of the over-allotment option to purchase an additional 1,000,000 Units at a price of \$10.00 per Unit. This issuance is made pursuant to the terms of the over-allotment option granted to the underwriters in connection with Eagle’s initial public offering, which closed on November 24, 2010. Eagle will receive proceeds from the sale of these additional Units of \$9,400,000, after payment of commissions to the syndicate. The closing of this tranche of the over-allotment option exercise is expected to occur on December 9, 2010.

The over-allotment is being made through a syndicate of underwriters led by Scotia Capital Inc. and including 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.

Under the terms of the over-allotment option, the underwriters have the right to acquire an additional 950,000 Units at a price of \$10.00 per Unit, exercisable until December 24, 2010.

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, distribution producing investment, with favourable tax treatment relative to taxable Canadian corporations. Eagle intends to qualify as a “mutual fund trust” and not be a “SIFT trust”, each 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 final 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 LP (the “**Partnership**”), predominantly producing properties with development and exploitation potential. The



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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 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 final prospectus (collectively, "**forward-looking information**"). Forward-looking information in this press release includes, but is not limited to, information concerning the expectations of Eagle regarding the expected completion of the over-allotment option. 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 final 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 Trust's website at www.EagleEnergyTrust.com

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