



EAGLE ENERGY
TRUST

PRESS RELEASE

FOR IMMEDIATE RELEASE: December 21, 2010

EAGLE ENERGY TRUST ANNOUNCES CLOSING OF OVER-ALLOTMENT OPTION

**NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES.**

Calgary, Alberta—December 21, 2010: Pursuant to the November 24, 2010 initial public offering of 15,000,000 units (“Units”) of **Eagle Energy Trust** (“Eagle” or the “Trust”) (TSX:“EGL.UN”), Eagle is pleased to report the closing of the final tranche of the over-allotment option whereby an additional 950,000 Units were issued at a price of \$10.00 per Unit. After payment of commissions to the syndicate, proceeds to Eagle were \$8,930,000.

The over-allotment was made through a syndicate of underwriters led by Scotia Capital Inc. and included 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.

The full amount of the over-allotment option has now been exercised, with the syndicate having purchased an aggregate of 1,950,000 additional Units at a price of \$10.00 per Unit, for proceeds to Eagle, after payment of commissions to the syndicate, of \$18,330,000. With the closing of this final tranche of the over-allotment option, Eagle has 18,011,581 Units outstanding.

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 certain investment restrictions 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



**EAGLE ENERGY
TRUST**

PRESS RELEASE

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 located in South Central Texas. 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 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 dated November 16, 2010 (collectively, "forward-looking information"). 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 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 unless required by law.

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

For further information, please contact:

Richard W. Clark
President and Chief Executive Officer
403.531.1575
info@EagleEnergyTrust.com