



EAGLE ENERGY™
TRUST

PRESS RELEASE

FOR IMMEDIATE RELEASE: March 31, 2011

**EAGLE ENERGY TRUST RELEASES
DECEMBER 31, 2010 FINANCIAL INFORMATION**

Calgary, Alberta — March 31, 2011: Eagle Energy Trust (the “Trust”) (TSX:“EGL.UN”) is pleased to report its financial and operating results for its initial fiscal year ended December 31, 2010. In addition, the Trust reports that it has filed its Annual Information Form (“AIF”), which includes the Trust’s reserves data and other oil and gas information for the period ended December 31, 2010. The audited consolidated financial statements, management’s discussion and analysis and AIF have been filed with the securities regulators and are available under the Trust’s issuer profile on the SEDAR website at www.sedar.com and on the Trust’s website at www.EagleEnergyTrust.com.

This press release contains statements that are forward looking. Investors should read the Note about Forward Looking Statements at the end of this press release.

Significant Activities of the Trust since its formation

From its formation on July 20, 2010 until the closing of its initial public offering on November 24, 2010, the Trust did not have any active operations. During this period, funds were disbursed for start-up and administrative activities, costs related to the upcoming issuance of trust units, expenditures related to the acquisition of the Salt Flat field and establishment of a bank credit facility. To assist in funding these expenditures, the Trust issued approximately \$1.6 million of convertible notes through a private placement to directors, officers and other persons. These convertible notes were converted into units of the Trust upon closing of the initial public offering.

On November 24, 2010, the Trust, directly or indirectly through its subsidiaries:

- Closed its initial public offering of 13,000,000 trust units at a price of \$10.00 per unit, for gross cash proceeds of \$130,000,000. Subsequently, the underwriters also exercised their full over-allotment option, which resulted in the purchase of 1,950,000 additional units at the offering price of \$10.00 per unit and increased total gross cash proceeds of the offering to \$149,500,000.
- Acquired an average 73% working interest in the Salt Flat field, a light oil property located in south central Texas, for total consideration of \$127,100,000 including closing adjustments. This

acquisition had an effective date of June 1, 2010 and a closing date of November 24, 2010. Consideration consisted of cash and 2,000,000 trust units valued at \$20,000,000.

- Established an \$US 8,000,000 credit facility with a U.S. affiliate of a Canadian chartered bank. As of December 31, 2010 there were no amounts outstanding under the facility nor have there been any draws made under this facility to date.

Although the Trust's 2010 income statement includes only the Salt Flat field operations from the closing date of the acquisition (November 24, 2010), capital investment had been ongoing for the benefit of the Trust prior to the closing, with resulting increases in oil production from the effective date of the acquisition (June 1, 2010). Working interest sales volumes from the closing date of the acquisition averaged 726 bbls per day (100% light oil), while the 2010 year end exit rate was 1,300 bbls per day. Production growth, net to the Trust, was approximately 1,000 bbls per day from the June 1, 2010 acquisition effective date to year end 2010.

As of year end 2010, the Trust's wholly-owned subsidiary in the U.S. had finished drilling its 12th horizontal well in the Salt Flat field drilling program, achieving a 100% success rate. Nine of these wells have been tied in, with the remaining wells expected to be on stream during the second quarter of 2011.

On January 17, 2011 the Trust paid its first distribution to unitholders for the initial period from November 24 to December 31, 2010 in the amount of \$1,916,432 (\$0.1064 per unit). Subsequent monthly distributions, at a rate of \$0.0875 per unit, were paid on February 15 and March 15, 2011. The Trust has now implemented a regular distribution reinvestment program and a Premium Distribution™ program, both of which become effective for the next distribution payment scheduled for April 21, 2011.

Selected Information for the Trust's Initial Fiscal Year

The following table shows selected information for the Trust's initial fiscal year. These results are not an indicative trend of future performance due to the short inclusion period of the Salt Flat field operations, non-recurring administrative costs related to the start-up of the Trust, one-time transaction expenses incurred for the acquisition of the Salt Flat field and initial expenses related to unit based compensation and debt conversion.

Initial fiscal year ended December 31, (\$ except per unit amounts and production)	2010
Production – bbls per day (100% light oil)	726
Revenue, net of royalties	1,366,494
Loss for the period	(3,213,531)
per unit – basic & diluted	(0.81)
Current assets	33,102,821
Current liabilities (including distribution declared)	9,061,984
Total assets	159,868,227
Total non-current liabilities	724,833
Unitholders' equity	150,081,410
Cash distribution declared	1,916,432
per issued unit	0.1064

Initial fiscal year ended December 31, (\$ except per unit amounts and production)	2010
Units outstanding for accounting purposes	17,624,081 ⁽¹⁾
Units issued	18,011,581

Note:

- (1) Units outstanding for accounting purposes excludes 387,500 units issued due to the performance conditions that have to be met to enable such units to be released from escrow.

Outlook

As outlined in a January 20, 2011 press release by the Trust, the Board of Directors has approved a 2011 capital budget of \$US 22.9 million. The Trust, indirectly through its subsidiaries, intends to invest these funds in drilling 21 horizontal production wells, five salt water disposal wells, as well as related infrastructure projects that are expected to reduce operating costs and increase operational efficiencies. As a result, the Trust expects to achieve 2011 company interest average production ranging from 1,900 to 2,100 bbls per day of light oil and operating costs, including transportation, ranging from \$10.00 to \$11.50 per barrel.

Currently the sixth well of the 2011 capital program is being drilled. Overall, this marks the 20th well that has been drilled since the June 1, 2010 effective acquisition date of the Salt Flat field. Year to date 2011, one well has been tied in and 10 more are scheduled to be tied in shortly, including three that are expected to be on production early in the second quarter.

The capital budget excludes corporate and property acquisitions, which are separately considered and evaluated. The amount and allocation of the Trust's 2011 capital budget is dependent upon results achieved and is subject to review on an ongoing basis throughout the year.

The Trust will continue to execute, indirectly through its subsidiaries, its integrated business plan to acquire and develop high quality, long life oil and gas properties in the United States.

Note About Forward-Looking Statements

This press release contains forward-looking statements pertaining to the Trust's 2011 capital budget, its subsidiary's drilling program, and anticipated production and operating costs. In estimating its 2011 capital budget, drilling program, and production and operating costs, management has made assumptions relating to, among other things, anticipated future production from the Salt Flat field, future commodity prices, future US/Canadian dollar exchange rates, the regulatory framework governing taxes and environmental matters in the U.S., the ability to market future production from the Salt Flat field, future capital expenditures and the geological and engineering reserves estimates in respect of the Salt Flat field. These assumptions necessarily involve known and unknown risks and uncertainties inherent in the oil and gas industry such as geological, technical, drilling and processing problems, the volatility of oil and gas prices, commodity supply and demand, fluctuations in currency and interest rates, and other business risks that are set out in the Trust's AIF under the heading "Risk Factors".

As a result of these risks, actual performance and financial results in 2011 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. The Trust's 2011 capital budget is subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those set out in this press release. 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 the operations of the Trust's subsidiaries, 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 the Trust and its unitholders.

Eagle Energy Trust is a new 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.

Richard W. Clark
President and Chief Executive Officer

All material information pertaining to Eagle Energy Trust may be found under the Trust's issuer profile at www.sedar.com and on the Trust's website at www.EagleEnergyTrust.com.

The Trust's units are traded on the Toronto Stock Exchange under the symbol EGL.UN.

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