NEWS RELEASE

FOR IMMEDIATE RELEASE

Eagle Energy Provides Operational Update and Enters into a Forbearance Agreement

Calgary, Alberta – January 2, 2019 (TSX: EGL): Eagle Energy Inc. ("**Eagle**") provides an operational update on its North Texas development program and announces that it has entered into a forbearance agreement with its lenders.

Operational Update

Wayne Wisniewski, President and Chief Executive Officer of Eagle, stated, "We are pleased to report updated production for the Robinson 2H, our most recent North Texas horizontal well. The initial production rate for 30 days ("**IP30**") for the well was 518 barrels of oil equivalent per day ("**boe/d**") (414 barrels of oil per day), which is approximately 96 boe/d (76 barrels of oil per day) higher than the IP30 rate was for our first well drilled in the same North Texas operating area. The new well is presently producing on artificial lift and is declining as per our expectations. Although IP30 production from our latest well was higher than our first well, it is too early to determine estimated ultimate reserve recovery. The price we receive for our oil from the North Texas field is unaffected by the Canadian oil differentials, with the result being a field netback of approximately $CA 40.00 per barrel of oil in November."

Mr. Wisniewski continued, "Unfortunately, the good news of our latest well in North Texas is overshadowed by the crisis of high Canadian oil differentials and falling WTI prices at the end of the year. As a result of the high Canadian oil differentials, we have implemented a selective well shut-in program at our Dixonville field in order to maximize cashflow from the property at various reduced WTI and Canadian differential combinations. By implementing the selective shut-in program, we are able to remain cashflow positive at the field level for the fourth quarter. We are monitoring WTI and Canadian differentials several times per week and responding accordingly. Eagle is exempt from the mandatory Alberta curtailment program starting in January of 2019."

Forbearance Agreement

Due to the persistent low WTI prices and high Canadian oil differentials, Eagle has advised the administrative agent and lenders (collectively, the "**Lenders**") under the loan and security agreement dated March 13, 2017 among Eagle, its subsidiaries and the Lenders, as amended (the "**Loan Agreement**") that Eagle may not meet one or more of its financial covenants at year end 2018. In anticipation of a potential event of default occurring at year end, Eagle has entered into a limited forbearance agreement (the "**Forbearance Agreement**") with the Lenders. Under the Forbearance Agreement, the Lenders have agreed to forbear from exercising their rights and remedies arising if Eagle fails to meet any of its financial covenants as of December 31, 2018 until January 31, 2019 (the "**Forbearance Period**") so long as no termination event has occurred during the Forbearance Period.

A "termination event" means, in summary, a breach of a representation, warranty, covenant or term under the Forbearance Agreement, a default under the Loan Agreement other than the failure to meet the financial covenants as of December 31, 2018, or any event or condition has occurred after the effective date of the Forbearance Agreement which has a material adverse effect as defined in the Loan Agreement and determined by the Lenders.

Eagle continues to work with its financial advisors to investigate, evaluate and consider possible asset sales and restructuring alternatives available to Eagle. Eagle does not intend to comment further regarding this review process unless a specific transaction or other alternative is approved by the board of directors of Eagle, the review process is concluded or it is otherwise determined that further disclosure is appropriate or required by law.

Advisories

Note about Initial Production Rates

The IP30 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 Eagle’s expectations regarding its North Texas development program, production from its third North Texas horizontal well, operational measures taken by Eagle on its Dixonville property and expectations regarding the impact of these measures on field level cash flow from this property, expectations regarding Eagle’s financial covenants and other terms of the Loan Agreement; the terms of the Forbearance Agreement; and expectations regarding Eagle’s process to consider potential asset sales and restructuring alternatives. With respect to forward-looking statements contained in this news release, assumptions have been made regarding expected future production, which is based on a success rate that, in turn, is based upon historical drilling success and an evaluation of the particular well, among other things; anticipated operating and capital costs and future fluctuations in those costs; future fluctuations in oil, natural gas and natural gas liquids prices, and reserves estimates and reservoir performance.

Eagle’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the following risk factors and those in Eagle’s Annual Information Form dated March 20, 2018 (the “AIF”): unexpected fluctuations in oil, natural gas and natural gas liquids prices; the inherent risks associated with the development of petroleum properties; delays, unexpected results and costs of drilling and production activities; and the availability and terms of financing and capital. 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 and 2019 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements. 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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