EAGLE ENERGY™
INC.

ATTENTION EAGLE SHAREHOLDERS

Your Vote Has Never Been More Important!

The Future of Your Investment
Will Be Determined by the Outcome of this Vote.

Eagle's Board of Directors Recommends that
You Vote the Enclosed YELLOW Proxy Form:

☑ **FOR Fixing the Board at Four Directors**

☑ **FOR Electing All Four Directors Proposed by Eagle:**

David M. Fitzpatrick
Richard W. Clark
Warren D. Steckley
Bruce K. Gibson

Don't Let the Dissidents Gain Control of Your Investment
Without Paying You a Fair Value Premium for Your Shares!

Your investment is at risk.

We urge you to protect it by not allowing a dissident group obtain control of Eagle.

Vote the YELLOW Proxy or Voting Instruction Form well in advance. The Deadline to vote YELLOW is 10:00 a.m. (Calgary time) on Friday, June 23, 2017.

Voting Method	Registered Shareholders If your shares are held in your name and represented by a physical certificate or in a direct registration system.	Beneficial Shareholders If your shares are held with a broker, bank or other intermediary.
Internet	www.investorvote.com	www.proxyvote.com
Telephone	North American Toll Free: 1-866-732-VOTE (8683) Outside North America: 1-312-588-4290	Call the toll-free number listed on your **YELLOW** Voting Instruction Form and vote using the control number provided therein.
Facsimile	North American toll free: 1-866-249-7775 Outside North America: 1-416-263-9524	Complete, date, and sign the **YELLOW** Voting Instruction Form and fax it to the number listed therein.
Mail	Complete, date and sign the **YELLOW** Proxy and return in the enclosed postage paid envelope to: **Computershare Investor Services Inc.** 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.	Complete, date and sign the **YELLOW** Voting Instruction Form and return it in the enclosed postage paid envelope.

QUESTIONS OR REQUESTS FOR ASSISTANCE WITH VOTING MAY BE DIRECTED TO THE PROXY SOLICITOR FOR EAGLE:

LH LAUREL HILL ADVISORY GROUP

NORTH AMERICAN TOLL FREE:
1-877-452-7184

COLLECT CALLS OUTSIDE NORTH AMERICA:
1-416-304-0211

EMAIL: ASSISTANCE@LAURELHILL.COM

EAGLE ENERGY™
INC.

IMPORTANT MESSAGE TO SHAREHOLDERS

May 23, 2017

Dear Fellow Shareholders,

You have an important decision to make at Eagle's annual general meeting this year. It will determine Eagle's future and the value of your investment.

You are being asked to choose between two opposite visions for Eagle's future:

Our Vision		Dissidents' "Vision"
✓ Execute Eagle's strategic growth plan ✓ Develop our North Texas assets ✓ Maximize shareholder value	***OR***	• A vague plan to sell Eagle's assets into a depressed market ?.... and then what...?

This is an important meeting and every vote is crucial.

Vote the YELLOW Proxy today to choose our vision.

Eagle's Strategic Growth Plan

We have an exciting strategic growth plan that includes the development of our North Texas asset.

We have been working for over two years to put all of the pieces in place to execute this growth strategy. We started with technical subsurface work to develop our drilling plan and then quietly leased over 24,000 acres in North Texas. Our North Texas asset is a development drilling project with solid well control and production history. **It is completely aligned with Eagle's core competencies and successful track record of horizontal well development.**

This year, we also closed a refinancing, which gives us sufficient capital and the time to do our work despite volatile commodity prices. We believe Eagle's assets and financial partnership with our lender provide a solid foundation to execute our drilling plan.

Eagle's Board and Management believe that the best way to maximize the value of Eagle's shares is to continue with our growth strategy on our best opportunities rather than liquidate the assets into a depressed market.

Eagle has assembled high quality assets. We are well-positioned to benefit from a rebound in oil prices.

- ✓ **North Texas development with over 24,000 acres and 218 potential horizontal drilling opportunities**
- ✓ **Stable asset base with low declines**
- ✓ **High percentage of production is oil**

Eagle's Highly Respected and Trusted Directors

Your directors, David Fitzpatrick, Richard Clark, Warren Steckley and Bruce Gibson possess the expertise required for Eagle to execute its strategic growth plan.

✓ **Experienced**

Messrs. Fitzpatrick, Gibson and Steckley each have over 35 years' experience in the oil and gas industry. Mr. Clark has over 27 years' experience. Over the past 20 years, they have served as directors of many public oil and gas companies, both large and small. They have solid energy sector experience in both Canada and the United States; a MUST to guide Eagle and achieve the best outcome for its shareholders.

✓ **Knowledgeable**

They have in-depth knowledge of Eagle's assets, operations, personnel and history on both sides of the border.

Dissidents' Inexperienced Nominees and Questionable Plan

Given Eagle's valuable assets and growth opportunities, it is easy to see why the dissidents, Kingsway Financial Services Inc. and Daniel Gundersen, want to gain control of Eagle's Board. **But, with their inexperience and lack of understanding of the U.S. oil and gas industry, we believe they will fail to achieve Eagle's full potential.**

- **Their "plan" provides no concrete ideas.**

  Their "plan" is vague; it provides no concrete ideas. They state that Eagle should sell its assets, reduce debt and cut costs. They offer no value proposition and will be selling off Eagle's premium assets into a depressed market. They simply do not understand Eagle's assets, particularly the assets in Texas and Oklahoma.

- **If they win, then an immediate Event of Default will be triggered under Eagle's loan**.

  Their change to Eagle's Board will trigger an event of default under Eagle's loan. This standard market term entitles the lender to call the loan immediately. If the condition is not waived by the lender, it will require Eagle to find some means to repay the lender $CA 78 million of loan principal and $CA 11 million of make-whole and repayment fees or face bankruptcy.

  The dissidents contacted our lender. Our lender told us that they will not communicate with the dissidents and will not amend the lender's rights under the loan agreement to accommodate the dissidents' plan. **The dissidents know this and have offered no alternative but to sell Eagle's premium assets in a distressed situation of their own making**. We do not understand how this makes any sense.

VOTE ONLY THE YELLOW PROXY TODAY

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- **They have no experience in the U.S. oil and gas industry.**

  Their nominees have no experience buying, selling, drilling or operating oil and gas assets in the U.S., where more than half of Eagle's assets, operations and value exist.

- **They lack the depth of experience as Eagle's directors.**

  Half of the nominees have less than two years of public company director experience. One has never worked for an oil and gas company. NONE have served as a director of a cross-border public oil and gas company like Eagle.

Dissidents' Ulterior Motives

In reality, this is a hostile takeover disguised as a proxy battle over "shareholder concerns".

By gaining control of Eagle's Board, Kingsway and Mr. Gundersen want to gain control of Eagle without paying YOU, the shareholders, proper consideration or a fair premium for that control.

- **Don't be fooled by Kingsway's charade as a "concerned Eagle shareholder".**

  Kingsway only became an Eagle shareholder in late 2016. **It owns only 2.6% of Eagle's shares**. We believe the bulk of Kingsway's shares were acquired in the weeks before launching the proxy battle. Eagle's Board and Management had never heard of Kingsway or its representatives until the week before it launched this proxy battle. Its objectives are short term. Its motives are suspect.

- **Don't be fooled by Mr. Gundersen's charade as a "concerned Eagle shareholder".**

  Last year, Eagle's Board rejected a below-value offer for our premium Dixonville asset from Mr. Gundersen on behalf of a private oil and gas company in Alberta. We believe the dissidents have an agenda that would see their associates purchase Eagle's high quality Alberta assets in a forced sale at the bottom of the market. Three of the four nominees are directors, officers or consultants of other oil and gas companies in Alberta. The fourth is a director of a shell company that is seeking to acquire a business or assets as inexpensively as possible to complete its qualifying transaction required of a TSXV-listed capital pool company. The dissident nominees own only **1.4%** of Eagle's shares.

If Kingsway were truly concerned about Eagle's future, it would have engaged in meaningful and comprehensive discussions with Eagle's management and presented thoughtful strategies and/or acquisitions for future growth rather than trying to hold such discussions after threatening a proxy battle.

If Kingsway wants control of Eagle, make it offer YOU a fair value premium for your shares.

Eagle's Board's Commitment to Maximizing Value

Your Board and Management team are committed to do everything in their power to maximize value for all Eagle shareholders.

YOU, as a shareholder of Eagle, have the ability to:

YES vote FOR the re-election of an experienced Board that will act for ALL shareholders;

NO stop the dissidents from acquiring control of Eagle's Board at YOUR expense; and

NO avoid the unnecessary costs and material risk that will result from their actions.

As you prepare to cast your vote, the Board asks you to consider the potential of Eagle's strategic growth plan and the continued development of its assets.

We urge you to support and retain the knowledge, proven technical expertise and experience of your Board and Management team. We believe Eagle's directors possess the qualifications and experience necessary to steward Eagle and maximize shareholder value.

Do not turn Eagle over to the dissidents and their inexperienced nominees to sell off Eagle's assets at a low point for oil prices. By replacing Eagle's Board with the dissidents' nominees, they would control the direction of Eagle and its business. They wish to execute a vague plan that simply sells off Eagle's assets into a depressed market.

- We have real concerns about the limited experience of the dissidents' nominees in the U.S. oil and gas industry, where more than half of Eagle's assets, operations and value exist.

- We have real concerns about Kingsway's motives. We believe Kingsway simply wants to gain control of Eagle, without paying YOU a fair premium for your shares.

Regardless of the number of shares you own, you should take immediate action and cast your vote today by completing and returning the **YELLOW PROXY**.

We are excited about the future of Eagle and appreciate your continued support.

With respect and appreciation,

Signed "*David Fitzpatrick*"	Signed "*Richard Clark*"
David Fitzpatrick	Richard Clark
Chairman of the Board	Chief Executive Officer

As you prepare to cast your vote, the Board asks you to consider the very real concerns regarding the dissidents' nominees:

- **Whose interests do they represent? – Kingsway's or yours, the shareholders?**

- **What experience do they have to steward Eagle?**

- **What really is their plan? Who gains by selling off Eagle's assets in a depressed market?**

WHY YOU SHOULD VOTE *FOR* THE CURRENT EAGLE DIRECTORS

1. We believe our Strategic Growth Plan, including the Development of the North Texas Asset, will Maximize Shareholder Value

Under the leadership of Eagle's current Board and Management team:

- Eagle has amassed a large land position in North Texas and completed the technical subsurface and engineering work necessary to give Eagle a significant competitive advantage in this area. This includes over 250 square miles of seismic data, with processing and interpretation complete and proprietary to Eagle, as well as Eagle-owned infrastructure such as facilities, pipeline and gathering lines. We have identified 218 potential horizontal drilling opportunities on existing Eagle lands and over 1,500 additional opportunities in the area where we intend to continue to actively lease.

- Eagle's cash flow torque before hedges per $10 increase in oil prices is top decile in its peer group. As oil prices recover, we believe Eagle will benefit more than most of its peers.

- Eagle has one of the lowest decline rates and one of the highest proved developed producing reserve values per share of its peer group. This highlights the high quality and stable nature of Eagle's asset base.

- Eagle has consistently increased its reserves base year after year. Eagle's average total proved plus probable reserves replacement ratio for the last three years was 280%.

- Eagle's extremely low abandonment liability and younger well life means it will not be subject to the materially higher costs that its peers will face in light of the new well abandonment regulations in Alberta.

- Eagle's Board cannot control world oil prices, but what we can control is wise use of every dollar. By doing so, we have positioned Eagle shareholders to benefit from the expected price recovery.

2. Eagle's Board has the Right Mix of Experience to Execute our Plan

Eagle's Board consists of four exceptionally qualified and respected career oil and gas leaders. They have guided Eagle through one of the worst oil price downturns in history. They have:

- a broad mix of industry knowledge,
- focused expertise in the development of oil and gas assets in Canada and the United States,
- technical, financial and capital markets expertise,
- proven leadership abilities, and
- the functional skills necessary to steward Eagle to success.

Eagle's Directors Have the Required Expertise

DAVID M. FITZPATRICK

Independent Director
(since March 28, 2008)

Chairman of the Board

Age: 58

Principal Occupation:
President and CEO of Veresen Midstream

Residence: Calgary, Alberta

Mr. Fitzpatrick has over 35 years of experience in the oil and gas industry. He has served in leadership, management, planning and technical roles for several public energy companies.

Mr. Fitzpatrick is the President and Chief Executive Officer of Veresen Midstream, an energy infrastructure company.

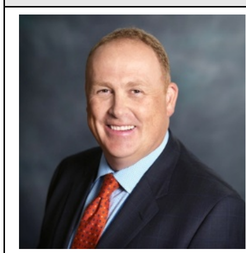
Over the past 20 years, Mr. Fitzpatrick served as a director on 12 boards, of which 9 have been listed public companies.

Mr. Fitzpatrick was a founder, President and Chief Executive Officer of Shiningbank Energy Income Fund, a TSX listed Canadian energy trust for 11 years. Prior to Shiningbank, Mr. Fitzpatrick was the Chief Operating Officer with Serenpet Energy Inc., a Senior Exploitation Engineer with Canadian Hunter Exploration Ltd. and a Senior Development Engineer with Amoco Canada Petroleum Co. Ltd. (each an oil and gas company).

Mr. Fitzpatrick obtained a Bachelor of Engineering (Geo.) degree from Queen's University and is a graduate of the McMaster University Director's College.

He obtained his Chartered Director designation in 2008.

RICHARD W. CLARK



Chief Executive Officer and Director
(since March 28, 2008)

Age: 55

Principal Occupation: Chief Executive Officer of Eagle

Residence: Calgary, Alberta

Mr. Clark has over 27 years of experience in the oil and gas industry, including 19 years as a legal advisor to energy sector CEOs.

Mr. Clark is the founder and Chief Executive Officer of Eagle.

Over the past 25 years, Mr. Clark has served as a director of over 20 companies, of which 10 were public. Prior to founding Eagle, his role as a "board room-focused" advisor to public company CEOs spanned 19 years. He has served in an executive role or on the boards of companies operating in the U.S. for over 20 years.

Before Eagle, Mr. Clark specialized in corporate governance, finance, securities, mergers and acquisitions and venture capital. He has extensive experience in developing innovative financing structures, leading initial public offerings and other debt and equity financings, completing multiple corporate mergers and asset transactions, and advising on U.S. expansion initiatives in the energy sector. Mr. Clark's board experience began in 1991 and, since then, he has served on numerous boards predominantly in the oil and gas sector.

Mr. Clark holds a Bachelor of Arts degree in Economics and Bachelor of Laws degree, both from the University of Calgary.

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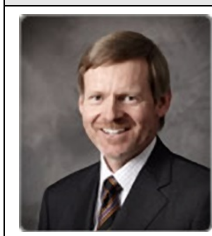
Eagle's Directors Have the Required Expertise

WARREN D. STECKLEY	
 Independent Director (since April 1, 2010) Chair of Compensation Committee and Reserves and Governance Committee Age: 61 Principal Occupation: Independent Businessman Residence: Calgary, Alberta	**Mr. Steckley has more than 38 years of oil and gas industry experience with technical, financial and investment expertise.** Over the past 23 years, Mr. Steckley served as a director on 18 boards, 13 of which were listed public oil and gas companies. The majority had assets similar to Eagle's and 3 had assets in the U.S. For 15 years, Mr. Steckley was the President, Chief Operating Officer and a director of Barnwell of Canada, Limited, an oil and gas company owned by Barnwell Industries Inc., a public company listed on the American Stock Exchange. Prior to that, he was an executive of a private company for four years. Mr. Steckley has a Bachelor of Mechanical Engineering degree from the University of Alberta and a Master of Business Administration degree from the University of Alberta.

BRUCE K. GIBSON	
 Independent Director (since March 28, 2008) Audit Committee Chair Age: 59 Principal Occupation: Retired Businessman Residence: Calgary, Alberta	**Mr. Gibson has over 35 years of financial experience in the oil and gas industry.** Over the past 18 years, Mr. Gibson served as the Chief Financial Officer of 3 public oil and gas companies, including 10 years as the Vice President and Chief Financial Officer of Shiningbank Energy Income Fund. Prior to Shiningbank, Mr. Gibson was the Chief Financial Officer of Magrath Energy Corp. and Northridge Exploration Ltd. (each an oil and gas company). Over the past 13 years, Mr. Gibson served as a director of 3 public oil and gas companies. Mr. Gibson obtained a Bachelor of Commerce degree from the University of Calgary in 1978. He is a Chartered Accountant and a member of the Chartered Professional Accountants of Alberta.

3. Eagle Compared Favourably to its Peers Last Year

In 2016, Eagle was the only company in its peer group that achieved **ALL** of the following:

- grew average production (+ 18%),
- grew total proved plus probable reserves (+ 13%),
- reduced operating costs per barrel of oil equivalent (boe) (- 12%),
- reduced general and administrative costs per boe (- 16%), AND
- reduced net debt (- 8%).

Eagle accomplished this while exhibiting fiscal discipline by keeping capital expenditures below its cash flow.

Capital Efficiency

Eagle was among the best of its peers with respect to its capital efficiency in 2016 as calculated by taking the company's reported total capital expenditures for 2016 divided by the increase in annual average production for 2016.

Production Growth

Eagle was in the top quartile for production growth in 2016. Many of its peers had to sell assets or reduce capital expenditures to strengthen their balance sheets. The quality of Eagle's assets and a focused capital program achieved Eagle's growth in production.

Reduced Costs

Eagle's operations team strives to constantly improve Eagle's operations on both sides of the border. Eagle is among the best at optimizing operations year over year. If one considers Eagle's field operating costs over the years since inception excluding the effects of foreign exchange, we see a steady decrease in field operating costs per boe. In 2016, Eagle reduced year-over-year operating costs per boe by 12%. Eagle was a top quartile performer in reducing year-over-year general and administrative costs by 16%. In addition, Eagle is on-track to realize a further 16% year-over-year reduction in G&A in 2017.

Debt to Cash Flow

At the moment, Eagle's debt to cash flow measure is not ideal. This market is not an ideal market. The junior energy sector has faced difficult choices. Many companies, including some of Eagle's peers, reduced this measure by selling their best assets, which not only reduced their production, but gave away much of their future. Others issued substantial equity, which diluted their shareholders, also impacting their future.

Eagle did neither. Instead, we looked within Eagle's existing asset base and identified organic opportunities to create sustainable growth. We then chose a financial partner who would work with us to realize that growth. We traded an unpredictable, short term loan with a lower interest rate, for a 4 year term loan with predictable terms.

As we execute our plan and our cash flow grows, we intend to use cash flow in excess of our capital spending to reduce our debt. Our goal is to eventually reduce or eliminate our debt. We could see Eagle's debt to trailing cash flow ratio reduce to below 1:1 by the time our new loan matures, assuming an average 2017 to 2021 WTI price of $US 55.00 per barrel, an exchange rate of $US 1.00 equal to $CA 1.28, and our annual drilling programs performing as expected.

We concluded that this path was best for all shareholders.

Eagle's Peers

Eagle's management considers the following companies to be Eagle's peers:

Delphi Energy Corp.	Gear Energy Ltd.	Journey Energy Inc.
Cequence Energy Ltd.	Manitok Energy Inc.	Chinook Energy Inc.
Ikkuma Resources Corp.	RMP Energy Inc.	Granite Oil Corp.
Inplay Oil Corp.	Petrus Resources Ltd.	Yangarra Resources Ltd.
Prairie Provident Resources Inc.		

4. The Dissidents' Statements About Eagle's New Loan are Misleading

The Dissidents' statements about Eagle's new four year loan with White Oak Global Advisors, LLC are misleading.

(a) **The dissidents say,** "Eagle's new loan is expensive."

Eagle's Response: Eagle's new loan is more expensive than its old loan with a syndicate of Canadian banks. But so are most loans to juniors in the current market. The old low cost of debt is no longer available to most juniors, including Eagle. The banks, which historically provided reserves-based loans to the junior energy sector, are no longer participating in that space to the same degree.

Staying with the banks was simply not an alternative under which Eagle could implement its growth plan. In fact, continuing with the status quo in lending could have led to wholesale dispositions of Eagle's assets if the syndicate of bank lenders were to have eventually withdrawn their support of Eagle. We have seen this happen to some of our peers.

(b) **The dissidents say,** "Annual interest expenses, which have been rising since 2012, are now going to double."

Eagle's Response: Annual interest expenses will increase for two reasons: the higher interest rate and because Eagle's pivot to a growth strategy sees it initially executing annual capital programs that outpace cash flow. Eagle's Board and Management believe that, in the current environment of high priced capital, the new loan provides the best source of capital available. Equity issuances would be dilutive and more expensive in the long run to shareholders. Sales of assets are not necessary to fulfill our organic growth plan and develop our North Texas asset.

(c) **The dissidents say,** "The new loan is fully secured and includes very strict financial covenants."

Eagle's Response: The new loan is fully secured, but so was the old loan. This is customary for all such loans. The key distinction between the two loans, however, is that the new loan extended the debt maturity date for almost another four years, from May 2017 to March 2021.

The covenants under the new loan are not materially different than they were under the old loan. Two of the key financial covenants under the new loan are no more "strict" than they were under the old loan.

- Both loans have or had a quarterly requirement to maintain a current ratio of not less than 1.00 to 1.00.
- Both loans have or had a quarterly requirement to maintain debt levels below a set multiple of cash flow, before interest charges, with that multiple under both loans converging at 3 times.

In fact, the new loan provides Eagle with relatively more financial flexibility because the maximum debt level threshold multiple starts at 3.5 times in June 2017 and does not step down to 3.0 times until March 2018. The old loan stepped down to a multiple of 3.0 times six months earlier (in September 2017).

With respect to the fixed charge ratio covenant in the new loan, also referred to as the "interest expense coverage ratio", the old loan had this same covenant for 5½ years (from November 2010 through to May 2016). Eagle does not consider this covenant under the new loan to be more "strict" than it was under the old loan. The new loan's minimum coverage ratio is 2.5 times whereas the old loan's minimum coverage ratio was 3.0 times.

What the dissidents do NOT say is that the loan can be called if they are elected.

They have not addressed how they will deal with this event. They have proposed no alternative financing.

If the dissidents win, **their change to Eagle's Board will trigger an event of default under Eagle's loan**. This standard market term entitles the lender to call the loan immediately. If the condition is not waived by the lender, it will require Eagle to find some means to repay the lender $CA 78 million of loan principal and $CA 11 million of make-whole and repayment fees or face bankruptcy.

The dissidents contacted our lender without our knowledge. Our lender told us that they will not communicate with the dissidents and will not amend the lender's rights under the loan agreement to accommodate the dissidents' plan. **The dissidents know this and have offered no alternative but to sell Eagle's premium assets in a distressed situation of their own making**. We do not understand how this makes any sense.

WHY YOU SHOULD NOT VOTE FOR THE DISSIDENT NOMINEES

1. Kingsway has put Forward a Vague Liquidation Plan into a Low Oil Price Market, yet is Looking to Control the Strategic Direction of YOUR Investment

Kingsway has proposed no new ideas for Eagle's business or strategy. It has failed to put forward a concrete business plan other than to sell off Eagle's assets, reduce debt and cut costs. Its vision for Eagle appears to be short term liquidation rather than long term development. Its "plan" is vague, yet it is demanding control of YOUR Board before telling you how its "plan" creates value.

Eagle's ongoing shareholder engagement and corporate governance practice has always been to engage in discussions with all of its shareholders, particularly with respect to value creation.

If Kingsway were truly concerned about Eagle's future, its management would have engaged in meaningful and comprehensive discussions with Eagle's Management and presented thoughtful strategies and/or acquisitions for future growth rather than commencing a proxy battle. The first time Eagle's Board and Management heard of Kingsway and met its CEO was a week before it launched this proxy battle.

2. The Dissidents' Nominees Lack the Expertise Required to Lead Eagle

The dissidents' nominees are not qualified to steward Eagle. They lack the breadth and depth of experience of Eagle's current directors, particularly with the type of assets owned by Eagle and its cross-border operations. For example:

- Mr. Gundersen's only public company director experience is less than two years at Maple Leaf Royalties Corp. It was a small TSXV-listed company that owned some royalty and non-operated working interests in Alberta. It was not able to even fund enough growth to cover its own administrative expenses and was sold to Eagle in early 2016.

- Another nominee appears to have no employment experience with an oil and gas company. His only public company director experience is five months with a capital pool company (a shell company seeking a business or inexpensive assets for a qualifying transaction so as to remain listed on the TSX Venture Exchange).

- None of the dissident nominees have U.S. oil and gas industry experience. They have never bought, sold, drilled or operated oil and gas assets in the U.S., where more than half of Eagle's assets, operations and value exist.

3. Kingsway Seeks to take Control of Eagle without Paying a Premium or any Compensation to YOU, the Shareholders

Despite having only recently acquired a small voting position, approximately **2.6%**, Kingsway is seeking to take control of Eagle without any compensation being paid to you, the shareholders. Similarly, the director nominees own only **1.4**% of Eagle shares.

This is a hostile takeover attempt disguised as a proposal from "concerned shareholders". Typically, in acquisitions of control, shareholders receive a significant premium to the current share price in exchange for relinquishing control of their company.

Kingsway offers no such premium, but is asking YOU, the shareholders, to replace all of the current directors of Eagle with its nominees.

It is irresponsible for Kingsway to force shareholders to shoulder an expensive proxy battle. If Kingsway wanted to control Eagle, it should have made a take-over bid for Eagle and offered to pay shareholders a change of control premium for relinquishing control.

If Kingsway is interested in controlling Eagle, let it make a proper premium offer on the open market instead of attempting to gain control through the back door.

THE BACKSTORY

October 2016: Mr. Gundersen Offers to Buy Eagle's Dixonville Asset

In October 2016, Mr. Gundersen, on behalf of a private Alberta oil and gas company, offered to buy Eagle's Dixonville asset.

Eagle's Board considered the offer, but determined it was not in the best interests of Eagle to sell the Dixonville asset for the price offered.

- The offer price was **below** the value of the asset's proved developed producing (PDP) reserves estimated using forward strip prices at the time. Dixonville is a long life, high quality asset. Eagle's Board believed the Dixonville asset should command a **premium** to the value of its PDP reserves, not a **discount**.
- Dixonville is one of Eagle's most stable and important oil producing assets. Unless the price was fair and compelling, we would not have sold such an asset to a "one-off" offer without running a proper sale process to allow all interested parties to bid. The price offered by Mr. Gundersen was neither.

Mid-March, 2017: Eagle Announces its 2017 Plans

Five months later, in mid-March 2017, Mr. Gundersen contacted Eagle CEO Richard Clark. He expressed his dissatisfaction with Eagle's announced plans, 2017 capital budget, refinancing and suspended dividend. He told Mr. Clark that Eagle should have sold Dixonville and paid down debt instead.

Eagle's Management had considered this option and had made direct enquiries with Eagle's Canadian bank lending syndicate at the time. They could gain no assurance, however, that selling assets solely to reduce debt would have resulted in the banks continuing to support Eagle, even at a reduced level of lending. This situation was not unique to Eagle. Over the past two years, the Canadian banks have shown increased reluctance to continue investing in the junior energy space.

Accordingly, Eagle's Management was well aware that accepting a below-value offer for the Dixonville asset would have resulted in the banks applying the entire sale proceeds against the loan and reducing the borrowing base of the loan (the amount available for Eagle to borrow). The reduction in the borrowing base, however, would have been disproportionately more than the lending value of the Dixonville asset. As a result, Eagle could have worsened its financial condition by doing this. It would have been put into a position of having to accelerate its refinancing decision without first having time to properly identify and evaluate alternative lenders.

Instead, Eagle opted to obtain a refinancing that would enable it to continue with the execution of its growth strategy, particularly the development of the North Texas asset. Eagle's Board and Management believe that this strategy is the best opportunity to maximize the value for Eagle shareholders at this time.

April 26, 2017: Dissidents Threaten Proxy Battle

From mid-March to April 26, 2017, Mr. Gundersen never returned with an improved offer to buy Eagle's Dixonville asset, nor did he come back with any other transaction or financing proposals for Eagle's Board and Management to consider. Instead, on April 26, Mr. Gundersen informed Eagle's Chair, David Fitzpatrick, of his intent to launch a proxy battle.

Three days later, Mr. Clark and Mr. Fitzpatrick met with Mr. Gundersen and Kingsway's CEO, Larry Swets. During the meeting, a proposal was negotiated regarding minority board representation for the dissidents. The proposal was subject to approval by the boards of Eagle and Kingsway.

Before either board had met, however, the dissidents tried to change the terms. They wanted Eagle to accelerate their appointments to Eagle's Board without consulting Eagle's shareholders. They also wanted Eagle to pay their costs.

April 30, 2017: Eagle's Board Considers Board Composition Proposal from Dissidents

The following day, Eagle's full board met. After careful consideration, Eagle's Board concluded it would not be in Eagle's best interests to add Mr. Gundersen and Mr. Swets to Eagle's board and remove Eagle director and CEO Richard Clark from the board. The board concluded that the dissidents:

- **Offered No Additional Expertise** – Mr. Gundersen has less than 2 years' experience as a director of a public oil and gas company. He has no experience in the U.S. oil and gas industry. Mr. Swets has never been a director of a public oil and gas company.

- **Proposed No New Ideas for Eagle's Business or Strategy** - Their suggestions offered nothing new. Most were self-serving at the expense of Eagle shareholders; others were obvious and already being addressed by Eagle's Management.

- **Proposed a Misuse of Funds** - They asked Eagle to pay $50,000 plus taxes and disbursements for their costs. That would have been a clear misuse of Eagle's funds.

May 2, 2017: Dissidents Commence Proxy Battle

Two days after having been rebuffed, the dissidents launched their proxy battle to take over Eagle's Board. Notably, Mr. Swets was not standing for election as a director.

The four nominees put forward by the dissidents lack the experience necessary to lead Eagle.

- Mr. Gundersen's only director experience with a public company is less than 2 years at Maple Leaf Royalties Corp., which owned some royalty interests in Alberta and had no oilfield operations.
- One nominee has no oil and gas company experience. His only public company director experience is five months at a capital pool company (a shell company with no business, assets or operations).
- None of the dissident nominees have U.S. energy sector experience.

Who gains by selling Eagle's assets into a depressed market? The board believes the dissidents have an agenda that would see their associates purchase Eagle's high quality Alberta assets in a forced sale at the bottom of the market. Two of the four nominees are directors or officers of a couple of Eagle's peers in Alberta. The third nominee consults to a few of Eagle's peers in Alberta. The fourth is a director of a shell company seeking to acquire assets as inexpensively as possible to complete its qualifying transaction. The dissident nominees own only 1.4% of Eagle's shares.

Kingsway is clearly a short term investor. It has almost no oil and gas experience. It only recently acquired Eagle shares. Eagle's Board and Management had never heard of Kingsway or met its CEO, Mr. Swets, until a week before it launched this proxy battle. It owns only 2.6% of Eagle's shares.

Kingsway is funding this proxy battle to gain control over Eagle for the benefit of itself and to the detriment of the other Eagle shareholders.

Make no mistake – Kingsway recognizes the intrinsic value of Eagle's assets.

If it wants control of Eagle,
make it pay YOU a fair premium for your shares.

QUESTIONS & ANSWERS

QUESTIONS ABOUT THE MEETING

Q1. When is the proxy voting deadline?

The **deadline to vote by proxy is 10:00 a.m. (Calgary time) on Friday, June 23, 2017**.

Q2. When and where will the Meeting take place?

The Meeting will be held at 10:00 a.m. (Calgary time) on Tuesday, June 27, 2017 at the Metropolitan Centre, 333 – 4th Avenue SW, Calgary, Alberta.

Q3. What am I being asked to vote on?

At the Meeting, shareholders will be asked to vote on a resolution to fix the number of directors of Eagle at four, elect the Eagle nominees as directors of Eagle, and vote on a resolution re-appointing PricewaterhouseCoopers LLP as Eagle's auditors.

Q4. What does Eagle's Board recommend?

Eagle's Board unanimously recommends that Eagle shareholders vote ONLY using the **YELLOW** Proxy Form or Voting Instruction Form:

☑ **FOR Fixing the Number of Directors at Four**

☑ **FOR Electing All Four Directors Proposed by Eagle:**

David M. Fitzpatrick
Richard W. Clark
Warren D. Steckley
Bruce K. Gibson

☑ **FOR Re-appointing PricewaterhouseCoopers LLP as Eagle's Auditor**

Q5. Is this a contested election for the director nominees to Eagle's Board?

Yes. Kingsway Financial Services Inc. and Mr. Gundersen have put forward four dissident nominees for election to the Board. The result is a proxy battle. You have an important decision that will directly impact the future value of your investment.

Q6. What is this proxy battle about?

This will determine the individuals most qualified to serve on Eagle's Board. The Board needs to act from a position of independence and exercise significant expertise to responsibly steward Eagle's operations, assets and capital.

Eagle's nominees for election as directors have the qualifications and experience needed to steward Eagle. It is a more experienced slate than the dissident nominees, particularly with respect to Eagle's U.S. assets and operations.

QUESTIONS ABOUT THE DISSIDENTS

Q7. Who is Kingsway?

Kingsway has NO connection with the oil and gas industry in Canada and the U.S. other than a small acquisition of mineral leases and oilfield assets in the U.S. last year. Kingsway targets undervalued companies and uses proxy battles to achieve its own goals. Its objectives are short term. For more information, see ''Why You Should Not Vote for the Dissident Nominees''.

Q8. Who is Mr. Gundersen?

Mr. Gundersen was the CEO and a director of Maple Leaf Royalties Corp., which Eagle acquired in early 2016. Maple Leaf was a small company that owned royalty interests in Alberta and had no oilfield operations. Mr. Gundersen's only public company director experience was less than 2 years at Maple Leaf. By his own admission to Eagle CEO Richard Clark, he has no experience in the U.S. oil and gas industry.

Mr. Gundersen previously submitted an offer to buy Eagle's Dixonville asset. Eagle's Board rejected the offer because it was below the value of the asset's proved developed producing reserves estimated using forward strip prices at the time. The Board determined that selling the Dixonville asset for a below-value price was not in the best interests of Eagle at that time.

Q9. What can shareholders expect the dissidents to do if they seize control of Eagle?

It is hard to predict what to expect if the dissidents seize control of Eagle. They have no concrete plan - their "plan" is to sell off Eagle's currently undervalued assets and cut costs. Then what? Their "plan" provides no solutions to the problems they claim exist.

The four nominees put forward by the dissidents lack the breadth and depth of experience of Eagle's existing directors.

- **They have no experience in the U.S. oil and gas industry.** The dissidents' nominees have no experience buying, selling, drilling or operating oil and gas assets in the United States, where more than half of Eagle's assets, operations and value exist.
- **They lack the experience necessary to lead Eagle.** Half of the dissidents' nominees have minimal experience serving as directors of a public company. None have been directors of a cross-border oil and gas public company like Eagle.

In reality, the proxy solicitation by the dissidents is a hostile takeover disguised as a proxy battle over dissident shareholder "concerns".

If they want to gain control of Eagle, make them pay YOU, its shareholders, proper consideration or a fair premium for that control.

The dissidents' motivations to gain control of Eagle and sell its assets into a depressed market are questionable.

Q10. Can I trust what Kingsway has to say?

No. Eagle's Board believes that Kingsway's motivation is self-serving and not in the best interests of all Eagle shareholders. We believe it simply wants to gain control of Eagle without paying you, Eagle's shareholders, a fair premium or compensation in exchange for handing over control of Eagle.

Q11. Why is Eagle's Board recommending that I Not Vote For the dissidents' nominees?

Eagle's Board recommends that you **VOTE FOR Eagle's Nominees** instead of the dissidents' nominees for many reasons including the following:

- The dissidents' nominees seek to seize control of Eagle without paying the Eagle shareholders a premium or any compensation in exchange for handing over control of Eagle.
- They dissidents' nominees have no experience buying, selling, drilling or operating oil and gas assets in the United States, where more than half of Eagle's assets, operations and value exist.
- The dissidents' nominees are not familiar with Eagle's North Texas asset and thus do not see the development potential of the North Texas asset like Eagle's Board and Management.
- The dissidents' nominees lack the experience necessary to lead Eagle. Half of the dissidents' nominees have minimal experience serving as directors of a public company. None have been directors of a cross-border oil and gas public company like Eagle.
- The dissidents offer no new ideas which have not already been considered by the current Eagle Board and Management.
- The dissidents' plan is vague and is only to sell off Eagle's assets even though it is a depressed market.

Q12. Who are the current directors of Eagle?

The current members of Eagle's Board are David Fitzpatrick, Richard Clark, Warren Steckley and Bruce Gibson.

Q13. Why should I support the current Eagle Board?

Eagle's Board is an independent, experienced board that has a clear mandate to maximize shareholder value for all Eagle shareholders. Under the stewardship of Eagle's Board, Eagle has done a solid job of preserving the underlying value of its assets notwithstanding a challenging market environment. Eagle's Board continues to focus on Eagle's strategic plan and the development potential of the North Texas asset.

By supporting Eagle's Board, you will be voting FOR continuing with Eagle's strategic growth plan, and proceeding to develop the North Texas asset with a view to unlocking value to the benefit of ALL shareholders.

See section above ''Why You Should Vote FOR the Current Eagle Directors'' for further details.

Q14. How can shareholders stop the dissidents and protect the future of Eagle and the value of their investment?

Shareholders have the power to protect their investment and the future of Eagle by electing the Eagle nominees who will move Eagle forward to create value for all of Eagle's shareholders. Vote only the **YELLOW** Proxy Form or Voting Instruction Form and by voting as recommended by Eagle's Board and Management, as soon as possible.

Discard any proxies received from the dissidents. If you have voted using the dissidents' proxy, you may still support Eagle's Board by voting on the **YELLOW** Proxy or Voting Instruction Form. A later dated **YELLOW** Proxy Form or Voting Instruction Form will supercede a previous Proxy or Voting Instruction Form.

QUESTIONS ABOUT VOTING IN GENERAL

Q15. Who should I contact for more information or assistance in voting my shares?

If you have any questions, or require any assistance in voting your shares, please call Laurel Hill Advisory Group toll free in North America at 1-877-452-7184 (or collect outside North America at 1-416-304-0211) or by email at assistance@laurelhill.com.

Q16. What if I cannot attend the meeting in person?

Non-Registered (Beneficial) Shareholders

If you hold your shares through a bank, broker or other intermediary, follow the specific instructions found on your **YELLOW** Voting Instruction Form. See also the instructions under the heading "Voting – Advice to Beneficial Shareholders" in the Circular.

Registered Shareholders

If you are unable to attend the meeting in person, you may vote as follows:

1. Internet

   You may vote by the internet at www.investorvote.com using the voting control number found on your **YELLOW** Proxy Form; or

2. Telephone

   You may vote by telephone by calling **1-866-732-8683**. You will need to give your voting control number found on your **YELLOW** Proxy Form.

3. Facsimile

   You may complete, sign, date and fax your **YELLOW** Proxy Form to Eagle's registrar transfer agent to **1-866-249-7775** (toll free in North America) or 1-416-263-9524 (international).

4. You may complete, sign, date and mail or deliver your **YELLOW** Proxy Form to:

   Computershare Investor Services Inc.
   8th Floor, 100 University Avenue
   Toronto, Ontario M5J 2Y1

The deadline to vote by proxy is 10:00 a.m. (Calgary time) on Friday, June 23, 2017 (or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the reconvened meeting). The Chairman of the Meeting may waive this cut-off time at his discretion without notice.

Q17. Who is soliciting my proxy?

Eagle's Management is soliciting the **YELLOW** Proxies for use at the Meeting. Eagle is providing this Circular to give shareholders as much information as possible about the Management Nominees and the proxy battle.

Q18. How will the solicitation be made?

The solicitation will be made by mail, telephone, fax or other electronic means and in person or other personal contact, as well as by newspaper or other media advertising. You are requested to execute the **YELLOW** Proxy Form to ensure that your votes are exercised at the Meeting. Eagle has also retained the services of Laurel Hill Advisory Group to solicit proxies, among other services.

Q19. What documents have been sent to shareholders?

In addition to this Circular, the shareholders have been sent a letter from Eagle's Chairman and its CEO and a **YELLOW** Proxy Form or Voting Instruction Form (the "**Meeting Materials"**). Copies of these Meeting Materials (other than the Voting Instruction Form) are available at www.EagleEnergy.com or under Eagle's profile on SEDAR at www.sedar.com.

Q20. How many votes do I have?

You are entitled to one vote for each share that you held as of the close of business on May 23, 2017 (the "**Record Date"**).

Q21. How many shares are eligible to vote at the Meeting?

As of the Record Date, there were 42,857,152 shares issued and outstanding. Each of those shares will carry the right to vote at the meeting.

Q22. What is the quorum of shareholders required to be present at the meeting?

Eagle's bylaws specify that the quorum for the transaction of business at a shareholders' meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the Meeting.

Q23. Who will count the votes?

The votes at the Meeting will be counted by Computershare Trust Company of Canada, which is the independent registrar and transfer agent for Eagle.

Q24. How do I vote?

If you held shares as of the close of business on the Record Date of Tuesday, May 23, 2017, then you are eligible to vote your shares at the Meeting.

If your shares are held in physical form or in a direct registration system and registered in your name, then you are a "Registered Shareholder". However, if like most shareholders, your shares are held in a brokerage account, bank or other intermediary, then you are a "Beneficial Shareholder". The manner for voting is different depending on whether you are a Registered Shareholder or a Beneficial Shareholder. Please read the applicable instructions below.

Beneficial Shareholders

Beneficial Shareholders may vote in person or by Voting Instruction Form by following the procedures outlined below well in advance of the voting deadline of Friday, June 23, 2017 at 10:00 a.m. (Calgary time).

To Vote in Person:

If you are a Beneficial Shareholder and wish to attend and vote at the Meeting in person or have someone else represent you (who does not need to be a shareholder), insert your name or the name of your representative in the blank space provided for such purpose on the **YELLOW** Voting Instruction Form. Return the **YELLOW** Voting Instruction Form by following the instructions provided therein.

To Vote by Voting Instruction Form:

If you are a Beneficial Shareholder and are unable to attend the Meeting and vote in person, you may complete and return the **YELLOW** Voting Instruction Form in accordance with the specific instructions noted therein, including by internet, fax, phone or by mail.

Registered Shareholders

To Vote in Person:

If you are a Registered Shareholder you may attend the meeting and vote in person.

To Vote by Proxy:

If you are a Registered Shareholder and you are unable to attend the Meeting in person, you may complete, date and sign the accompanying **YELLOW** Proxy Form and deposit it with:

Computershare Investor Services Inc.
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1

The **YELLOW** Proxy Form must be received by **10:00 a.m. (Calgary time) on Friday, June 23, 2017** or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the reconvened meeting. Alternatively, you may also submit your proxy to Computershare Investor Services Inc. by facsimile to 1-866-249-7775 (toll free in North America) or 1-416-263-9524 (international). You may also vote by telephone by calling 1-866-732-8683 or via the internet at www.investorvote.com.

Q25. How do I appoint someone else to vote for me?

If you are a Registered Shareholder and wish to appoint someone else to attend the Meeting and vote for you, you may do so by (1) striking out the names of the Management proxyholders on the **YELLOW** Proxy Form, (2) inserting your representative's name in the blank space provided and (3) returning the **YELLOW** Proxy Form as instructed above. You may also sign a proxy in a form similar to the enclosed **YELLOW** Proxy Form.

If you are a Beneficial Shareholder and wish to appoint someone else to attend the Meeting and vote for you, you may do so by (1) inserting your representative's name in the blank space provided for that purpose and (2) returning the **YELLOW** Voting Instruction Form as instructed therein.

In both cases above, the appointed person will need to be present in person at the Meeting in order to vote your shares.

Q26. How will my YELLOW Proxy Form be voted?

If you have deposited a **YELLOW** Proxy Form, your **YELLOW** Proxy Form will be voted on each respective matter in accordance with your voting instructions provided in your **YELLOW** Proxy Form.

If no choice is specified with respect to a matter and you have appointed one of the Management proxyholders as your proxyholder, such person will vote in favour of each matter identified in the Notice of Meeting.

Q27. What should I do if I voted using the dissidents' proxy, but want to change my vote and stop the dissidents?

Discard any proxies received from the dissidents. If you have voted using the dissidents' proxy, you may still support Eagle's Board by voting on the **YELLOW** Proxy Form or Voting Instruction Form. A later dated **YELLOW** Proxy Form or Voting Instruction Form will supersede a previous Proxy Form or Voting Instruction Form.

NOTICE OF MEETING

&

MANAGEMENT PROXY CIRCULAR

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EAGLE ENERGY™
INC.

NOTICE OF 2017 ANNUAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 2017 Annual Meeting of the holders of common shares (the "**Shares**") of Eagle Energy Inc. ("**Eagle**").

When: Tuesday, June 27, 2017 at 10:00 a.m. Calgary Time

Where: Metropolitan Centre
333 - 4th Avenue S.W., Calgary, Alberta

The meeting will cover the following items of business:

- receive the consolidated financial statements of Eagle for the years ended December 31, 2016 and December 31, 2015 and the auditor's report thereon;
- appoint the independent auditors of Eagle for the ensuing year;
- elect directors of Eagle; and
- transact any other business as may properly come before the meeting.

The management proxy circular provides detailed information about the business of the meeting and the voting process.

You are entitled to vote at the meeting if you owned Shares at the close of business on May 23, 2017 (the "**Record Date**").

If you are a ***non-registered (beneficial) shareholder*** and receive these materials through your broker or another intermediary, please complete and return the **YELLOW** Proxy Form or Voting Instruction Form in accordance with the instructions provided in that form.

If you are a ***registered shareholder*** and are unable to attend the Meeting in person, please date and sign the enclosed **YELLOW** Proxy Form and send it to Computershare Trust Company of Canada by delivery or mail to 8th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1 or by fax to 1-866-249-7775 for faxes sent from within Canada and the U.S., or (416) 263-9524 for faxes sent from outside Canada and the U.S. You may also vote by telephone by calling 1-866-732-8683 or via the Internet at www.investorvote.com.

Your **YELLOW** Proxy Form must be received by Computershare Trust Company of Canada not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any postponement or adjournment thereof. That deadline is 10:00 a.m. (Calgary Time) on Friday, June 23, 2017, unless the Meeting is postponed or adjourned. The Chairman of the Meeting may waive this cut-off time at his discretion without notice.

By Order of the Board of Directors of Eagle Energy Inc.

Signed "*Richard W. Clark*"
Richard W. Clark, Chief Executive Officer

May 23, 2017

MANAGEMENT PROXY CIRCULAR

FOR THE ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON TUESDAY, JUNE 27, 2017

This Management Proxy Circular dated May 23, 2017 (the "**Circular**") is prepared to assist those holders of common shares (the "**Shares**") of Eagle Energy Inc. ("**Eagle**") at the close of business on May 23, 2017 (the "**Record Date**"). As a Shareholder of record, you are entitled to attend Eagle's 2017 annual meeting (the "**Meeting**") to be held on **Tuesday, June 27, 2017 at 10:00 a.m.** (Calgary Time) at the Metropolitan Centre, located at 333 – 4th Avenue S.W., Calgary, Alberta.

In this Circular,

- ***Arrangement*** means the plan of arrangement that was completed on January 27, 2016 pursuant to which Eagle converted from a trust structure into a corporate structure;
- ***we***, ***us***, ***our*** *and* ***Eagle*** mean Eagle Energy Inc. if the information pertains to a period on or after January 27, 2016, or the Trust if the information pertains to a period before January 27, 2016;
- ***you****,* ***your*** or ***Shareholder*** mean the holder of Shares if the information pertains to a period on or after January 27, 2016, or Units if the information pertains to a period before January 27, 2016;
- ***Shares*** mean the common shares of Eagle Energy Inc.;
- ***Units*** mean the units of Eagle Energy Trust;
- ***the Trust*** means Eagle Energy Trust, the predecessor reporting issuer to Eagle Energy Inc. prior to the completion of the Arrangement; and
- information is as of May 23, 2017 and all dollar amounts are in Canadian dollars unless otherwise indicated.

This Circular has been prepared by the management of Eagle for the solicitation of proxies by management for the Meeting. The cost of the solicitation of proxies by management will be borne by Eagle. See "Solicitation of Proxies".

ABOUT THE SHAREHOLDERS' MEETING

Voting

Who Can Vote

As at the date of this Circular, Eagle has 42,857,152 Shares issued and outstanding. You can vote if you owned Shares as of the close of business on the record date of May 23, 2017 (the "**Record Date**").

Each Share entitles the holder to one vote. The voting process is different depending on whether you own your Shares as a registered Shareholder ("**Registered Shareholder**") or as a non-registered ("**Beneficial Shareholder**") Shareholder (see below). If your Shares are held in physical form or in a direct registration system and registered in your name, then you are a Registered Shareholder. However, if like most shareholders, your Shares are held in a brokerage account, bank or other intermediary, then you are a Beneficial Shareholder. The manner for voting is different for Registered and Beneficial Shareholders. Therefore, you need to carefully read the applicable instructions below.

Principal Shareholders of Eagle

To the knowledge of the directors and officers, as at the date of this Circular, no person or entity beneficially owns, or controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to the Shares.

Transfer Agent and Registrar

Computershare Trust Company of Canada ("**Computershare**") is our transfer agent and registrar. Computershare receives, counts and tabulates the proxies on our behalf.

Appointment of Proxyholder and Exercise of Vote by Proxy

You can vote by proxy, or by attending the meeting and voting in person. Voting by proxy means that you are giving someone else (your proxyholder) the authority to vote for you at the meeting and it is the easiest way to vote.

The deadline to vote by proxy is 10:00 a.m. (Calgary Time) on Friday, June 23, 2017 unless the Meeting is postponed or adjourned.

You can choose anyone to be your proxyholder. The person does not need to be a Shareholder or one of Eagle's representatives named on the YELLOW Proxy Form (if you are a Registered Shareholder) or YELLOW Voting Instruction Form (if you are a Beneficial Shareholder), but your Shares will only be voted if your proxyholder attends the meeting and votes for you. Print the person's name in the space provided on the **YELLOW** Proxy Form or Voting Instruction Form. If you vote by proxy but do not specify a proxyholder, Eagle's representatives named on the **YELLOW** Proxy Form or Voting Instruction Form will act as your proxyholder. Eagle's representatives are officers of Eagle.

Your proxyholder must vote your Shares according to your instructions. If you do not specify your voting instructions, your proxyholder can vote as he or she sees fit. If you do not specify your voting instructions and Eagle's representatives are acting as your proxyholder, they will vote ***for*** each item of business proposed by management as set forth in this Circular.

If there are any changes to the items of business or if any new items are proposed, your proxyholder has the authority to vote as he or she likes. Eagle's representatives will vote on any new or amended items using their best judgment. At the time of printing of this Circular, management knows of no such changes or other matters to come before the Meeting.

Advice to Beneficial Shareholders

You are a Beneficial Shareholder if your Shares are in an account in the name of an intermediary such as a bank, securities broker, trustee, trust company, administrator of self-administered RRSP, RRIF, RESP, TFSA and similar plan (an "**Intermediary**").

The Shareholder meeting materials are being sent to both Registered and Beneficial Shareholders. Eagle also intends to pay for an Intermediary to deliver the meeting materials to the objecting beneficial owners.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients. The **YELLOW** Proxy Form or Voting Instruction Form supplied to you by your Intermediary will be similar to the **YELLOW** Proxy Form provided to Registered Shareholders by Eagle. However, its purpose is limited to instructing the Intermediary on how to vote your Common Shares on your behalf.

You should carefully follow the procedures set out in your **YELLOW** Proxy Form or Voting Instruction Form, depending on which type of document you receive. Most Intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically mails a scannable Voting Instruction Form instead of a Proxy Form. Beneficial Shareholders are asked to complete the **YELLOW** Voting Instruction Form and return it to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders may submit their votes by telephone or via the internet at www.proxyvote.com. The various voting methods will be set out by Broadridge on the **YELLOW** Voting Instruction Form.

In either case, the **YELLOW** Proxy Form or Voting Instruction Form from your Intermediary is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder who receives one of the above forms wish to vote in person at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should insert the Beneficial Shareholder's or such other person's name in the blank space provided for this purpose. **Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the YELLOW Proxy Form or Voting Instruction Form is to be delivered.**

If you are a Beneficial Shareholder who has already provided voting or proxyholder instructions and wants to revoke it, contact your Intermediary about how to revoke your voting or proxyholder instructions.

Advice to Registered Shareholders

If you are a Registered Shareholder, you can vote in person, or by proxy by signing the accompanying **YELLOW** Proxy Form and returning it to Computershare by mail or delivery to Computershare, 8th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1 or by fax to 1-866-249-7775 for faxes sent from within Canada and the U.S (or 1-416-263-9524 for faxes sent from outside Canada and the U.S). You may also vote by telephone by calling 1-866-732-8683 or via the internet at www.investorvote.com. The completed **YELLOW** Proxy Form must be deposited with Computershare not later than **48 hours** (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any postponement or adjournment thereof.

The deadline to vote by proxy is 10:00 a.m. (Calgary Time) on Friday, June 23, 2017 unless the Meeting is postponed or adjourned.

If a Registered Shareholder has sent a completed **YELLOW** Proxy Form and wants to revoke it, the Registered Shareholder can (i) send written notice to Eagle's registered office at Suite 2710, 500-4th Avenue, S.W., Calgary, Alberta, T2P 2V6 Attention: Corporate Secretary at any time up to and including **5:00 p.m. (Calgary Time)** on the last business day preceding the day of the Meeting, or any postponement or adjournment of the Meeting, at which the proxy is to be used, or (ii) give written notice to the Chairman of the Meeting prior to the commencement of the Meeting or any postponement or adjournment thereof.

Any instrument revoking a proxy has to be executed by the Shareholder or by its attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but may also be made by telephone, facsimile transmission or other electronic means of communication, or in person by the directors, officers and employees of Eagle. Eagle has also retained Laurel Hill Advisory Group ("**Laurel Hill**") to provide the following services in connection with the Meeting: the review and analysis of this Circular; recommending corporate governance best practices where applicable; liaising with proxy advisory firms; developing and implementing Shareholder communication and engagement strategies; advice with respect to the Meeting and proxy protocol; reporting and reviewing the tabulation of Shareholder proxies; and the solicitation of Shareholder proxies including contacting Shareholders by telephone. In connection with these services, Laurel Hill is expected to receive a fee of up to $200,000 plus reasonable out-of-pocket expenses. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Shares. The cost of solicitation of proxies will be borne by Eagle.

Quorum and Approval Requirements

Eagle's bylaws provide that a quorum at the Meeting will consist of two persons present and holding or representing by proxy at least 10% of the Shares entitled to vote at the meeting.

If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at the adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of Eagle is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each person who has been a director or executive officer of Eagle at any time since the beginning of Eagle's last financial year, any proposed nominee for election as a director of Eagle, or of any associate or affiliate of any of the foregoing, in respect of any matter to be acted upon at the Meeting except as disclosed in this Circular.

PURPOSES OF THE MEETING

Annual Financial Statements

The audited annual consolidated financial statements of Eagle for the years ended December 31, 2016 and December 31, 2015 (the "**Annual Financial Statements**") and the auditor's report thereon will be placed before the Shareholders at the Meeting. Shareholder approval is not required in relation to the Annual Financial Statements.

The Annual Financial Statements, the Auditor's Report thereon and the related Management's Discussion and Analysis can be found on Eagle's website at www.EagleEnergy.com and under its issuer profile on www.sedar.com. Paper copies of these documents have been mailed to registered Shareholders and to non-registered Shareholders who requested to be on Eagle's mailing list to receive annual financial statements. You can request a paper copy of these documents by calling Eagle's toll free number at (855) 531-1575 or by emailing us at info@EagleEnergy.com.

Appointment of Auditors

The *Business Corporations Act* (Alberta) provides that the auditors of Eagle will be appointed at each annual meeting of the Shareholders. Accordingly, Shareholders will consider an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP, Calgary Alberta, to serve as auditors of Eagle until the close of the next annual meeting of the Shareholders. PricewaterhouseCoopers LLP was first appointed as auditor of the Trust effective July 20, 2010.

An ordinary resolution requires approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

The board of directors of Eagle (the "**Board**") recommends that you vote **FOR** approval of the above resolution. Unless otherwise directed, it is the intention of the persons designated in the **YELLOW** Proxy Form or Voting Instruction Form accompanying this Circular to vote proxies **FOR** the above resolution.

Election of Directors

Fixing the Number of Directors

The articles of Eagle provide for a minimum of three and a maximum of fifteen directors (the "**Directors**"). There are currently four Directors. At the Meeting, Shareholders will be asked to consider an ordinary resolution to vote in favour of a resolution to fix the number of Directors at four.

The Board recommends that you vote **FOR** approval of the above resolution. Unless otherwise directed, it is the intention of the persons designated in the **YELLOW** Proxy Form or Voting Instruction Form accompanying this Circular to vote proxies **FOR** the above resolution.

Election of Directors

The four nominees for election as Directors by the Shareholders are as follows:

David M. Fitzpatrick
Richard W. Clark
Warren D. Steckley
Bruce K. Gibson

Except where instructed otherwise in a completed **YELLOW** Proxy Form or Voting Instruction Form, the persons designated by Eagle in the enclosed **YELLOW** Proxy Form or Voting Instruction Form intend to vote **FOR** the election of each of the four nominees listed above. If, due to circumstances not at present foreseen, any of the persons listed above should not be available for election, it is intended that the persons named in the accompanying Proxy Form or Voting Instruction Form will vote for such other person or persons as the Board may recommend.

The Eagle Board unanimously recommends that Shareholders vote ONLY using the YELLOW Proxy Form or Voting Instruction Form and vote:

☑ **FOR THE ELECTION OF ALL FOUR OF EAGLE'S NOMINEES TO THE BOARD**

David M. Fitzpatrick
Richard W. Clark
Warren D. Steckley
Bruce K. Gibson

Majority Voting Policy

The **YELLOW** Proxy Form or Voting Instruction Form allows for voting for individual directors rather than for directors as a slate. Eagle has a Majority Voting Policy pursuant to which, in an uncontested election of directors, if a director does not receive the support of a majority of the votes cast at a meeting of Shareholders in his or her favour, that director will offer to resign from the Board, to be effective upon acceptance by the Board. The Board will refer the resignation offer to the Reserves & Governance Committee for consideration and, subject at all times to their fiduciary duty to Eagle, will accept the resignation unless the Reserves & Governance Committee determines that there are exceptional circumstances relating to the composition of the Board or the voting results that should delay the acceptance of the resignation or justify rejecting it. Within 90 days of the relevant shareholders' meeting, the Board will make its decision and announce it in a press release, including, if applicable, the reasons for rejecting the resignation. A director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Reserves & Governance Committee or the Board at which the resignation offer is considered.

Subject to any corporate law restrictions, the Board may (1) leave a vacancy in the Board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new Board nominee(s) to fill the vacant position(s).

The Majority Voting Policy can be found on our website at www.EagleEnergy.com on the Corporate Governance webpage under "About Us".

Eagle will file the complete voting results regarding all items of business conducted at the Meeting on SEDAR including the number of votes cast for and withheld from each individual director.

Nominees for Directors

The following table sets forth information with respect to each of the nominees for election as a Director, including all officer positions currently held with Eagle and its U.S. subsidiary, Eagle Hydrocarbons Inc. ("**Eagle US**"), present principal occupation and direct and indirect beneficial ownership of, or control or direction over, Shares held by each nominee. Each of the nominees has served as a director of Eagle (or its predecessor prior to the Arrangement) since the year he first became a Director. Membership on committees of the Board is noted in the table below. Each nominee is currently a Director and was elected as a Director by a vote of the Shareholders at each of Eagle's (and prior to the Arrangement, the Trust's) last annual meetings. All of the Directors hold office for a term ending at the close of the next annual meeting of the Shareholders following their election or until their successors are elected.

Name and Municipality of Residence	Current Positions and Offices Held	Date Appointed as a Director	Principal Occupation	Shares Beneficially Owned, Controlled or Directed[4]
David M. Fitzpatrick[1][2][3] Alberta, Canada	Director and Chairman of the Board	March 28, 2008	President and Chief Executive Officer of Veresen Midstream (natural gas and NGL processing)	92,960
Richard W. Clark Alberta, Canada	Director and Chief Executive Officer of Eagle and Eagle US	March 28, 2008	Chief Executive Officer of Eagle and Eagle US	466,217
Warren D. Steckley[1][2][3] Alberta, Canada	Director, Compensation Committee Chair, and Reserves and Governance Committee Chair	April 1, 2010	Independent businessman since September 9, 2013; prior thereto, President and Chief Operating Officer of Barnwell of Canada, Limited (an oil and gas company)	88,598
Bruce K. Gibson[1][2][3] Alberta, Canada	Director and Audit Committee Chair	March 28, 2008	Retired businessman	48,690

Notes:

(1) Member of Audit Committee. Mr. Gibson is the Chairman of the Audit Committee.

(2) Member of the Compensation Committee. Mr. Steckley is the Chairman of the Compensation Committee.

(3) Member of the Reserves & Governance Committee. Mr. Steckley is the Chairman of the Reserves and Governance Committee.

(4) The nominees also hold the following securities of Eagle under its equity incentive compensation plans or agreements:

  (a) Mr. Clark holds 172,500 RURs, plus 280,626 Restricted Share Units and 187,084 Performance Share Units under the 2016 Plan;
  (b) Mr. Fitzpatrick holds 135,000 RURs and 63,636 Restricted Share Units under the 2016 Plan;
  (c) Mr. Gibson holds 75,000 RURs and 63,636 Restricted Share Units under the 2016 Plan; and
  (d) Mr. Steckley holds 50,000 RURs and 63,636 Restricted Share Units under the 2016 Plan.

Biographical Information of Nominees

DAVID M. FITZPATRICK

Independent Director
(since March 28, 2008)

Chairman of the Board

Age: 58

Principal Occupation: President and CEO of Veresen Midstream

Residence: Calgary, Alberta

Mr. Fitzpatrick has over 35 years of experience in the oil and gas industry. He has served in leadership, management, planning and technical roles for several public energy companies.

Mr. Fitzpatrick is the President and Chief Executive Officer of Veresen Midstream, an energy infrastructure company.

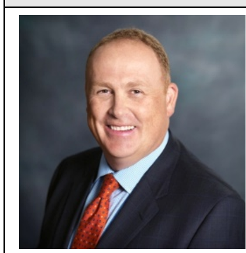
Over the past 20 years, Mr. Fitzpatrick served as a director on 12 boards, of which 9 have been listed public companies.

Mr. Fitzpatrick was a founder, President and Chief Executive Officer of Shiningbank Energy Income Fund, a TSX listed Canadian energy trust for 11 years. Prior to Shiningbank, Mr. Fitzpatrick was the Chief Operating Officer with Serenpet Energy Inc., a Senior Exploitation Engineer with Canadian Hunter Exploration Ltd. and a Senior Development Engineer with Amoco Canada Petroleum Co. Ltd. (each an oil and gas company).

Mr. Fitzpatrick obtained a Bachelor of Engineering (Geo.) degree from Queen's University and is a graduate of the McMaster University Director's College.

He obtained his Chartered Director designation in 2008.

RICHARD W. CLARK



Chief Executive Officer and Director
(since March 28, 2008)

Age: 55

Principal Occupation: Chief Executive Officer of Eagle

Residence: Calgary, Alberta

Mr. Clark has over 27 years of experience in the oil and gas industry, including 19 years as a legal advisor to energy sector CEOs.

Mr. Clark is the founder and Chief Executive Officer of Eagle.

Over the past 25 years, Mr. Clark has served as a director of over 20 companies, of which 10 were public. Prior to founding Eagle, his role as a "board room-focused" advisor to public company CEOs spanned 19 years. He has served in an executive role or on the boards of companies operating in the U.S. for over 20 years.

Before Eagle, Mr. Clark specialized in corporate governance, finance, securities, mergers and acquisitions and venture capital. He has extensive experience in developing innovative financing structures, leading initial public offerings and other debt and equity financings, completing multiple corporate mergers and asset transactions, and advising on U.S. expansion initiatives in the energy sector. Mr. Clark's board experience began in 1991 and, since then, he has served on numerous boards predominantly in the oil and gas sector.

Mr. Clark holds a Bachelor of Arts degree in Economics and Bachelor of Laws degree, both from the University of Calgary.

WARREN D. STECKLEY

Independent Director
(since April 1, 2010)

Chair of Compensation Committee and Reserves and Governance Committee

Age: 61

Principal Occupation: Independent Businessman

Residence: Calgary, Alberta

Mr. Steckley has more than 38 years of oil and gas industry experience with technical, financial and investment expertise.

Over the past 23 years, Mr. Steckley served as a director on 18 boards, 13 of which were listed public oil and gas companies. The majority had assets similar to Eagle's and 3 had assets in the U.S.

For 15 years, Mr. Steckley was the President, Chief Operating Officer and a director of Barnwell of Canada, Limited, an oil and gas company owned by Barnwell Industries Inc., a public company listed on the American Stock Exchange. Prior to that, he was an executive of a private company for four years.

Mr. Steckley has a Bachelor of Mechanical Engineering degree from the University of Alberta and a Master of Business Administration degree from the University of Alberta.

BRUCE K. GIBSON

Independent Director
(since March 28, 2008)

Audit Committee Chair

Age: 59

Principal Occupation: Retired Businessman

Residence: Calgary, Alberta

Mr. Gibson has over 35 years of financial experience in the oil and gas industry.

Over the past 18 years, Mr. Gibson served as the Chief Financial Officer of 3 public oil and gas companies, including 10 years as the Vice President and Chief Financial Officer of Shiningbank Energy Income Fund.

Prior to Shiningbank, Mr. Gibson was the Chief Financial Officer of Magrath Energy Corp. and Northridge Exploration Ltd. (each an oil and gas company).

Over the past 13 years, Mr. Gibson served as a director of 3 public oil and gas companies.

Mr. Gibson obtained a Bachelor of Commerce degree from the University of Calgary in 1978. He is a Chartered Accountant and a member of the Chartered Professional Accountants of Alberta.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of Eagle, none of the above nominees (nor any personal holding company of any of such persons) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Eagle), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of Eagle, except as described below, none of the above nominees (nor any personal holding company of any of such persons) (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Eagle) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee.

Mr. Fitzpatrick was a director of Lone Pine Resources Inc. ("Lone Pine") at the time Lone Pine commenced proceedings on September 25, 2013 under the *Companies' Creditors Arrangement Act* ("CCAA") and ancillary proceedings under Chapter 15 of the United States Bankruptcy Code, and continued in such capacity through implementation on January 31, 2014 of a comprehensive capital reorganization and financial restructuring of Lone Pine and its subsidiaries pursuant to a CCAA plan of compromise and arrangement. Mr. Fitzpatrick also served as the Interim Chief Executive Officer of Lone Pine from February 28, 2013 until May 30, 2013. On September 12, 2016, Lone Pine completed a plan of arrangement involving, among others, Arsenal Energy Inc. and Prairie Provident Resources Inc. The continuing company is called "Prairie Provident Resources Inc.".

Mr. Fitzpatrick was a director of Twin Butte Energy Ltd. ("Twin Butte") from December 8, 2008 until September 1, 2016 and Mr. Steckley was a director of Twin Butte from March 20, 2009 until September 1, 2016. On application of Twin Butte's lenders, a receiver was appointed over all of Twin Butte's assets, undertakings and properties pursuant to an order of the Court of Queen's Bench of Alberta under the *Bankruptcy and Insolvency Act* (Canada) granted on September 1, 2016. On January 18, 2017, the Court of Queen's Bench of Alberta granted an order approving a sale transaction of all of Twin Butte's oil and gas assets to a third party.

Penalties or Sanctions

To the knowledge of Eagle, none of the nominees has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a nominee.

Advance Notice By-law

Eagle has adopted an advance notice by-law (the "**By-law**") which applies to nominations of directors at the Meeting and is intended to provide a clear process for director nominations.

Among other things, the By-law requires that a Shareholder wishing to nominate a candidate for election as a director of Eagle at an annual meeting of Shareholders, or a special meeting of Shareholders at which directors will be elected, must provide notice to the Corporate Secretary of Eagle not less than 30 days prior to the date of the meeting (40 days where Eagle uses Notice and Access to deliver proxy-related materials to Shareholders in connection with such meeting); provided, however, that in the event the meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to Eagle must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The By-law also specifies the information and accompanying documentation that a nominating Shareholder must provide with respect to the nominating Shareholder and the nominee for the notice to be effective. No person nominated by a Shareholder will be eligible for election as a director of Eagle unless nominated in accordance with the By-law. A copy of the By-law is available on Eagle's issuer profile on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

The Directors of Eagle consider good corporate governance to be central to the effective and efficient operation of Eagle and its subsidiaries. Eagle's corporate governance practices are set forth below.

The Board

As of the date of this Circular, Eagle has four Directors, three of whom are independent. A Director is independent if the Director has no direct or indirect material relationship with Eagle or its subsidiaries. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Director's independent judgment. Certain types of relationships are by their nature considered to be material relationships.

Messrs. Fitzpatrick, Gibson and Steckley are independent Directors. Mr. Clark is not an independent Director as he is the Chief Executive Officer of Eagle.

The Board takes steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of Eagle. One of the responsibilities of the Chairman of the Board is to provide leadership to the independent Directors and to ensure that the policies and procedures adopted by the Board allow the Board to function independently of management. Where matters arise at meetings of the Board which require decision making and evaluation that is independent of management and interested directors, the Directors may hold an *in camera* session among the independent and disinterested Directors, without management present at such meeting.

Certain Directors are also directors of other issuers that are reporting issuers (or the equivalent), as follows:

Director	Directorships in Other Reporting Issuers	Stock Exchange Listing
David M. Fitzpatrick	Prairie Provident Resources Inc.	TSX

Board Meetings

During 2016, the Board held eight Board meetings. Mr. Fitzpatrick, Mr. Steckley, Mr. Gibson and Mr. Clark attended all of the Board meetings. At each Board meeting, the independent Directors are given an opportunity to hold an *in camera* session during which the non-independent Director and other members of management are not present.

In addition to the meetings of the Board, during 2016, the Audit Committee held four meetings, the Compensation Committee held two meetings and the Reserves and Governance Committee held three meetings. All of the members of each committee attended all of these meetings.

Mandate

The Board has overall responsibility for the business and affairs of Eagle. The Board has adopted a Board Charter that summarizes the Board's duties and responsibilities, a copy of which is attached to this Circular as Appendix "A". The written mandate of the Board is set forth within the Board Charter.

Position Descriptions

The Board has developed written position descriptions for the Chairman of the Board, as contained in the Board Charter. The Chairman of the Board, in conjunction with the other members of the Board, has developed written position descriptions for the chair of each committee of the Board. In addition, the Chairman of the Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer. The Chairman of the Board is expected to act as the principal interface between the Board and the Chief Executive Officer.

Orientation and Continuing Education

New members of the Board will receive an orientation package which includes governance policies and public disclosure filings by Eagle and will meet with the Chair of the Board and the executive officers to be informed about Eagle and the operations and business of its subsidiaries.

The Board does not provide formal continuing education for Directors. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businesspersons and managers, service as directors of other issuers and advice from Eagle's auditor, external and internal legal counsel and other advisers. The Board may provide such continuing education opportunities as may be deemed by the Board to be necessary or appropriate to ensure that the Directors maintain or enhance their skills and abilities as directors including their understanding of the nature and operations of Eagle's business.

Ethical Business Conduct

The Board takes various steps to encourage and promote a culture of ethical business conduct at Eagle. The Board has adopted a written code of business conduct and ethics that encourages and promotes a culture of ethical business conduct that is applicable to directors, officers, employees and consultants of Eagle and its subsidiaries.

The code of business conduct and ethics can be viewed under Eagle's issuer profile on www.sedar.com and Eagle's website at www.EagleEnergy.com. In addition, the Board has implemented a "whistle blower" policy whereby directors, officers, employees and consultants of Eagle and its subsidiaries are encouraged to report unethical behaviour directly to the CEO, the Chair of the Board or other Board members.

In addition, the skill and knowledge of Directors and officers, and advice from legal counsel, ensure that Directors and officers exercise independent judgment in considering transactions and agreements in respect of which they have a material interest. Directors and officers are also subject to the general obligation under corporate law to disclose and not vote on any material contract or transaction with Eagle or any of Eagle's subsidiaries or any other entity in which they have an interest. In certain circumstances, an independent committee of the Board may be formed to consider and deliberate on such matters in the absence of the interested parties.

Nomination of Directors

The Reserves & Governance Committee of the Board will deliberate on potential new nominees to the Board and make a recommendation to the Board. The Board, in conjunction with the Reserves & Governance Committee, will consider its size each year when it considers the number of Directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively, the competencies and skills required by the Board, the competencies and skills of the existing Directors, and the diversity of views and experience of the existing Directors.

Compensation of Directors and Chief Executive Officer

The Compensation Committee of the Board is responsible for establishing an overall compensation policy for Eagle. The compensation of the Directors is determined by the Board as a whole, on the recommendation of the Compensation Committee, and is based on industry-specific compensation information of comparably-sized companies.

Compensation of the Chief Executive Officer is determined by the independent Directors on the recommendation of the Compensation Committee. The annual incentive and Share-based equity incentive awards of the Chief Executive Officer is determined by the Board, upon the recommendation of the Compensation Committee, based on Eagle's overall performance, Shareholder returns and other relevant factors. See "Executive Compensation".

Board Committees

The Board has formally appointed three standing committees; the Audit Committee, the Compensation Committee and the Reserves & Governance Committee.

Audit Committee Charter

The Directors have adopted a written charter for the Audit Committee, which sets out the Audit Committee's responsibility for (among other things) (i) reviewing Eagle's financial statements and Eagle's public disclosure documents containing financial information and reporting on such review to the Board, (ii) ensuring Eagle's compliance with legal and regulatory requirements, and (iii) overseeing engagement, compensation, performance and independence of Eagle's external auditors, and reviewing, evaluating and approving the internal control and risk management systems that are implemented and maintained by management. A copy of the charter of the Audit Committee is attached to the Annual Information Form of Eagle, which is available under Eagle's issuer profile on www.sedar.com and Eagle's website at www.EagleEnergy.com.

The Audit Committee is currently comprised of Messrs. Gibson, Fitzpatrick and Steckley, the three non-management members of the Board, with Mr. Gibson as chairman. Each of the members of the Audit Committee is considered "independent" and "financially literate" within the meaning of National Instrument 52-110 *Audit Committees*.

Eagle believes that each of the members of the Audit Committee possesses: (i) an understanding of the accounting principles used by Eagle to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Eagle's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. A description of the education and experience of each member of the Audit Committee is provided in Eagle's Annual Information Form under the section titled "Directors and Officers - Biographical Information".

Compensation Committee

The Compensation Committee is currently comprised of the three non-management members of the Board, with Mr. Steckley as chairman. Each of the members of the Compensation Committee bring many years of direct experience in determining executive compensation as they either currently lead, or have led or been part of the board or executive team of other oil and gas companies in Alberta. Mr. Fitzpatrick is the President and Chief Executive Officer of Veresen Midstream and was a founder, President and Chief Executive Officer of Shiningbank Energy Income Fund, a TSX listed Canadian energy trust; Mr. Gibson was Vice President and Chief Financial Officer of Shiningbank Energy Income Fund; and Mr. Steckley was the former President, Chief Operating Officer and a Director of Barnwell of Canada, Limited, an oil and gas company and wholly-owned subsidiary of Barnwell Industries Inc., a public company listed on the American Stock Exchange. The Compensation Committee assists the Board in its oversight role with respect to human resources and compensation, including equity-based compensation, and continuity planning and development of officers. Among other things, the Compensation Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of officers and the equity-based and incentive compensation plans, policies and programs of Eagle.

Reserves & Governance Committee

The Reserves & Governance Committee is currently comprised of the three non-management members of the Board, with Mr. Steckley as chairman.

The mandate of the Reserves & Governance Committee includes (i) assisting the Board in the discharge of its duties with respect to complying with the requirements contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, and (ii) identifying individuals qualified to become Board members and making recommendations to the Board in that regard.

The Reserves & Governance Committee annually reviews and makes recommendations to the Board regarding the various governance charters and policies of Eagle, including the Board and Committee charters, the Disclosure, Confidentiality and Insider Trading Policies, Reporting of Inappropriate Activity Policy, Majority Voting Policy, Privacy Policy and Eagle's Code of Business Conduct and Ethics.

Assessment of Directors, the Board and Board Committees

The Board conducts an annual evaluation of performance and effectiveness of the Board and of each of its committees.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted term limits for the directors of Eagle. The Board believes that it is in the best interests of Eagle to retain discretion and flexibility regarding board renewal mechanisms, rather than imposing term limits, which is a blunt tool that could eliminate effective directors with valuable institutional memory about Eagle and its investments. The Board believes that a director's contribution is measured by the skills, knowledge, experience and character that the director brings to the position. Long-term directors bring valuable historical strategic and operational knowledge about Eagle and its subsidiaries, while new directors can bring new experiences and perspectives to the Board. The Reserves & Governance Committee believes it is important to achieve an appropriate balance of both to ensure the effectiveness of the Board. Each director brings extensive industry experience as former executive officers and directors of other oil and gas companies. As part of the annual evaluation of the performance and effectiveness of the Board and its committees, the Reserves & Governance Committee will consider the benefits of regular renewal in the context of the needs of the Board and Eagle at the time.

Policies Regarding the Representation of Women on the Board and in Executive Officer Positions

The Board has not adopted a written policy relating to the identification and nomination of women directors. Instead, the Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time, without reference to factors such as gender, age, ethnicity or religion. Further, the Board has not imposed a quota or target with respect to appointing women directors and prefers instead to focus on an individual's skills, knowledge, experience and character and the needs of the Board with respect to the various skill sets it requires.

The Board annually reviews the skills, knowledge, expertise and contribution of its directors. As part of this review, the Directors assess whether the size of the Board and the combination of skills and experience of the Directors who sit on the Board are sufficient to meet the needs of Eagle and in the best interests of Eagle and its Shareholders. When determining recommendations for director nominees, the Reserves & Governance Committee will consider the skills, knowledge, expertise and contribution of the current directors. Further, it will evaluate what the Board and its committees require at the time to ensure that the Board and its committees will consist of the appropriate number of independent directors and will have, as a whole, the necessary combination of skills, knowledge and expertise necessary to fulfill their responsibilities. In addition, to augment the skills and experience provided by the directors, the Board and its committees are authorized to retain persons with special expertise and may obtain independent professional advice to assist it.

Similarly, with respect to the appointment of individuals to executive officer positions, the Board, together with the Chief Executive Officer, considers whether an individual's skills, knowledge and experience will meet the needs of the position and the executive team. As with the Board, Eagle has not imposed a quota or target with respect to appointing women as executive officers, preferring instead to focus on the skills, knowledge and experience required by such positions and the executive team.

None of Eagle's current Directors are women. As at the date of this Circular, Eagle and Eagle US have a total of 42 employees, including the executive officers. Two of the six (33%) executive officers (the Chief Financial Officer and the General Counsel/Corporate Secretary) are women and 15 of the 38 (39%) employees who are not executive officers are women.

EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the executive compensation for Eagle and its subsidiaries to its Chief Executive Officer ("**CEO**"), its Chief Financial Officer ("**CFO**"), and each of the three most highly compensated executive officers other than the CEO and the CFO for the most recently completed financial year (collectively, the "**Named Executive Officers**"). In this Circular, the Named Executive Officers are the following persons:

Richard W. Clark, CEO of Eagle and Eagle US;

J. Wayne Wisniewski, President and Chief Operating Officer of Eagle and Eagle US;

Kelly A. Tomyn, CFO of Eagle and Eagle US;

M. Scott Lovett, Executive Vice President, Business Development of Eagle; and

Jo-Anne M. Bund, General Counsel and Corporate Secretary of Eagle

Compensation Discussion and Analysis

General

Based on recommendations made by the Compensation Committee, the Board makes decisions regarding salaries, annual bonuses and long term equity-based incentive compensation for the executive officers, and approves corporate goals and objectives relevant to the compensation of the CEO and the other executive officers. The Board solicits input from the CEO and the Compensation Committee regarding the performance of Eagle's other executive officers as well. Finally, the Board administers the incentive compensation and benefit plans with the assistance of the Compensation Committee. The Board of Directors of Eagle US performs the same functions with regard to its executive officers, other than those who are also executive officers of Eagle, if any.

CEO Compensation

The compensation of the CEO as a whole is determined by the independent Directors on the recommendation of the Compensation Committee. The level of CEO compensation is determined by the independent Directors considering all factors which they deem appropriate, including comparative CEO salaries for public companies of comparable size and complexity in both the Calgary and Houston employment markets. The annual bonus and long term equity-based incentive award entitlements are determined by the Board, upon recommendation of the Compensation Committee, and are based on Eagle's overall corporate performance, Share price and Shareholder returns, individual performance and other relevant factors.

Compensation Objectives and Principles

The Board recognizes that Eagle's success depends greatly on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if Eagle has an appropriately structured and administered compensation program. Eagle's compensation policies are founded on the principle that executive and employee compensation should be consistent with Shareholders' interests and Eagle's compensation plans are therefore intended to encourage decisions and actions that will result in Eagle's growth and create long-term Shareholder value.

The principal objectives of Eagle's executive compensation program are as follows:

- to attract and retain qualified executive officers;
- to align the executives' interests with those of the Shareholders; and
- to reward the demonstration of both leadership and performance.

The Compensation Committee's objective is to ensure that the compensation of the Named Executive Officers provides a competitive package that reflects the above objectives, as well as provides a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which Eagle competes for talent.

Components of Compensation

The following components comprise the compensation package for the Named Executive Officers: base salary; annual short-term incentive (*i.e.*, cash bonus), and long-term incentive (*i.e.*, participation in Eagle's equity-based compensation plan). All salary increases, cash bonuses, and long-term equity-based compensation for the Named Executive Officers are reviewed by the Compensation Committee.

The Named Executive Officers are eligible to participate in other benefit plans, such as medical and dental plans, group term life, accidental death and dismemberment insurance plans, short-term and long-term disability plans and a 3% savings plan on the same terms and conditions as Eagle's other salaried employees. Eagle does not maintain a pension plan for any of its officers or employees.

Base Salary

The base salary of each Named Executive Officer other than the CEO has been negotiated by the CEO and reflects the stage of Eagle, complexity of the Named Executive Officer's role and the amount of industry experience he or she possesses. The base salary of the CEO was negotiated by the Compensation Committee.

Each year, base salaries for the following year are reviewed and determined by the Compensation Committee and the Board as part of Eagle's capital and operating budget approval process, which is typically completed in December. Although the Compensation Committee will consider compensation information publicly disclosed by other junior oil and gas companies in Calgary and Houston in their public filings, and other market compensation survey data that the Compensation Committee receives from time to time, Eagle does not set compensation solely by benchmarking against its peers. In the Compensation Committee's view, the comparative market data provides insight into compensation levels within the junior oil and gas industry in Houston and Calgary, but when reviewing the comparative data, the Compensation Committee also takes into account other important factors such as the size, location, stage, and complexity of operations of the companies in the comparative data. In addition to that information, the Compensation Committee takes into consideration the activity of Eagle in the year, achievement of operational and other goals, future growth plans, Eagle's financial resources and the objective to attract and retain highly talented individuals from the industry in both Houston and in Calgary.

The base salaries of the Named Executive Officers have remained the same since 2014 except for a 2% cost-of-living increase given in 2015 to most of the employees of Eagle and Eagle US.

Annual Short Term Incentive Compensation

Annual short-term incentive compensation provides for annual discretionary cash awards (or "bonuses") that are intended to motivate and reward Named Executive Officers for achieving and surpassing annual corporate and individual goals. Peer performance and practices are also considered each year in determining the final bonuses to be awarded as it is important to Eagle to retain and reward those employees who perform above expectations, as well as to be able to recruit talented employees in a highly competitive market. Bonus awards for the Named Executive Officers excluding the CEO are recommended by the CEO and reviewed and approved by the Compensation Committee. Bonus awards for the CEO are determined solely by the Compensation Committee.

At the end of 2016, modest bonuses (10% of base salary) for the year ended December 31, 2016 were awarded to the Named Executive Officers and employees in recognition of the achievements that Eagle had made during 2016 notwithstanding the low commodity price environment. See discussion under "Performance Graph", below

Long-Term Incentive Compensation

2016 Equity Incentive Plan

In 2015, the Compensation Committee engaged Longnecker & Associates ("**Longnecker**"), a Houston-based consulting firm specializing in human resource and compensation in the energy sector, and Hugessen Consulting ("**Hugessen**") (a Calgary-based consulting firm specializing in executive compensation matters) to provide advice to the Compensation Committee with respect to Eagle's incentive compensation plans.

The following table sets forth the amounts paid by Eagle to compensation consultants over the last two years:

Year	Name	Executive Compensation-Related Fees	All Other Fees
2016	None	Nil	Nil
2015	Hugessen Consulting	Nil	$47,372(1)
2015	Longnecker & Associates	Nil	US$34,500(1)

Note:

(1) These amounts were paid in respect of the consulting firm providing advice to the Compensation Committee related to incentive compensation plans of Eagle and Eagle US.

Following the Compensation Committee's consultation with Longnecker and Hugessen and a comprehensive review of equity-based incentive plans adopted by other companies in the oil and gas industry, the Compensation Committee recommended to the Board the adoption of a new equity-based incentive plan (the "**2016 Plan**") under which Eagle would be able to grant different types of awards to directors, officers, employees and consultants of Eagle and Eagle US. The equity-based incentive plans reviewed in 2015 were those of Ikkuma Resources Corp., Gear Energy Ltd., Marquee Energy Ltd., Questfire Energy Corp., Manitok Energy Inc., Strategic Oil & Gas Ltd., Leucrotta Exploration Inc., Anterra Energy Inc., Striker Exploration Corp., Anderson Energy Inc., Yangarra Resources Ltd., Toscana Energy Income Corporation, Yoho Resources Inc., Chinook Energy Inc., Zargon Oil & Gas Ltd., Arsenal Energy, Inc. Whitecap Resources Inc., TORC Oil and Gas Ltd., Cardinal Energy Ltd., Twin Butte Energy Ltd. and Cequence Energy Ltd.

Under the 2016 Plan, awards may be in the form of restricted share units, options, stock appreciation rights and deferred share units. The awards may vest based on time or performance conditions (or a combination of both) and have such other terms and conditions as determined by the Board or Compensation Committee when the award is granted. Eagle obtained unitholder approval of the 2016 Plan at the special unitholders' meeting held on January 25, 2016. (For details regarding the 2016 Plan, see "Securities Authorized for Issuance Under Equity Incentive Compensation Plans – 2016 Equity Incentive Plan".)

In 2016, the Board granted restricted share units ("**RSUs**") and performance restricted share units ("**PSUs**") under the 2016 Plan to the Named Executive Officers and certain employees of Eagle and Eagle US and RSUs to the Directors of Eagle and Eagle US. Each RSU and PSU represents a right to receive, on the vesting date, one Share or a payment of cash equal to the fair market value of one Share as of the vesting date (or a combination thereof) after deduction of any applicable withholding taxes. "Fair market value" is determined using the volume weighted average trading price for the Shares on the TSX for the five days on which the Shares traded preceding the vesting date.

The RSUs vest annually as to one-third of the amount granted. The PSUs also vest annually as to one-third of the amount granted, but the actual pay-out on vesting will depend on a performance multiplier that ranges from zero to two to be applied to the PSU at the time of vesting. The performance multiplier will be determined by the Compensation Committee at the time the PSUs vest and is based on corporate performance criteria that include the following factors:

- operational achievements: capital expenditures meeting budget and targets for capital efficiencies, reserve recycle ratio and finding, development and acquisition costs; achievement of operational efficiencies; achievement of best pricing in product marketing; health and safety incidents

- reserves and financial achievements: replacement or growth of reserves volumes; meeting guidance on production, operating costs and capital spend; management of debt and access to capital resources; execution of corporate strategy and completion of strategic acquisitions or divestitures; execution of hedging strategy; meeting regulatory compliance obligations

- shareholder performance compared to the TSX oil and gas sub-index.

The Compensation Committee takes into account previous grants of awards when considering new grants. When determining the performance multiplier, the Compensation Committee does not apply a prescriptive formula or weighting to assess achievement of the factors that comprise the PSU corporate performance criteria. Instead, the Compensation Committee will consider the above factors within the context of Eagle's business and the oil and gas industry where Eagle operates, and will exercise its discretion when setting the multiplier so as to avoid unintended outcomes, incentives or disincentives that can sometimes result when a prescriptive formula or weighting is used without discretion.

2010 Restricted Unit Rights

Eagle also has outstanding restricted unit rights ("**RURs**") that were issued in 2010 under RUR Agreements to compensate those individuals who provided substantial services and expertise in the creation of the Trust and its affiliates, and sourcing its first acquisition of oil and gas interests in Texas. These individuals are the CEO, CFO, directors of Eagle and a director of Eagle US.

Each RUR entitles the holder to receive cash payments equal to the dividends paid on one Share as well as capital appreciation. The capital appreciation payments, if any, are to be made annually and are calculated from the $10.00 initial public offering price of the Units during the first year of the Trust, and thereafter from the greater of the immediately previous year-end's fair market value of a Share (and prior to the Arrangement, a Unit) and the fair market value of a Share at the last year-end respecting which a capital appreciation payment was made. The RUR Agreement defines "fair market value" to be the five day volume weighted average trading price. The RURs will expire on December 31, 2020, subject to early expiry.

2010 Option Plan

Pursuant to the Arrangement, the unit option plan of the Trust that was adopted in 2010 became a stock option plan of Eagle with such amendments thereto as was necessary to reflect the status of Eagle as a corporation. Each option previously granted under this plan was adjusted, without constituting a novation or disposition of the option, to entitle the optionholder, without any further action on the part of an optionholder, to purchase an equivalent number of Shares in lieu of Units. Effective June 9, 2016, all holders of options outstanding under the 2010 Option Plan agreed to a voluntary cancellation of their options and the 2010 Option Plan was terminated.

Managing Compensation Risk

The Compensation Committee and the Board have considered the implications of the risks associated with Eagle's compensation practices in general terms. A material portion of the executives' compensation is based on long-term equity-based compensation that vests as to one-third each year over a period of three years from the date of grant and, in the case of performance awards, based on a performance criteria that relates to the performance of Eagle and Eagle US to be determined by the Compensation Committee and set forth in the applicable performance award agreement. The Compensation Committee believes that the compensation of executives is adequately designed to align with the long-term interest of Eagle and its Shareholders. The significant weighting on long-term equity-based compensation mitigates the risk of compensation that would otherwise encourage an executive to focus on short-term goals at the expense of long-term sustainability of Eagle and Shareholder value. In determining bonus payments and setting salaries, the Compensation Committee and the Board uses its discretion in assessing the overall performance of the executives compared to the overall performance and financial resources of Eagle. This ensures that bonus payments and equity-based compensation awards are not influenced by any one aspect of Eagle's activities. The Board also recognizes that many of the factors that influence the overall performance of Eagle, such as commodity prices, weather, overall industry conditions and capital markets, are outside of the direct control of management and not subject to potential manipulation for the executive's personal financial gain. The Board believes it would be difficult for any one person acting alone or as part of a group, to make personal self-interested decisions for immediate short-term gains that could have a material adverse impact on Eagle's financial or Share price performance.

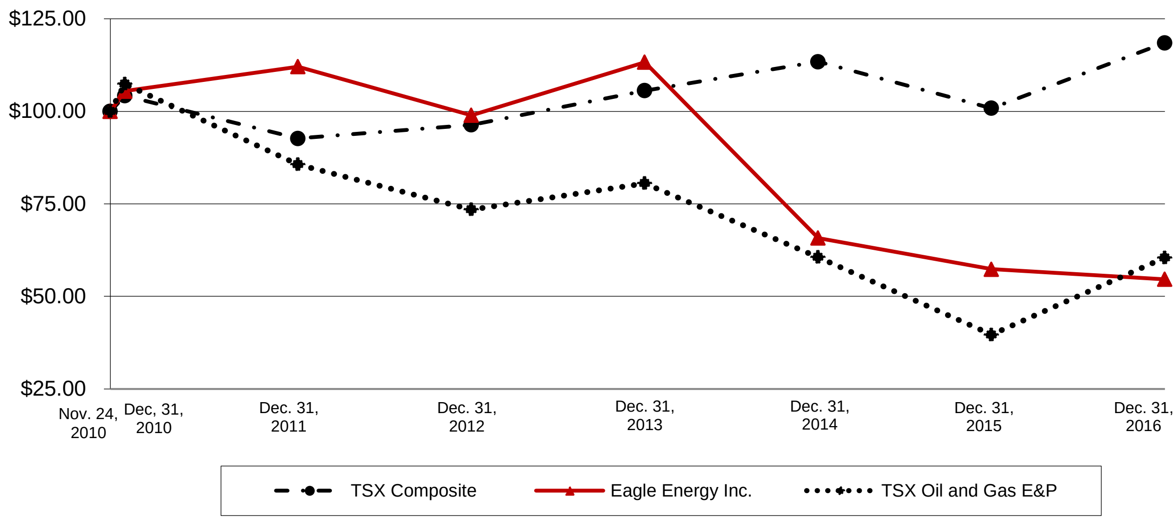
Financial Instruments

In its Insider Trading Policy, Eagle has a prohibition on the purchase by its directors, officers and employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such persons.

Performance Graph

The following graph compares the cumulative total return on the Shares since Eagle's completion of its initial public offering on November 24, 2010 up to the end of 2016 with the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration & Producers (Sub-Index) for the same period. It assumes an initial investment of $100 on November 24, 2010 with all dividends (distributions) reinvested. From November 24, 2010 to December 31, 2016, Eagle had declared and paid an aggregate of $4.6839 per Share (Unit) in dividends (distributions).

Table 1



	Nov. 24, 2010	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec 31, 2016
Eagle Energy Inc.	$100.00	$105.46	$112.06	$98.96	$113.26	$65.79	$57.34	$54.64
S&P/TSX Composite	$100.00	$104.19	$92.66	$96.37	$105.58	$113.41	$100.84	118.49
S&P/TSX Oil and Gas Exploration & Producers (Sub Index)	$100.00	$107.39	$85.62	$73.45	$80.55	$60.61	$39.63	$60.44

From its November 24, 2010 initial public offering to the end of 2011, the total return on the Trust's Units (Eagle's closing price plus cumulative distributions paid through the period) increased while the S&P/TSX indices decreased. From 2012 to 2015, the total return on the Trust's Units followed the same trends as the S&P/TSX Oil and Gas Exploration and Producers Sub Index (the "E&P Sub Index"), but outperformed the E&P Sub Index. Although the total return on Eagle's Units declined through to the end of 2015, as did the return on the E&P Sub Index, the total return on the Units from November 24, 2010 to the end of 2015 still outperformed the E&P Sub Index by 47%. However, Eagle's share price closed at $0.78 on December 30, 2016 compared to $1.14 on December 31, 2015 and so, at the end of 2016, the E&P Sub

Index outperformed the total return on Eagle's Shares by 10%. Comparison of the total return on Eagle's shares compared to the S&P/TSX indices is only one factor considered by the Compensation Committee in determining executive compensation.

Although Eagle's share price was lower on December 31, 2016 than December 31, 2015, Eagle closed 2016 with strong reserve metrics, production exceeding the upper end of its 2016 guidance range, monthly operating costs at the lower end of its 2016 guidance range and net debt levels as expected. Eagle achieved the following in 2016:(1) (2)

- A total proved reserve replacement ratio of 184% and a total proved plus probable reserve replacement ratio of 272%.
- Total proved plus probable finding, development and acquisition costs (including changes in future development costs) of $7.16 per barrel of oil equivalent ("boe").
- An 18% year-over-year increase in the net present value of proved plus probable reserves (discounted at 10%), with minimal capital investment and within a lower forward pricing environment.
- Average production increased by 18% year over year to 3,972 boe per day (84% oil, 3% natural gas liquids and 13% natural gas). This increase was due to the acquisition of Maple Leaf Royalties Corp in the first quarter of 2016 and Eagle's successful drilling program on its Salt Flat field properties.
- A 12% year-over-year reduction in per boe operating costs (inclusive of transportation) due to Eagle's cost reduction initiatives through the year.
- The 18% increased production resulted in 2016 total revenue remaining consistent with the prior year, notwithstanding a 16% decrease in commodity prices.

As stated above, compensation for the Named Executive Officers consists of a base salary component, an "at risk" annual discretionary cash bonus, and an "at risk" equity-based component that tracks the performance of Eagle's Shares.

The base salary of the Named Executive Officers has remained the same since 2014 other than a 2% cost-of-living increase given in 2015. In the summary compensation table, below, the increase shown for Mr. Wisniewski's salary from 2015 to 2016 is due to the increase in the $US/$CA exchange rate used to convert the amount of his salary, which is paid in U.S. dollars, into Canadian dollars for the purpose of this table. As Mr. Wisniewski is based in Eagle US's office in Houston, Texas, his salary is paid in US dollars.

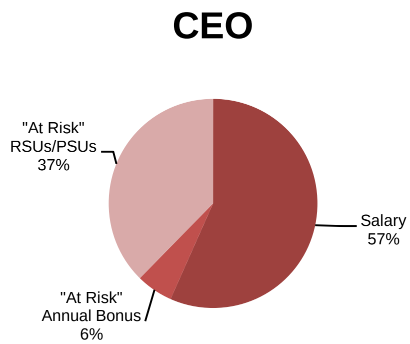
At the end of 2016, the Board awarded modest annual bonuses to the Named Executive Officers and the employees of Eagle and Eagle US in recognition of their efforts towards helping Eagle attain the above corporate achievements in 2016 notwithstanding the ongoing low commodity price environment and challenges in the oil and gas industry.

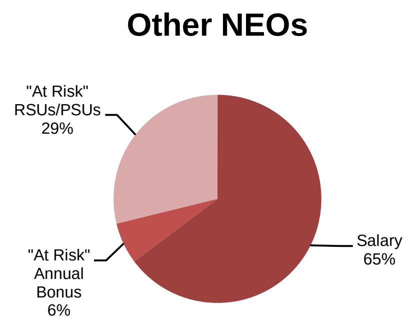
The "at risk" equity-based component of the Named Executive Officers' compensation is in the form of RSUs and PSUs that were granted in 2016. The actual pay-out of the RSUs and PSUs granted in 2016 will depend on the value of the Shares when the RSUs and PSUs vest in 2017, 2018 and 2019. No RSUs or PSUs vested in 2016.

(1) For more information, refer to Eagle's Audited Consolidated Annual Financial Statements and related Management Discussion and Analysis for the year ended December 31, 2016. For information about Eagle's oil and gas reserves as at December 31, 2016, refer to Eagle's Annual Information Form dated March 16, 2017.

(2) See "Appendix B – Advisories - Advisory Regarding Oil and Gas Metrics and Measures".

The percentage allocation of the different components of compensation for the CEO and, collectively, for the other Named Executive Officers in 2016 is shown in the following charts:





For 2017, no increases to the base salary of the Named Executive Officers have been made. Following completion of the annual financial and oil and gas disclosure filings for the year ended December 31, 2016 in March 2017, the Compensation Committee reviewed Eagle's performance in relation to the PSU performance criteria described above and ascribed a performance multiplier of one for the PSUs that vest in 2017 and are based on the 2016 results. The Compensation Committee considered the poor market performance of Eagle's Shares in 2016, but offset this factor by considering Eagle's operational and financial achievements, which included an increase in average production by 18%, an increase in proved plus probable reserves value by 13%, a reduction in net debt by 8%, a reduction in per boe general and administrative costs by 16% and a reduction in per boe operating costs by 12%, all with a minimal capital investment of $5.8 million and within a lower forward commodity price environment.

Summary Compensation Table

The following table sets out information concerning the compensation paid by Eagle or Eagle US to the Named Executive Officers for the last three financial years. Eagle does not have any pension plans or long term non-equity incentive plans as defined by securities laws. **The dollar amount for the Share-based awards and option based-awards in the table below does not represent cash paid by Eagle.** It is based on the fair value of such awards on their grant date (see notes 2 and 3, below).

Table 2

Name and Principal Position	Year	Salary(1)	Share-Based Awards(2) (10)	Option-Based Awards(3)	Bonus (Non-Equity Incentive Plan Compensation)(8)	All Other Compensation(10)	Total Compensation
Richard W. Clark Chief Executive Officer	2016	$441,252	$293,269	Nil	$44,125	Nil	$778,646
	2015	$441,252	Nil	Nil	$82,735	Nil	$523,987
	2014	$432,600	Nil	Nil	$108,150	Nil	$540,750
J. Wayne Wisniewski President and Chief Operating Officer	2016	$455,871(4)	$230,655	Nil	$44,538(4)	Nil	$731,064
	2015	$442,057(5)	Nil	Nil	$80,978(5)	Nil	$523,035
	2014	$372,450(6)	Nil	Nil	$93,697(6)	$82,500(6) (7)	$548,647
Kelly A. Tomyn Chief Financial Officer	2016	$347,486	$143,497	Nil	$34,749	Nil	$510,182
	2015	$347,486	Nil	Nil	$61,853	Nil	$409,338
	2014	$340,673	Nil	Nil	$85,169	Nil	$425,841
M. Scott Lovett Executive Vice President, Business Development	2016	$257,500	$153,983	Nil	$25,750	Nil	$437,233
	2015	$257,500	Nil	Nil	$41,200	Nil	$298,700
	2014	$85,833	Nil	$336,200	$39,964	$114,669(9)	$576,666
Jo-Anne Bund General Counsel and Corporate Secretary	2016	$289,966	$73,481	$0	$28,997	$0	$392,443
	2015	$289,966	$0	$0	$32,621	$0	$322,587
	2014	$284,280	$0	$0	$42,642	$0	$336,922

Notes:

(1) Mr. Clark does not receive additional compensation for his role as a Director. Mr. Lovett was a consultant to Eagle from March 17, 2014 to August 31, 2014 and has been an executive officer of Eagle since September 1, 2014.

(2) The following table sets out the fair value at grant date of the RSUs and PSUs that comprise the share-based awards under the 2016 Plan. **The estimated fair value does not represent cash paid by Eagle; the actual value to be realized by the holder will depend on the price of the Shares when the awards vest.** The awards vest annually as to one-third of the amount granted.

Grant Date	Fair Value at Grant Date Per RSU/PSU
February 23, 2016	$0.64
September 12, 2016	$0.69

With respect to RSUs, the fair value of the RSUs at grant date is consistent with the fair value calculated for purposes of Eagle's annual financial statements and is the volume weighted average trading price for the Shares on the TSX for the five days that the Shares traded preceding the grant date. For purposes of Eagle's 2016 annual financial statements, the estimated weighted average fair value of all RSUs at grant date was $0.67 per RSU.

With respect to PSUs, the fair value of the PSUs at grant date differs from the fair value calculated for purposes of Eagle's annual financial statements because, under IFRS, Eagle is required to recalculate the fair value of the PSUs at the end of each financial reporting period since the performance conditions attached to the PSUs are not specifically measurable. For purposes of Eagle's 2016 annual financial statements, the weighted average fair value of all PSUs at December 31, 2016 was $0.78 per PSU.

(3) The following table sets out the fair value at grant date of the options estimated using the Black-Scholes valuation model with the weighted average inputs set out in the table. **The estimated fair value does not represent cash paid by Eagle.**

		Weighted Average Inputs					
Grant Date	**Fair Value at Grant Date Per Option**	**Unit Price**	**Exercise Price**	**Volatility**	**Option Life**	**Risk-Free Interest Rate**	**Forfeiture Rate**
Sep. 08, 2014	$2.24	$5.25	$5.25	28%	10 years	2.17%	5%
Sep. 24, 2014	$2.29	$5.16	$5.16	28%	10 years	2.17%	5%

No distributions/dividends were included in the inputs for the estimate due to the declining exercise price feature of the Options. The forfeiture rate of 5% was an estimated expected rate. The expected volatility was calculated using the trading history of the Units from November 24, 2010. The Black-Scholes valuation methodology is consistent with that used for purposes of Eagle's financial statements. However, the fair value of the options at grant date differed from the fair value calculated for purposes of Eagle's annual financial statements because, under IFRS, Eagle is required to recalculate the fair value of the options at the end of each financial reporting period. For purposes of Eagle's 2015 annual financial statements, the weighted average fair value of the options at December 31, 2015 was $0.07 (2014 - $0.37) per option. For Eagle's 2016 annual financial statements, no options were outstanding at December 31, 2016 as the options were voluntarily cancelled and the 2010 Option Plan terminated in 2016.

(4) This amount has been converted from U.S. dollars into Canadian dollars using an exchange rate of $1.32 which was the average $US/$CA exchange rate for the year ended December 31, 2016.

(5) This amount has been converted from U.S. dollars into Canadian dollars using an exchange rate of $1.28, which was the average $US/$CA exchange rate for the year ended December 31, 2015.

(6) This amount has been converted from U.S. dollars into Canadian dollars using an exchange rate of $1.10, which was the average $US/$CA exchange rate for the year ended December 31, 2014.

(7) This amount represents a retention payment that was paid to Mr. Wisniewski pursuant to his executive employment agreement, half of which was paid on September 17, 2013 and the remaining half on September 17, 2014.

(8) The amounts in this column represent the annual discretionary cash bonus, if any, that was awarded by the Board to the Named Executive Officers attributed to the financial year that the Board reviewed in connection with the particular bonus. The Board determines the amount of the cash bonus based upon the Board and Compensation Committee's review of the performance of Eagle and the individual during the financial year that the bonus has been attributed to.

(9) This amount represents fees for consulting and advisory services paid to Mr. Lovett during 2014 prior to his appointment as an executive officer on September 1, 2014.

(10) On November 24, 2010, Mr. Clark received 172,500 RURs and Ms. Tomyn received 75,000 RURs. Each RUR entitles the holder to receive cash payments equal to the dividends paid on one Share (or prior to the Arrangement, distributions paid on one Unit) as well as capital appreciation. See "Compensation Discussion and Analysis - Long-Term Incentive Compensation – 2010 Restricted Unit Rights" for a description of the terms of the RURs. This column does not include the payments on the RURs during the year because those payments were factored into the calculation of the fair value of the RUR at grant date, which was disclosed for 2010 for Mr. Clark and Ms. Tomyn in the corresponding summary compensation table in the Trust's management proxy circulars for the Trust's annual meetings held in 2011, 2012 and 2013. The following table sets out the fair value at grant date of the RURs estimated using the Black-Scholes valuation model with the weighted average inputs set out in the table. **The estimated fair value amount does not represent cash paid by Eagle. The actual value to be realized will depend on the price of the Shares at each year end and dividends, if any, paid by Eagle.**

		Weighted Average Inputs			
Grant Date	**Fair Value at Grant Date per RUR**	**Volatility**	**RUR Life**	**Risk-Free Interest Rate**	**Forfeiture Rate**
Nov. 24, 2010	$3.97	25%	10 years	2.85%	5%

The Black-Scholes valuation methodology is consistent with that used for purposes of the Trust's financial statements. However, the fair value of the RURs at grant date differs from the fair value calculated for purposes of Eagle's annual financial statements because, under IFRS, Eagle is required to recalculate the fair value of the RURs at the end of each financial reporting period. For purposes of Eagle's 2016 annual financial statements, the fair value of the RURs at December 31, 2016 was $nil (2015-$0.01; 2014 - $0.10) per RUR.

Incentive Plan Awards

Outstanding Option-Based and Share-Based Awards

The following table sets forth, for each Named Executive Officer, all Option-based and Share-based awards that were outstanding as at December 31, 2016.

Table 3

	Option-Based Awards				Share-Based Awards		
Name and Principal Position	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price at Dec. 31, 2016 ($)	Option Expiration Date	Value of Unexercised In-the-Money Options ($)	Number of Shares or Units of Shares That Have Not Vested (#)[1]	Market or Payout Value of Shares or Units of Shares That Have Not Vested ($)[2]	Market or Payout Value of Vested-Shares or Units of Shares That have not Paid Out or Distributed ($)
Richard W. Clark Chief Executive Officer	Nil	N/A	N/A	N/A	465,224	$358,223	Nil
J. Wayne Wisniewski President and Chief Operating Officer	Nil	N/A	N/A	N/A	365,782	$281,652	Nil
Kelly A. Tomyn Chief Financial Officer	Nil	N/A	N/A	N/A	227,054	$174,832	Nil
M. Scott Lovett Executive Vice President, Business Development	Nil	N/A	N/A	N/A	244,220	$188,050	Nil
Jo-Anne Bund, General Counsel and Corporate Secretary	Nil	N/A	N/A	N/A	116,079	$89,381	Nil

Notes:

(1) Consists of RSUs and PSUs.

(2) This calculation is based on the five-day volume weighted average trading price at December 31, 2016 of $0.77 per Share. For the PSUs, the payout on vesting depends on the performance multiplier, which can range from zero to two. The amount in this column uses a PSU performance multiplier of one, which is the performance multiplier to be applied to PSUs that will vest in 2017 and are based on 2016 results. No PSUs vested in 2016.

Incentive Plan Awards – Value Vested or Earned During 2016

The following table sets forth, for each Named Executive Officer, the value of Option-based awards and Share-based awards that vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Table 4

Name and Principal Position	Option-based Awards – Value of Options that Vested During the Year (as at Vesting Date)	Share-based Awards – Value Vested During the Year	Non-equity Incentive Plan Compensation- Value Earned During the Year[(2)]
Richard W. Clark Chief Executive Officer	Nil	$17,250 (RURs)[(1)]	$44,125
J. Wayne Wisniewski President and Chief Operating Officer	Nil	Nil	$44,538 [(3)]
Kelly A. Tomyn Chief Financial Officer	Nil	$7,500 (RURs)[(1)]	$34,749
M. Scott Lovett Executive Vice President, Business Development	Nil	Nil	$25,750
Jo-Anne Bund General Counsel and Corporate Secretary	Nil	Nil	$28,997

Notes:

(1) Each RUR entitles the holder to receive cash payments equal to the dividends paid on one Share as well as capital appreciation. See "Compensation Discussion and Analysis - Long-Term Incentive Compensation – 2010 Restricted Unit Rights", above, for a description of the terms of the RURs. The capital appreciation payments, if any, are made annually and are calculated from the $10.00 November 24, 2010 initial public offering price of the then Units during the first year, and thereafter from the greater of the immediately previous year-end's fair market value of a Share (and prior to the Arrangement, a Unit) and the fair market value of a Share at the last year-end respecting which a capital appreciation payment, if any, was made. The 2010 RUR Agreement defines "fair market value" to be the five day volume weighted average trading price, which was $0.77 at December 31, 2016. Accordingly, for the year ended December 31, 2016, the RUR payment paid to the holder of RURs was $0.10 per vested RUR, which is equivalent to the total dividends per Share paid by Eagle during 2016. Since the five day volume weighted average trading price of a Share at December 31, 2016 ($0.77) was less than the $10.00 November 24, 2010 initial public offering price of the Units, no capital appreciation is factored into this value.

(2) The amount in this column represents the annual discretionary cash bonus earned by the Named Executive Officers for the year ended 2016. The Board determines the amount of the annual discretionary cash bonus based upon the Board's and Compensation Committee's review of the performance of Eagle and the individual during the year ended 2016.

(3) This amount has been converted from U.S. dollars into Canadian dollars using an exchange rate of $1.32, which was the average $US/$CA exchange rate for the year ended December 31, 2016.

Termination and Change of Control Benefits

Executive Employment Agreements

The Named Executive Officers are subject to terms of employment which continue indefinitely and provide for payment of the executive's annual base salary and participation in certain benefits provided by Eagle or Eagle US, as applicable, until the employment agreement is terminated. The employment agreements contain provisions providing for the payment by Eagle or Eagle US, as applicable, to the Named Executive Officers of certain amounts and benefits in the event of termination and in the event of a "change of control", as described below.

Each of Eagle and Eagle US, as applicable, is entitled to terminate its employment agreement with the Named Executive Officers any time for just cause and is then obligated to pay such executive's salary through to the termination date, accrued and unused vacation, and annual bonus declared but not yet paid. Mr. Clark, Ms. Tomyn and Mr. Wisniewski may terminate his or her employment by giving 90 days' written notice. Mr. Lovett and Ms. Bund may terminate his or her employment by giving 60 days' written notice. At the election of Eagle or Eagle US, as applicable, the Named Executive Officer may be relieved of his or her duties upon receipt of such notice, provided his or her salary, benefits, bonus, and equity-based compensation awards continue until the effective termination date.

Eagle and Eagle US, as applicable, have a right to terminate without cause the executive's employment agreement by providing written notice and paying to the Named Executive Officer a severance amount (the "**Severance Amount**") equal to:

(i) 24 months' salary and benefit contributions in the case of Mr. Clark, 18 months' salary and benefit contributions in the case of Ms. Tomyn and Mr. Wisniewski, and 12 months' salary and benefit contributions in the case of Mr. Lovett and Ms. Bund; and

(ii) a pro-rata portion of the last annual discretionary bonus that he or she received based on the number of days worked in the year his or her employment was terminated.

The Named Executive Officer will be entitled to treat his or her employment as being "terminated without cause" if Eagle or Eagle US, as applicable, unilaterally changes the terms of the employment relationship with the Named Executive Officer such that the Named Executive Officer does not continue to be employed at a level of responsibility or a level of compensation at least commensurate with the Named Executive Officer's existing level of responsibility and compensation prior to the change, in which case the Named Executive Officer will be entitled to the Severance Amount.

In the event of a Change of Control (as defined below), each Named Executive Officer is entitled to the Severance Amount in the following circumstances:

(a) in the case of the Chief Executive Officer, the existence of Good Reason (as defined below), and the Chief Executive Officer elects within 24 months of the date of the Change of Control to terminate his employment; and

(b) in the case of the other Named Executive Officers, in the further event that:

(i) his or her employment is subsequently or contemporaneously terminated without cause by Eagle or Eagle US, or its successor, as applicable, within 24 months after the date of a Change of Control in the case of the President and Chief Operating Officer and 12 months after the date of a Change of Control in the case of the other Named Executive Officers;

(ii) he or she does not continue to be employed at the same level of responsibility or level of compensation and elects, within 24 months of the date of a Change of Control in the case of the President and Chief Operating Officer and 12 months of the date of a Change of Control in the case of the other Named Executive Officers, to treat his or her employment as being terminated as a result of such reduction; or

(iii) he or she elects for any reason to terminate his or her employment within 24 months of the date of the Change of Control in the case of the President and Chief Operating Officer and 12 months of the date of a Change of Control in the case of the other Named Executive Officers.

Mr. Clark's executive employment agreement defines "Good Reason" as the occurrence of any of the following events:

(i) a unilateral change in his position or duties, title or office, or compensation which results in him no longer being employed at a level of responsibility or receiving compensation at least commensurate with his existing level of responsibility and compensation, or being employed at a lesser level of responsibility or receiving less compensation than other executives or directors of Eagle, immediately prior to such change;

(ii) the removal of the executive from the Board of Eagle or any of its affiliates or from having a position equal to his current level of responsibility with Eagle or any of its affiliates, as applicable; or

(iii) where he determines, in his sole discretion, that an irreparably poor working relationship exists with the Board or any controlling group of shareholders;

provided, however, Good Reason shall expressly be deemed not to include the following:

(i) the occurrence of any of the aforesaid events with his consent; or

(ii) termination of his employment for just cause, or by reason of death or disability.

The executive employment agreements define a "**Change of Control**" as follows:

(i) the purchase or acquisition of Shares and/or securities convertible into Shares or carrying the right to acquire Shares ("**Convertible Securities**") as a result of which a Person (as defined in the agreement), group of Persons or Persons acting jointly or in concert, or any affiliates or associates of any such Person, group of Persons or any of such Persons acting jointly or in concert (collectively the "**Holders**") beneficially own or exercise control or direction over Shares and/or Convertible Securities such that, assuming after the conversion of the Convertible Securities beneficially owned by the Holders thereof, the Holders would have the right to cast more than 20% of the votes attached to all Shares;

(ii) approval by the shareholders of:

(A) an amalgamation, arrangement, merger or other consolidation or combination of Eagle with another entity pursuant to which the shareholders of Eagle immediately thereafter do not own securities of the successor or continuing entity which would entitle them to cast more than 20% of the votes attaching to all of the Shares;

(B) a liquidation, dissolution or winding-up of Eagle;

(C) the sale, lease or exchange of all or substantially all of the assets of Eagle;

(D) the election at a meeting of Eagle's shareholders of a number of directors, who were not included in the slate for election as directors approved by the prior Board of Directors, and would by number represent a majority of the Board of Directors; or

(E) the appointment of a number of directors which would by number represent a majority of the Board of Directors and which were nominated by any holder of voting shares of Eagle or by any group of holders of voting shares of Eagle acting jointly or in concert and not approved by Eagle's prior Board of Directors; or

(iii) any other event which in the opinion of the Board of Directors reasonably constitutes a Change of Control of Eagle;

provided, however, that a Change of Control shall be deemed not to have occurred if the Board of Directors, in good faith, determines that a Change of Control was not intended to occur in the particular circumstances in question, except with respect to the Changes of Control described in clauses (ii)(A), (ii)(D), (ii)(E) or (iii) respecting which the Board of Directors will not be entitled to made such determination without the consent of the executive.

In addition, in the case of the executive employment agreement with Ms. Tomyn and Ms. Bund, a Change of Control also includes the termination without cause of the employment of the incumbent Chief Executive Officer of Eagle (Richard Clark). In the case of the executive employment agreement with Mr. Wisniewski, a Change of Control also includes the purchase or acquisition of more than 50% of all outstanding voting securities of Eagle US by a Person (as defined below) other than an affiliate of Eagle US or group of Persons other than an affiliate of Eagle US acting jointly or in concert, or the sale, lease or exchange of all, or substantially all, of the assets of Eagle US to a Person other than an affiliate of Eagle US.

2016 Plan

The 2016 Plan also provides for accelerated vesting of awards in certain circumstances if the employment of the Named Executive Officer is terminated prior to the expiry date of the awards granted under the 2016 Plan. If the Named Executive Officer ceases to hold such position prior to the expiry date of the awards held by the Named Executive Officer:

(a) by reason of the death of the Named Executive Officer, then all of the Named Executive Officer's outstanding unvested awards will immediately and automatically be deemed to be vested and, in the case of options, the options will remain exercisable for one year following the date of death unless the options expire before then;

(b) by reason of long-term disability of the Named Executive Officer, then all of the Named Executive Officer's outstanding unvested awards granted under the 2016 Plan will become vested awards as of the date of disability, and, in the case of options and share appreciation rights, will remain exercisable for one year following the date of disability unless they expire before then;

(c) by reason of termination for cause, then all of the Named Executive Officer's outstanding vested and unvested awards will immediately and automatically terminate;

(d) by reason of termination of employment without cause, then:

   (i) all of the Named Executive Officer's unvested awards granted under the 2016 Plan will terminate as of the termination date;

   (ii) all of the Named Executive Officer's vested RSUs and PSUs and vested deferred share units granted under the 2016 Plan will be paid out in accordance with the terms of the 2016 Plan;

   (iii) all of the Named Executive Officer's vested options and vested share appreciation rights granted under the 2016 Plan will remain exercisable for 90 days unless they expire before then.

(e) by reason of voluntary resignation, then:

   (i) all of the Named Executive Officer's unvested awards granted under the 2016 Plan will terminate as of the termination date;

   (ii) all of the Named Executive Officer's vested RSUs and PSUs and vested deferred share units granted under the 2016 Plan will be paid out in accordance with the terms of the 2016 Plan;

(iii) all of the Named Executive Officer's vested options and vested share appreciation rights granted under the 2016 Plan will remain exercisable for ten business days following the termination date unless they expire before then.

In the event of a proposed Change of Control, under the 2016 Plan, the Board may in its sole discretion (but subject to the Named Executive Officer's employment agreement) determine the manner in which an award will be treated including to (i) provide for the assumption of the award by the successor corporation or the replacement of the award with an award of the successor corporation on terms substantially similar to the existing award; (ii) permit the acceleration of vesting of the award; (iii) require the award to be surrendered for a cash payment equal to the fair market value (as defined in the 2016 Plan) or (iv) any combination thereof.

(For the definition of "Change of Control" under the 2016 Plan, refer to "Securities Authorized for Issuance under Equity Incentive Compensation Plans".)

2010 RUR Agreements

In the case of the 2010 RURs, which are held by the CEO and CFO, in the event of a proposed Change of Control, the Board may, as deemed necessary or equitable by the Board in its sole discretion, determine the manner in which all RURs will be treated including requiring the acceleration of the time for the redemption of any vested RURs by the participant and of the time for the fulfillment of any conditions or restrictions on such redemption.

Theoretical Payments to Named Executive Officers

The following table illustrates the theoretical payments that would have been made to each of the Named Executive Officers pursuant to their employment agreements and the Share-based awards held by each of them, as a result of a termination without cause event (including resignation for good reason or constructive dismissal) or a Change of Control event assuming such an event occurred on December 31, 2016.

Table 5

Name	Triggering Event	Severance Payment Pursuant to Employment Agreement	Payment Pursuant to Share-based Awards	Total
Richard Clark Chief Executive Officer	Termination without Cause/Resignation for Good Reason	$949,970	$0 (1)	$949,970
	Change of Control	$949,970	$358,223 (2) (3)	$1,306,193
Wayne Wisniewski President & Chief Operating Officer	Termination without Cause/Resignation for Good Reason	$783,788 (2) (4)	$0 (1) (4)	$783,788 (2)
	Change of Control	$783,788 (2) (4)	$281,652 (2) (4)	$1,065,440
Kelly Tomyn Chief Financial Officer	Termination without Cause/Constructive Dismissal	$570,435	$0 (1)	$570,435
	Change of Control	$570,435	$174,832 (2) (3)	$745,267
Scott Lovett Executive Vice President, Business Development	Termination without Cause/Constructive Dismissal	$294,313	$0 (1)	$294,313
	Change of Control	$294,313	$188,050 (2)	$482,363
Jo-Anne Bund General Counsel and Corporate Secretary	Termination without Cause/Constructive Dismissal	$328,931	$0 (1)	$328,931
	Change of Control	$328,931	$89,381 (2)	$418,312

Notes:

(1) For a termination without cause, resignation for good reason or constructive dismissal event, all unvested awards terminate.

(2) For a Change of Control event, under the 2016 Plan, the Board has discretion to permit the acceleration of unvested awards and pay out the award in cash at fair market value as defined in the 2016 Plan. The amount shown has been calculated using the amount of the RSUs and PSUs held by the Named Executive Officer on December 31, 2016 multiplied by the five day volume weighted average trading price of the Shares on the TSX as at December 31, 2016 ($0.77).

(3) Under the RUR Agreements held by the CEO and CFO, the Board has discretion to determine the manner in which all RURs will be treated including requiring the acceleration of the time for the redemption of any vested RURs by the participant. No pay-out amount has been assumed for the RURs as there has been no capital appreciation and dividends have been paid and are currently suspended.

(4) This amount has been converted from US dollars into Canadian dollars using an exchange rate of $1.34, which was the $US/$Cdn exchange rate as at December 31, 2016.

Director Compensation

In 2016, Eagle paid each of Eagle's Directors, other than Mr. Clark, who is an executive officer of Eagle and receives no additional compensation for his role as a Director, an annual retainer of $35,000 and $1,300 per day for attending meetings of the Board or any meeting of a committee of the Board. Only one meeting fee per Director or committee member per day was paid. The Chairman of the Board received additional compensation of $12,000 per year and the chairperson of each committee of the Board received additional compensation of $7,000 per year. Eagle also reimburses Directors for out-of-pocket expenses for attending meetings. The Directors participate in the 2016 Plan in accordance with the recommendations of the Compensation Committee. The Directors also hold RURs.

Director Compensation Table

The following table sets forth information concerning the compensation provided to the directors of Eagle for the year ended December 31, 2016. Eagle does not have any pension plans.

Table 6

Name	Fees Earned	Share-based Awards[1]		Option-Based Awards	Non-equity incentive plan compensation	All Other Compen-sation[2]	Total
		Number of Shares or Units of Shares	Value Based on Grant Date Fair Value				
David M. Fitzpatrick Chair of the Board	$60,000	60,000	$40,204	Nil	Nil	Nil	$100,204
Bruce K. Gibson Chair of Audit Committee	$55,000	60,000	$40,204	Nil	Nil	Nil	$95,204
Warren D. Steckley Chair of Reserves & Governance Committee Chair of Compensation Committee	$62,000	60,000	$40,204	Nil	Nil	Nil	$102,204

Notes:

(1) The following table sets out the fair value at grant date of the RSUs that comprise the share-based awards under the 2016 Plan. **The estimated fair value does not represent cash paid by Eagle. The actual value to be realized by the holder will depend on the price of the Shares when the awards vest.** The awards vest annually as to one-third of the amount granted.

Grant Date	Fair Value at Grant Date Per RSU
February 23, 2016	$0.64
September 12, 2016	$0.69

With respect to RSUs, the fair value of the RSUs at grant date is consistent with the fair value calculated for purposes of Eagle's annual financial statements and is the volume weighted average trading price for the Shares on the TSX for the five days that the Shares traded preceding the grant date. For purposes of Eagle's 2016 annual financial statements, the estimated weighted average fair value of the RSUs at grant date was $0.67 per RSU.

(2) On November 24, 2010, Mr. Fitzpatrick received 135,000 RURs, Mr. Gibson received 75,000 RURs, and Mr. Steckley received 50,000 RURs. Each RUR entitles the holder to receive cash payments equal to the dividends paid on one Share as well as capital appreciation. See "Compensation Discussion and Analysis - Long-Term Incentive Compensation - 2010 Restricted Unit Rights", above, for a description of the terms of the RURs. This column does not include the payments on the RURs during the year ended December 31, 2016 because those payments were factored into the calculation of the fair value of the RUR at the November 24, 2010 grant date, which was disclosed in this table for 2010 in the Trust's management proxy circular for the annual meeting held on May 18, 2011. The following table sets out the fair value at grant date of the RURs estimated using the Black-Scholes valuation model with the weighted average inputs set out in the table:

Grant Date	Fair Value at Grant Date per RUR	Weighted Average Inputs: Volatility	RUR Life	Risk-Free Interest Rate	Forfeiture Rate
Nov. 24, 2010	$3.97	25%	10 years	2.85%	5%

The estimated fair value amount does not represent cash paid by Eagle. The actual value to be realized will depend on the price of the Shares at each year end and dividends, if any, paid by Eagle.

The Black-Scholes valuation methodology is consistent with that used for purposes of Eagle's financial statements. However, the fair value of the RURs at grant date differs from the fair value calculated for purposes of Eagle's annual financial statements because, under IFRS, Eagle is required to recalculate the fair value of the RURs at the end of each financial reporting period. For purposes of Eagle's 2016 annual financial statements, the fair value of the RURs at December 31, 2016 was $nil.

Outstanding Director Option-Based and Share-Based Awards

The following table sets forth, for each Director, all Option-based and Share-based awards that were outstanding as at December 31, 2016.

Table 7

	Option-Based Awards				Share-Based Awards		
Name and Principal Position	Number of Units Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options	Number of Shares or Units of Shares that have not Vested(1)	Market or Payout Value of Shares or Units of Shares that have not Vested(2)	Market or Payout Value of Vested Shares or Units of Shares that have not paid out or distributed
David M. Fitzpatrick	Nil	N/A	N/A	N/A	63,144	$48,621	$0.00
Bruce K. Gibson	Nil	N/A	N/A	N/A	63,144	$48,621	$0.00
Warren D. Steckley	Nil	N/A	N/A	N/A	63,144	$48,621	$0.00

Notes:

(1) Consists of RSUs.

(2) This calculation is based on the five-day volume weighted average trading price at December 31, 2016 of $0.77 per Share.

Incentive Plan Awards – Value Vested or Earned During 2016

The following table sets forth, for each director, the value of Option-based awards and Share-based awards vested during 2016 and the value of non-equity incentive plan compensation earned during 2016.

Table 8

Name and Principal Position	Option-based awards – Value of Options vested during the year (as at vesting date)	Share-based awards – Value vested during the year[(1)]	Non-equity incentive plan compensation - Value earned during the year
David M. Fitzpatrick, Director	Nil	$13,500 (RURs)	Nil
Bruce K. Gibson, Director	Nil	$7,500 (RURs)	Nil
Warren D. Steckley, Director	Nil	$5,000 (RURs)	Nil

Notes:

(1) Each RUR entitles the holder to receive cash payments equal to the distributions payable on one Unit as well as capital appreciation. See "Compensation Discussion and Analysis - Long-Term Incentive Compensation – Restricted Unit Rights", above, for a description of the terms of the RURs. The capital appreciation payments, if any, are made annually and are calculated from the $10.00 November 24, 2010 initial public offering price of the then Units during the first year, and thereafter from the greater of the immediately previous year-end's fair market value of a Share and the fair market value of a Share at the last year-end respecting which a capital appreciation payment was made. The 2010 RUR Agreement defines "fair market value" to be the five day volume weighted average trading price, which was $0.77 at December 30, 2016. Accordingly, for the year ended December 31, 2016, the RUR payment paid to the holder of RURs was $0.10 per vested RUR, which is equivalent to the total dividends per Share paid by Eagle during 2016. Since the five day volume weighted average trading price of a Share at December 31, 2016 ($0.77) was less than the $10.00 November 24, 2010 initial public offering price of the Units, no capital appreciation is factored into this value.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY INCENTIVE COMPENSATION PLANS

Equity Compensation Plan Information

As at the date of this Circular, Eagle has one equity compensation plan approved by its securityholders – the 2016 Plan, a summary of which is set forth below.

As at December 31, 2016, the number of securities authorized for issuance under the 2016 Plan, the weighted average exercise price and the number of securities remaining available for future issuance under that plan are set forth in the following table.

Table 9

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (at Dec. 31, 2016)	Weighted-average exercise price of outstanding options, warrants and rights (at Dec. 31, 2016)(3)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) (at Dec. 31, 2016)(4)
Equity compensation plans approved by securityholders:			
2016 Plan(1)	2,557,610	$0.78	1,687,552(2)
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,557,610	$0.78	1,687,552(2)

Notes:

(1) Eagle received securityholder approval of the 2016 Plan on January 25, 2016.

(2) This amount is calculated based on 10% of the 42,451,623 Shares that were outstanding at December 31, 2016 (4,245,162-2,557,610=1,687,552).

(3) Based on the closing price of Eagle's Shares on December 30, 2016, which was $0.78 per Share.

(4) The aggregate number of Shares that may be reserved for granting awards at any time under: (i) the 2016 Plan; and (ii) all of Eagle's other security-based compensation arrangements involving the issuance of Shares from treasury, must not exceed 10% of the total issued and outstanding Shares.

2016 Equity Incentive Plan

In 2016, Eagle implemented a new equity incentive compensation plan, the 2016 Equity Incentive Plan dated effective January 27, 2016 (the "**2016 Plan**"). The summary of the 2016 Plan set out below is subject to and qualified in its entirety by the provisions of the 2016 Plan. Reference should be made to the provisions of the 2016 Plan with respect to any particular provision described below.

Purpose

The purpose of the 2016 Plan is to:

(a) encourage selected employees, officers, consultants and directors of Eagle and its affiliates (the "**Participants**") to receive and hold a proprietary interest in the growth and performance of Eagle;

(b) generate an increased incentive for the Participants to contribute to Eagle's future success and prosperity, thereby enhancing the value of Eagle for the benefit of the Shareholders; and

(c) to enhance the ability of Eagle and its subsidiaries to attract and retain exceptionally qualified individuals upon whom, in large measure, the sustained progress, growth and profitability of Eagle depends.

Administration

The Board will administer the 2016 Plan and may delegate this responsibility to its Compensation Committee or another committee of the Board.

The Board may also appoint the Chief Executive Officer of Eagle to administer the 2016 Plan with respect to Awards granted to Participants at the commencement of the employment or consultancy of the Participants. The Awards so granted are conditional on the subsequent ratification by the Board.

(Reference to the "**Committee**" in the following description of the 2016 Plan refers to the Board if it has not delegated administration of the 2016 Plan to a committee.)

Total Reserve and Limits

The total reserve and limits of the 2016 Plan are as follows:

(a) *Total Reserve* - The aggregate number of Shares that may be reserved for granting awards at any time under: (i) the 2016 Plan; and (ii) all of Eagle's other security-based compensation arrangements involving the issuance of Shares from treasury, must not exceed 10% of the total issued and outstanding Shares.

(b) *One Participant (Within One Year)* - The maximum number of Shares underlying or relating to Awards which may be granted to any one Participant under the 2016 Plan in any calendar year must not exceed 2.5% of the total issued and outstanding Shares as at the date of grant.

(c) *Insiders (At Any Time)* - The aggregate number of Shares that may be reserved for issuance to insiders at any time under: (i) the 2016 Plan; and (ii) all of Eagle's other security-based compensation arrangements involving the issuance of Shares from treasury to insiders, must not exceed 10% of the issued and outstanding Shares as at the date of grant. ("**Insider**" has the same meaning as found in the *Securities Act* (Alberta) and includes associates and affiliates of the insider.)

(d) *Insiders (Within One Year)* - The aggregate number of Shares that may be issued to insiders within any one-year period under: (i) the 2016 Plan; and (ii) all of Eagle's other security-based compensation arrangements involving the issuance of Shares from treasury to insiders, must not exceed 5% of the issued and outstanding Shares as at the date of grant.

The above limits are calculated on a non-diluted basis. Shareholder approval with respect to all unallocated Awards under the 2016 Plan must be sought by Eagle every three years.

As at the date of this Circular, under the 2016 Plan, a total of 1,836,112 RSUs and 686,238 PSUs have been granted, representing 4.28% and 1.60%, respectively, of Eagle's 42,857,152 outstanding Shares.

Types of Awards, Eligibility and Terms of Awards

Awards in the form of Restricted Share Units, Options, Share Appreciation Rights and Deferred Share Units (collectively, the "**Awards**") may be granted to the employees, officers, consultants and directors of Eagle and its affiliates (except that Deferred Share Units cannot be granted to consultants).

As at the date of this Circular, only Restricted Share Units have been awarded under the 2016 Plan. For a description of the terms of Restricted Share Units (both RSUs and PSUs) that have been granted to date, refer to "Executive Compensation - Compensation Discussion and Analysis - Components of Compensation - Long-Term Incentive Compensation".

Subject to the limitations in the 2016 Plan, when granting Awards, the Committee has the authority to fix the terms and conditions of the Awards. These terms and conditions include the exercise price of Options, the base value of Share Appreciation Rights, vesting conditions and criteria, the form and method of payout, the expiry of the Awards and any other terms or conditions as the Committee deems appropriate. The terms and conditions fixed by the Committee on Awards that have been granted will be set out in individual Award agreements.

The Committee may fix vesting criteria based on time and/or on performance criteria that relate to the performance of Eagle or an affiliate (in which case, those Awards will be referred to as "Performance Restricted Share Units", "Performance Options", "Performance Share Appreciation Rights" or "Performance Deferred Share Units", respectively).

In the 2016 Plan, "**Fair Market Value**" with respect to Shares, Restricted Share Units and Deferred Share Units is determined using the volume weighted average trading price for the Shares on the TSX for the five days on which the Shares traded preceding the date of reference. If the Shares are not listed on the TSX, then the value will be determined by the Committee acting reasonably, using any other appropriate method selected by the Committee.

If an Award can be settled in Shares, the Committee may elect to settle the Award using authorized and unissued Shares or (except for Options and Restricted Share Units granted as dividend–equivalents on Options) outstanding Shares acquired on the open market through the facilities of an independent broker (or a combination thereof).

Restricted Share Units

A Restricted Share Unit represents a right to receive, on the vesting date, one Share or a payment of cash equal to the Fair Market Value of one Share (or a combination thereof).

The Fair Market Value of the vested Restricted Share Units will be determined as of the date the Restricted Share Units vest and, at the election of the Committee, will be paid in cash or Shares (or a combination thereof) after deduction of any applicable withholding taxes.

Restricted Share Units will be paid out as soon as practicable following the date on which the Restricted Share Unit vests. The payment date must be no later than the date that is three years following the end of the "Restricted Share Unit Service Year". (The Restricted Share Unit Service Year will be specified by the Committee at the time of granting the Restricted Share Unit and may be the current or immediately preceding calendar year.)

If: (a) the vested Restricted Share Unit's payment date falls within a blackout period; and (b) the Committee can elect at the time of vesting whether to pay out the vested Restricted Share Unit in either cash or Shares, then the vested Restricted Share Unit will automatically be paid out in cash.

Participants may receive dividend-equivalent rights on their Restricted Share Units. The number of additional Restricted Share Units that a Participant will receive as a dividend-equivalent right on their Restricted Share Units will be calculated (to two decimal places) by dividing: (a) the total amount of the dividend that would have been paid to the Participant if the Restricted Share Units held by the Participant were Shares as of the record date for the dividend; by (b) the Fair Market Value of a Share on the payment date for the dividend. No additional Restricted Share Units will be credited or granted in respect of a Participant where the applicable dividend record date falls after the Participant's termination date.

Options

An Option represents a right to purchase a Share at a purchase price determined by the Committee at the date of grant. The purchase price (referred to as the "**exercise price**") must not be less than Fair Market Value as at the date of grant.

The Option's term must not exceed a period of five years from the date of grant, unless the Option would expire during or within 10 days of the last day of a blackout period imposed by Eagle under its policies, in which case the Option's expiry date will be automatically extended to the date that is 10 days after the last day of the blackout period.

Participants may receive dividend-equivalent rights on their Options in the form of Restricted Share Units. The number of Restricted Share Units that a Participant will receive as a dividend-equivalent right on their Options will be calculated (to two decimal places) by dividing: (a) the total amount of the dividend that would have been paid to the Participant if the Options held by the Participant had been exercised for Shares as of the record date for the dividend; by (b) the Fair Market Value of a Share on the payment date for the dividend. No Restricted Share Units will be credited or granted in respect of a Participant where the applicable dividend record date falls after the Participant's termination date. The terms and conditions of the Restricted Share Units so credited will be identical to the terms and conditions of the underlying Options held by the Participant, but (a) will not have any exercise price, (b) will become vested Restricted Share Units only at the time the underlying Option is exercised and, (c) upon vesting, will entitle the Participant to a payment in the form of Shares issued from treasury.

Share Appreciation Rights

A Share Appreciation Right represents a right to a payment of cash or Shares (or a combination thereof) equal to the Fair Market Value of a Share on the date the Share Appreciation Right is exercised less the base value of the Share Appreciation Right (the "**Appreciation Value**").

The base value of a Share Appreciation Right set by the Committee must not be less than the Fair Market Value of a Share on the date of grant.

A Share Appreciation Right will expire on the earlier of: (a) December 15th of the calendar year in which the Share Appreciation Right vested; and (b) the fifth anniversary of the date the Share Appreciation Right was granted. If the date on which a Share Appreciation Right expires occurs during a blackout period, then the expiry date will be the earlier of: (a) ten days after the last day of such blackout period; or (b) December 15th of the calendar year in which the Share Appreciation Right vests, and the Share Appreciation Right will be deemed to have been exercised on that date.

On the exercise of any vested Share Appreciation Right, an amount equal to the Appreciation Value will be paid in cash or Shares (or a combination thereof) at the election of the Committee, after deduction of applicable withholding taxes. If: (a) the expiry date of a vested Share Appreciation Right is deemed to be December 15th and December 15th falls within a blackout period; and (b) the Committee can elect at the time the Share Appreciation Right is exercised to pay the Appreciation Value in cash or Shares, then the Appreciation Value will automatically be paid in cash.

Deferred Share Units

Deferred Share Units have all of the rights and restrictions that may be applicable to Restricted Share Units except that the Deferred Share Units may not be redeemed until the Participant has ceased to hold all offices, employment and directorships with Eagle and its affiliates (as defined in the *Income Tax Act* (Canada)).

No payment may be made in respect of a Deferred Share Unit until after the Participant ceases to be an employee, officer or director of Eagle or any affiliate, unless the Participant dies before then (referred to as the "**triggering event**"). All payments must be made no later than December 31 of the year commencing immediately after the occurrence of a triggering event.

On the redemption date, the vested Deferred Share Units will be redeemed and the Fair Market Value, which is determined as of the triggering event, will be paid in cash or Shares after deduction of any applicable withholding taxes.

Subject to such rules and conditions as the Committee may impose, a Participant may elect, irrevocably, no later than December 15th of the calendar year preceding the year in which the election is to be effective, to have all or a portion of his ordinary cash compensation to be paid for services to be performed in the calendar year following the date of the election satisfied by way of Deferred Share Units.

Participants may receive dividend-equivalent rights on their Deferred Share Units. The number of additional Deferred Share Units that a Participant will receive as a dividend-equivalent right on their Deferred Share Units will be calculated (to two decimal places) by dividing: (a) the total amount of the dividend that would have been paid to the Participant if the Deferred Share Units held by the Participant were Shares as of the record date for the dividend; by (b) the Fair Market Value of a Share on the payment date for the dividend. Additional Deferred Share Units will be credited or granted where the dividend record date falls after the occurrence of a triggering event but prior to the redemption date.

Early Termination of Awards

Death or Disability

Upon the death or long-term disability of a Participant, all unvested Awards outstanding to the credit of the Participant will become vested Awards as of the date of the Participant's death or long-term disability. All of the Participant's vested Restricted Share Units and vested Deferred Share Units will be paid out in accordance with the terms of the Award agreement. All of the Participant's vested Options and vested Share Appreciation Rights will remain exercisable for 12 months from the date of the Participant's death or disability, unless they expire before then.

Termination for Cause

If a Participant's employment is terminated for cause, then all of the Participant's Awards, whether vested or unvested, will terminate as of the Participant's termination date.

Termination Without Cause

If a Participant's employment is terminated without cause, then: (a) the Participant's unvested Awards will terminate as of the Participant's termination date; (b) the Participant's vested Restricted Share Units or Deferred Share Units will be paid out; and (c) the Participant's vested Options and vested Share Appreciation Rights will remain exercisable for 90 days, unless they expire before then.

Voluntary Resignation or Termination of Consulting Agreement

If a Participant resigns voluntarily or ceases to be a consultant to Eagle or an affiliate: (a) the Participant's unvested Awards will terminate as of the Participant's termination date; (b) the Participant's vested Restricted Share Units or Deferred Share Units will be paid out; and (c) the Participant's vested Options and vested Share Appreciation Rights will remain exercisable for 10 business days, unless they expire before then.

Non-employee Directors

If a Non-employee Director fails to be re-elected as a director of Eagle, then such event will be treated similar to a "termination without cause". If the Non-employee Director voluntarily chooses to not stand for re-election as a director of Eagle or resigns, then such event will be treated like a "voluntary resignation".

Assignability

The Awards may not be assigned by a Participant other than by will or by laws of descent for estate purposes.

Amendments

The 2016 Plan specifies that Shareholder approval is required for any amendments to the 2016 Plan or any Award that would:

(a) increase the total number of Shares available for Awards under the 2016 Plan, except as provided in the 2016 Plan's adjustment provision for specified corporate events such as recapitalization, share splits or consolidations, reorganizations, mergers etc.;

(b) reduce the exercise price or base value, or extend the term, of any Award for the benefit of any Participant;

(c) otherwise cause the 2016 Plan to cease to comply with any tax or regulatory requirement, including for these purposes any approval or other requirement;

(d) remove or increase the aggregate number of Shares that may be reserved for issuance to insiders at any time, or that may be issued to insiders within any one-year period;

(e) permit the transfer of Awards other than by will, by the laws of descent or by the designation of a beneficiary of a Participant; or

(f) amend the provisions of the 2016 Plan's amending provision.

Subject to the above, the Board may, without Shareholder approval, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate any Awards granted under the 2016 Plan, provided that no amendment, alternation, suspension, discontinuation, cancellation or termination would, without the consent of the holder, adversely impair any right previously granted.

The Committee may also permit the acceleration of vesting of any or all Awards.

Proposed Changes of Control

In the event of a proposed change of control ("**Change of Control**") of Eagle, and subject to any written employment, consultancy or engagement agreements, the Board has the discretion to determine the treatment of outstanding Awards, including whether to accelerate vesting of Awards under the 2016 Plan. The 2016 Plan defines "Change of Control" to mean the occurrence of any of the following events:

(a) a person, or group of persons acting jointly or in concert, becomes the beneficial owner of securities of Eagle constituting 50% or more of the voting power of all outstanding voting securities of Eagle;

(b) where the Participant is an employee or consultant of an affiliate and not also of Eagle, a person or group of persons acting jointly or in concert other than Eagle or an affiliate becomes the beneficial owner of securities of the affiliate constituting 50% or more of the voting power of all outstanding voting securities of the affiliate;

(c) the election at a meeting of Shareholders of that number of persons which would represent a majority of the Board as directors of Eagle who were not included in the slate for election as directors proposed to Shareholders by Eagle;

(d) the appointment as directors of Eagle of that number of persons which would represent a majority of the Board nominated by any holder of voting shares of Eagle or by any group of holders of voting shares of Eagle acting jointly or in concert;

(e) a merger, consolidation, amalgamation or arrangement of Eagle (or a similar transaction) occurs, unless after the event, 50% or more of the voting power of the combined corporation is beneficially owned by the same person or group of persons as immediately before the event;

(f) Shareholders approve a plan of complete liquidation or winding-up of Eagle, or the sale, lease or exchange of all or substantially all Eagle's assets (other than a transfer to an affiliate of Eagle); or

(g) any other event which in the opinion of the Board reasonably constitutes a change of control of Eagle;

provided, however, that the following will not constitute a Change of Control:

(i) if the Board, in good faith, determines that a Change of Control was not intended to occur in the particular circumstances in question, except with respect to the Changes of Control described in paragraphs (c) and (d) above respecting which the Board will not make such determination;

(ii) any person or group of persons becoming the beneficial owner of the threshold of securities specified in paragraphs (a) or (b) above as a result of the acquisition of securities by Eagle or an affiliate or a subsidiary which, by reducing the number of securities outstanding, increases the proportional number of securities beneficially held by that person or group of persons;

(iii) any acquisition of securities directly from Eagle in connection with a bona fide financing or series of financings by Eagle; or

(iv) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by Eagle and/or its affiliates.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not, and has not been since the formation of Eagle, any indebtedness outstanding from any person who is, or has been, a Director, executive officer, employee of Eagle or its subsidiaries, any proposed nominee for election as a Director of Eagle, and any associate of any such Director, executive officer or proposed nominee.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of Eagle, no proposed Director, and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction since the beginning of Eagle's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Eagle or any of its subsidiaries other than as described in this Circular.

ADDITIONAL INFORMATION

Financial information relating to Eagle is provided in the audited annual consolidated financial statements and management's discussion and analysis of financial and operating results of Eagle as at and for the years ended December 31, 2016 and December 31, 2015 (the "**Annual Financial Statements and MD&A**").

Copies of this Circular, the Annual Financial Statements and MD&A, interim financial statements of Eagle subsequent to the Annual Financial Statements, the Annual Information Form for the year ended December 31, 2016, and Eagle's Code of Business Conduct and Ethics are available under Eagle's issuer profile on SEDAR at www.sedar.com and on our website at www.EagleEnergy.com. Paper copies may be obtained without charge by emailing us at info@EagleEnergy.com, writing us at Suite 2710, 500 – 4th Avenue S.W., Calgary, Alberta T2P 2V6, or phoning our toll free number at (855) 531-1575.

Additional information relating to Eagle may also be found under Eagle's issuer profile on SEDAR at www.sedar.com and on Eagle's website at www.EagleEnergy.com.

Appendix "A"

EAGLE ENERGY™
INC.

BOARD CHARTER

PART I - ESTABLISHMENT OF THE BOARD AND PROCEDURES

Composition of the Board

The board of directors (the "Board") of Eagle Energy Inc. (the "Corporation") will consist of such number of directors as may be fixed from time to time by the Board, subject to the articles of incorporation and by-laws of the Corporation. A majority of the directors of the Corporation will be independent as defined by applicable securities laws (subject to permitted exemptions under those laws) and the rules of any stock exchange on which the Corporation's securities are listed for trading.

The directors of the Corporation should have a mix of competencies, skills and experience necessary to enable the Board and the Board committees to properly discharge their respective responsibilities.

Nomination of Board Members

The Corporate Governance Committee (which shall, until otherwise determined by the Board, be combined with the Reserves Committee) will, when it deems appropriate, recommend to the Board nominees for election or appointment as directors. Recommendations are made in consultation with the chair of the Board (the "Chair") and the CEO based on the appropriate size and composition of the Board and Board committees, as well as the competencies, skills and personal qualities required of directors to enable the Board and Board committees to properly discharge their respective responsibilities. The Board will approve the final choice of nominees.

Directors are elected at each annual meeting of shareholders.

Orientation of New Directors and Continuing Education

The Board will give new directors such information and orientation opportunities as may be deemed by the Board to be necessary or appropriate to ensure that they understand the nature and operation of the Corporation's business, the role of the Board and its committees and the contribution individual directors are expected to make.

The Board will give all directors such continuing education opportunities as may be deemed by the Board to be necessary or appropriate so that they may maintain or enhance their skills and abilities as directors, and to ensure that their understanding of the nature and operations of the Corporation's business remains current.

Chair

The Board will appoint the Chair from among its members. If the Chair is not independent, an independent director will be appointed as lead independent director.

If the Chair is not present at any meeting of the Board, the lead independent director or, in the absence of the lead independent director, one of the other directors chosen from those directors present at the meeting will preside at the meeting.

Responsibilities of the Chair

The Chair will provide leadership to the Board in fulfilling its mandate. The Chair's responsibilities will include:

(a) consulting with the Chief Executive Officer (the "CEO") and the Secretary of the Corporation in determining the dates and locations of Board meetings and shareholders' meetings;

(b) presiding at meetings of the Board and meetings of the shareholders of the Corporation;

(c) setting the schedule and agenda for Board meetings with input from the lead independent director, the other directors, the CEO and other senior management of the Corporation where appropriate;

(d) assisting the chairs of Board committees in developing agendas for Board committee meetings that will enable the Board committees to successfully carry out their responsibilities;

(e) ensuring that all business that is required to be brought before a meeting of shareholders is brought before a meeting of shareholders;

(f) arranging for senior management and others to attend Board meetings where appropriate;

(g) facilitating the delivery of accurate, timely and clear information to the Board to enable the Board to successfully carry out its responsibilities;

(h) coordinating the activities of the Board committees with the activities of the Board;

(i) assigning tasks to appropriate directors and Board committees;

(j) acting as the principal interface between the Board and the CEO;

(k) providing advice, counsel and mentorship to the CEO, other directors and senior management of the Corporation;

(l) together with the CEO, speaking for the Corporation in its communications with shareholders and the public; and

(m) performing such other functions as may reasonably be requested by the Board.

Secretary of the Board

The Board will appoint the Secretary of the Corporation or another officer of the Corporation to act as secretary and keep minutes of all Board meetings.

Board Meetings

The Board will meet at least five times per year and will meet at such other times during each year as it deems appropriate. In addition, the Chair or any director may call a special meeting of the Board at any time.

The independent directors will hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

Attendance of the Corporation's Officers or External Advisers at Meetings

At the invitation of the Chair, or one or more officers of the Corporation, one or more officers or directors of a subsidiary of the Corporation, or the external auditors or legal, financial or other advisers of the Corporation may attend any meeting of the Board or part thereof.

Procedure, Records

Subject to any statute or the articles of incorporation and the by-laws of the Corporation, the Board will fix its own procedures at meetings and keep records of its proceedings. The minutes of its meetings will be tabled at the next meeting of the Board.

Board Attendance

Directors are expected to attend and review in advance all materials for Board meetings, meetings of Board committees of which they are members and the annual meeting of the shareholders of the Corporation. Directors are also expected to spend the time needed, and to meet as frequently as necessary, to discharge their responsibilities.

Delegation of Responsibilities

The Board will be entitled to delegate from time to time to any individual or committee any of its responsibilities that lawfully may be delegated.

Procedures for Shareholder Feedback

The Board will establish and annually review the measures by which shareholders can communicate with the Corporation and the Board, including the adequacy of resources available within the Corporation to respond to shareholders.

Authority to Engage Advisers

Each director shall be entitled, subject to the approval of the Reserves and Governance Committee, to retain independent counsel and/or such other advisers as he/she deems necessary to carry out his/her duties as a member of the Board. The engagement of any such counsel or advisers will be at the Corporation's expense.

PART II - MANDATE OF THE BOARD

General

The Board is responsible for the overall stewardship of the Corporation and for oversight of the management of the business and affairs of the Corporation with a view to the best interests of the Corporation. The Board has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board.

Directors will exercise their business judgment in a manner consistent with their fiduciary duties. In particular, in exercising their powers and performing their duties, the directors will act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board discharges its responsibilities for supervising the management of the business and affairs of the Corporation by delegating the day-to-day management of the Corporation to senior officers. The Board relies on senior officers to keep it apprised of all significant developments affecting the Corporation and its operations. The directors are entitled to rely on the honesty and integrity of those senior officers and the auditors and other professional advisors of the Corporation in discharging their fiduciary duties.

Specific Responsibilities

In fulfilling its general responsibility for the overall stewardship of the Corporation, the Board has specific responsibility for the following:

(a) satisfying itself as to the integrity of the CEO and other senior officers of the Corporation and that the CEO and other senior officers create a culture of integrity throughout the organization;

(b) adopting a strategic planning process and approving and reviewing, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business;

(c) overseeing the identification of the principal risks of the Corporation's business and the implementation of appropriate systems to manage these risks;

(d) overseeing the integrity of the Corporation's internal control and management information systems;

(e) succession planning (including appointing, training and monitoring senior management);

(f) adopting and reviewing a disclosure policy, insider trading policy, whistleblowing policy and a code of business conduct and ethics for the Corporation;

(g) developing, maintaining and evaluating the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;

(h) in addition to those matters which must by law be approved by the Board, overseeing the development of, and reviewing and approving, significant corporate plans and initiatives, including the strategic plan, the annual business plan and budget, major acquisitions and dispositions and other significant matters or corporate strategy or policy;

(i) reviewing, from time to time, and making recommendations regarding the performance and effectiveness of the Board and each committee of the Board and, to the extent deemed necessary by the Board, the performance of individual directors (all of which will be verbally assessed and reported);

(j) reviewing the composition of the various committees of the Board and their respective charters;

(k) determining the most appropriate orientation and continuing education program for Board and committee members to ensure that all directors fully understand:

  (i) the role of the Board and its committees,

  (ii) the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the issuer expects from its directors), and

  (iii) the nature and operation of the Corporation's business;

(l) approving, in such circumstances as it considers appropriate, the engagement by any one or more directors of outside advisers, such engagement to be at the Corporation's expense; and

(m) from time to time, forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a committee thereof, and undertake such other initiatives as are necessary or desirable to provide effective corporate governance for the Corporation.

Non-Exhaustive List

The foregoing list of duties is not exhaustive, and the Board may, in addition, perform such other functions as may be necessary or appropriate in the circumstances for the performance of its responsibilities.

Appendix “B”

ADVISORIES

Advisory Regarding Oil and Gas Metrics and Measures

Management makes reference to the following oil and gas terms in the Letter to Shareholders and this Circular (together, the “**Documents**”): “reserve replacement ratio”, and "finding, development and acquisition costs" ("FD&A costs"). These measures have been prepared by management and do not have standardized meanings or standard calculations and therefore may not be comparable to similarly-named measures used by other entities. Management uses these measures to measure the success of replacing reserves and to compare operating performance to previous periods on a comparable basis. The calculation of reserve replacement ratio and FD&A costs reference can be found under “Reserves Performance Ratios” in Eagle’s 2016 Management’s Discussion and Analysis for the year ended December 31, 2016. Capital efficiency is a measure that management uses to measure the cost to add an incremental barrel of flowing production in units of $/boe per day. For additional information on Eagle’s reserves and other oil and gas information, reference should be made to our 2016 Annual Information Form.

All boe conversions are derived by converting gas to oil at the ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent. Boe may be misleading, particularly if used in isolation. A boe conversion rate of 1 Boe: 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers are cautioned that Boe may be misleading, particularly if used in isolation.

Advisory Regarding Forward-Looking Information

Certain of the statements in the Documents 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 readers 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 the Documents.

In particular, and without limitation, these forward-looking statements pertain to the following: Eagle’s business strategy and plans; its drilling plans; its assets; abandonment liability; expectations that its financing will help it execute its strategic plan, the dissident’s plans and concerns regarding the dissidents’ plan and nominees, increases in expected cash flow per share, before financial hedges, to increases in WTI; oil and gas measures that are based on estimated reserves volumes and values; and the vesting of RSUs and PSUs. With respect to these forward-looking statements, assumptions have been made regarding, among other things, the availability of financing, future crude oil, natural gas liquids and natural gas prices, differentials and weighting, future foreign exchange rates, future production estimates and actual levels, future recoverability of reserves and the accuracy of Eagle’s estimated reserves volumes and values, Eagle’s capital budget, which is subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set out in Eagle’s Annual Information Form under the heading “Risk Factors”, including, among others, the volatility of commodity prices, exchange rates, and the inherent risks and changes in timing, costs and results associated with drilling and development of petroleum properties and the availability of financing. As a result of these risks, actual performance and financial results in 2017 may differ materially from any projections of future performance or results expressed or implied by these forward-looking statements and the differences may be material and adverse to Eagle and its shareholders.

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 that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur.

Corporate Information

Board of Directors

David M. Fitzpatrick
Chairman of the Board

Bruce K. Gibson (1)
Director

Warren D. Steckley (2)(3)
Director

Richard W. Clark
Chief Executive Officer and Director

(1) Audit Committee Chair
(2) Reserves & Governance Committee Chair
(3) Compensation Committee Chair

Officers

Richard W. Clark
Chief Executive Officer and Director

Kelly A. Tomyn
Chief Financial Officer

J. Wayne Wisniewski
President and Chief Operating Officer

M. Scott Lovett
Executive Vice President, Business Development

Jo-Anne M. Bund
General Counsel and Corporate Secretary

TSX:EGL

Auditors

PricewaterhouseCoopers LLP

Trustee and Transfer Agent

Computershare Trust Company of Canada

Engineering Consultants

Netherland Sewell and Associates, Inc.
McDaniel & Associates Consultants Ltd.

Legal Counsel

Bennett Jones LLP

EAGLE ENERGY™ INC.

Calgary Office

Eagle Energy Inc.
Suite 2710, 500 – 4th Avenue SW
Calgary, Alberta T2P 2V6

Phone: (403) 531-1575
Fax: (403) 508-9840
Email: info@EagleEnergy.com

Houston Office

Eagle Hydrocarbons Inc.
Suite 3005, 333 Clay Street
Houston, Texas 77002

Phone: (713) 300-3245
Fax: (713) 300-3240
Email: info@EagleEnergy.com

www.EagleEnergy.com

Your investment is at risk.

We urge you to protect it by not allowing a dissident group obtain control of Eagle.

Vote the YELLOW Proxy or Voting Instruction Form well in advance. The Deadline to vote YELLOW is 10:00 a.m. (Calgary time) on Friday, June 23, 2017.

Voting Method	**Registered Shareholders** If your shares are held in your name and represented by a physical certificate or in a direct registration system.	**Beneficial Shareholders** If your shares are held with a broker, bank or other intermediary.
Internet	www.investorvote.com	www.proxyvote.com
Telephone	North American Toll Free: 1-866-732-VOTE (8683) Outside North America: 1-312-588-4290	Call the toll-free number listed on your **YELLOW** Voting Instruction Form and vote using the control number provided therein.
Facsimile	North American toll free: 1-866-249-7775 Outside North America: 1-416-263-9524	Complete, date, and sign the **YELLOW** Voting Instruction Form and fax it to the number listed therein.
Mail	Complete, date and sign the **YELLOW** Proxy and return in the enclosed postage paid envelope to: **Computershare Investor Services Inc.** 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.	Complete, date and sign the **YELLOW** Voting Instruction Form and return it in the enclosed postage paid envelope.

QUESTIONS OR REQUESTS FOR ASSISTANCE WITH VOTING MAY BE DIRECTED TO THE PROXY SOLICITOR FOR EAGLE:

LH LAUREL HILL ADVISORY GROUP

NORTH AMERICAN TOLL FREE:
1-877-452-7184

COLLECT CALLS OUTSIDE NORTH AMERICA:
1-416-304-0211

EMAIL: ASSISTANCE@LAURELHILL.COM