SaveEagle

Concerned Shareholders of Eagle Energy Inc. Challenge Management

May 24, 2017 (Calgary, Alberta) – Daniel Gundersen and Kingsway Financial Services Inc. ("Kingsway") are concerned shareholders (the "Concerned Shareholders") of Eagle Energy Inc. ("Eagle" or the "Company"; TSX:EGL). In the past week, the Concerned Shareholders have spoken with other Eagle shareholders, some of whom had recently been contacted by Eagle management. It appears that management is disclosing non-public information on a selective basis and some of the information contradicts its publicly announced plan. More importantly, we believe management is not disclosing material information about its recent drilling results. **These disclosure practices are unacceptable and do not meet a reasonable governance standard.**

Background

On March 13, 2017 Eagle announced a high-risk plan that included increased capital expenditures, increased debt, suspension of its dividend, and an expensive and onerous 4-year loan agreement. The plan does not deal with Eagle's biggest problems: excessive overhead costs and too much debt. The plan instead appears to be designed to justify excessive overhead costs including management salaries. **The plan is not in the best interests of ALL Eagle shareholders.**

On April 29, 2017 the Concerned Shareholders met with two members of Eagle's current board of directors (the "Board"). The Concerned Shareholders expressed their dissatisfaction with the Company's plan and discussed certain changes that would be in the best interests of shareholders. A verbal agreement was reached which included changes to the composition of the Board. This verbal agreement was followed by a written proposal from Eagle. **The Board subsequently reneged on the agreement.**

On May 4, 2017 the Concerned Shareholders announced a plan for Eagle that will fix the overhead and debt problems. In order to achieve these critical objectives, assets will have to be sold, but certainly not at "fire sale" prices. Eagle has high quality assets. Any one of Eagle's main properties could command substantial interest in the acquisition and divestiture (A&D) market, and we believe could be sold for a premium to Eagle's trading metrics. **The Concerned Shareholders' plan is a low-risk plan that is in the best interests of ALL Eagle shareholders. It is a plan developed to maximize shareholder value.**

On May 8, 2017 Eagle announced a postponement of the AGM and reiterated its commitment to its "growth strategy". The details of Eagle's plan were different than the details announced on March 13. Eagle also explicitly stated that it was opposed to the Concerned Shareholders' plan to sell a portion of Eagle's assets.

On May 10, 2017 the Concerned Shareholders announced their opposition to Eagle's delay tactics and filed an Information Circular to replace the Board. Eagle shareholders will soon be receiving our proxy materials in the mail including instructions on how to **VOTE YOUR BLUE FORM BEFORE JUNE 23, 2017.**

On May 12, 2017 Eagle announced disappointing Q1 financial results but offered little detailed information on the results for the five wells drilled. **This is not acceptable.**

On May 15, 2017 Eagle posted an updated corporate presentation on its website. This additional disclosure is clearly in response to the actions of the Concerned Shareholders, and it is disappointing that Eagle did not do so previously. Eagle's attitude towards shareholders is partly why only one investment firm still provides research coverage on Eagle (two other firms discontinued coverage in early 2017) and why less than 10% of shareholders voted at the last AGM. **Eagle's disdain for shareholders is simply not acceptable.**

Asset Sales

The Concerned Shareholders have a strong conviction that a sale of some assets is necessary to repair Eagle's balance sheet, reduce interest payments, and reduce risk for shareholders. In response to feedback from shareholders of Eagle, the Concerned Shareholders offer the following additional details with respect to management of Eagle and their plan for the Company.

Kingsway and the independent board nominees intend to support Daniel Gundersen as President and CEO of Eagle after the board transition. Mr. Gundersen has committed to providing his full-time attention to the Company, and will cease all unrelated business activities while working for Eagle's shareholders. His compensation structure will result in significant cost savings in comparison to the current President and CEO and will be very much aligned to Eagle's share price.

"Having worked directly with Mr. Gundersen as management for three successful publicly-traded oil and gas exploration and production companies in the period of 2002 through 2010, I can personally vouch for his integrity, competence, and work ethic. All shareholders will be well-served and reap the benefit of his dedication," commented director nominee Bradley Porter.

We believe Eagle is uniquely positioned to obtain maximum value from an asset sale. Because the Company has multiple concentrated and high-quality assets in different areas, it will be possible to choose which asset is sold based on the relative levels of interest received. The Concerned Shareholders do not have a preference as to which asset is sold, and instead suggest that all options be reviewed utilizing outside advisors. It would be logical to concentrate Eagle's operations into one jurisdiction in order to make maximum gains with respect to general and administrative cost efficiencies. This might involve selling the Canadian assets or the United States assets, but either such sale should only be completed on terms that are favourable to shareholders.

"Our view is that a broadly-marketed asset sale process will obtain maximum value for shareholders," stated Daniel Gundersen. "Our nominated board slate is committed to transparency and is motivated to obtain the best price for assets if we are elected at the upcoming Shareholder meeting. We believe it will be possible to sell a portion of Eagle's assets for a premium to the Company's current trading metrics, which will unlock value for shareholders in addition to reducing risk."

Eagle's Drilling Results

An important issue that has not been addressed by Eagle is the results of its first quarter 2017 drilling program. Given that the Company drilled five wells in the first quarter of 2017 versus only two wells in all of 2016, shareholders are undoubtedly very interested in the production levels achieved. Furthermore, the results of these capital expenditures could be critical in evaluating Eagle's ability to successfully execute its stated business plan that effectively consists of attempting to drill its way out of excessive debt. Eagle's news releases have been relatively silent regarding results other than stating "All five wells came on-stream during the late March to mid-April time period," in its May 12, 2017 news release, and stating that "Eagle is 52% through its full year capital program to the end of the first quarter, with results meeting expectations" in its May 15, 2017 corporate presentation.

The success or failure of the Company is highly dependent on the economic results of its capital expenditures, and we believe these drilling results are critical information for investors. Although we would much prefer an up-to-date report from management regarding production information, we obtained the following publicly-reported production data (obtained from the Petrinex production reporting system) related to the three new wells drilled in the Twining area for consideration by shareholders:

- Twining 102/05-19-031-24W4 April 2017 oil production = 505 barrels in 684 hours = 18 bbl/d
- Twining 100/03-02-033-25W4 April 2017 oil production = 4553 barrels in 599 hours = 182 bbl/d
- Twining 100/15-03-033-25W4 April 2017 oil production = 1528 barrels in 599 hours = 61 bbl/d

Based on reported capital expenditures of $6.1 million in Twining in the first quarter of 2017, it would appear that Eagle has achieved a capital efficiency of $23,000 per bbl/d on the first three wells of its new business plan. This capital efficiency is not significantly better than Eagle's current trading metrics, and, if accurate, would indicate that the current business plan may be flawed. Granted, this public information is short-term, averaged over one month, and may not be indicative of long-term performance. The Company will have more detailed information at its disposal and we would encourage them to provide those details to shareholders as soon as possible.

Debt Risks

Eagle's "most recent plan" announced on May 15, 2017 in its corporate presentation highlights Eagle's contentment with their 9.17% interest rate 4-year loan agreement despite its strict financial covenants, and further states that the loan will help Eagle grow "without having to sell properties at the bottom of the market". The Concerned Shareholders are disappointed that the board and management of Eagle refuse to address the risks associated with their current financial situation and believe that risks to shareholders are not being represented clearly.

- Eagle executed an amendment to the loan agreement on April 13, 2017, only one month after entering into the 4-year loan. The amendment related to the repayment of a portion of the original draw on the loan and delayed the first Asset Coverage Test Date by three months. We believe these amendments were required because the Company was in potential breach of its loan covenants. It is disturbing that an amendment would be required so soon after entering into such a material contract.

- Based on current commodity prices and the Company's forecasted production rates, we believe that it is possible that other financial covenants will become problematic later in 2017. We encourage shareholders to review the covenants associated with the loan agreement. The loan agreement is far more onerous than a true "term loan". The Company has attempted to buy time at a very expensive cost, and those costs may increase with interest rates.

- Eagle's net debt at the end of the first quarter of 2017 is in the order of $76 million. This is five times the Company's forecasted funds flow from operations of $15.2 million. Eagle's debt is nearly triple its recent market capitalization. These are distressed ratios and require action.

- Eagle's plan as announced on May 15, 2017 is based on a presumption of significant drilling success and improving commodity prices. If both do not occur, the results could be catastrophic to shareholders.

Concerned Shareholders' Board Nominees

Each of the four nominees of the Concerned Shareholders (the "Nominees") has significant oil and gas experience, including management of assets in Canada, the United States, and other jurisdictions. Full biographies of the Nominees are available on our website. The Nominees have complementary skill sets and leadership that will be a great benefit to all shareholders of Eagle.

Kingsway

Kingsway has increased its ownership in Eagle and now owns 1,216,000 shares of Eagle, representing 2.84% of the Company's issued and outstanding shares.

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The Concerned Shareholders have hired Norton Rose Fulbright Canada LLP as their legal counsel, Cogency Group Partners Inc. as their financial advisor and D.F. King as its proxy advisor and proxy solicitation agent.

The Concerned Shareholders have filed an information circular containing the information required by Form 51-102F5 – *Information Circular* in respect of the Nominees, which is available on Eagle's profile on SEDAR at www.sedar.com.

This solicitation is being made by the Concerned Shareholders, and not by or on behalf of the management of Eagle. Solicitations may be made by or on behalf of the Concerned Shareholders, by mail, telephone, fax, email or other electronic means, and in person by directors, officers and employees of the Concerned Shareholders or their proxy advisor D.F. King or by the Nominees. All costs incurred for any solicitation will be borne by the Concerned Shareholders, provided that, subject to applicable law, the Concerned Shareholders may seek reimbursement from Eagle of the Concerned Shareholders' out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the board of directors. Pursuant to the agreement with D.F. King, for its solicitation services, D.F.King would receive approximately $170,000 plus standard per call fees and out of pocket disbursements.

Any proxies solicited by the Concerned Shareholders in connection with the upcoming shareholder meeting may be revoked by instrument in writing by the shareholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law and the articles and by-laws of Eagle.

ADDITIONAL INFORMATION

Barrel of Oil Equivalent: Where amounts are expressed on a barrel of oil equivalent ("boe") basis, natural gas volumes have been converted to boe at a ratio of 6,000 cubic feet of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.

This press release includes industry data obtained from third-party sources, namely Petrinex, at http://www.petrinex.ca/index.asp. Although the Concerned Shareholders believe such third-party industry information to be reliable, the Concerned Shareholders have not independently verified such data.

Standard barrels of oil are 42 US gallons or approximately 159 litres and are abbreviated as "bbl".

Eagle's principal business office is 2710, 500 - 4th Avenue S.W., Calgary, Alberta T2P 2V6. A copy of this press release may be obtained on Eagle's SEDAR profile at www.sedar.com.