



Eagle Energy Trust

Interim Condensed Consolidated Financial Statements
(in Canadian dollars) (unaudited)

For the three months ended March 31, 2015 and March 31, 2014

Eagle Energy Trust

Condensed Consolidated Balance Sheets

(Thousands of Canadian dollars) (unaudited)

	Note	March 31, 2015	December 31, 2014
ASSETS			
Current assets			
Cash		\$ 10,646	\$ 11,127
Trade and other receivables		8,383	6,669
Prepaid expenses		410	530
Risk management asset	3	12,020	14,919
		31,459	33,245
Non-current assets			
Oil and gas properties	9	232,833	222,939
Property, plant and equipment		198	219
Other intangible assets		852	769
		233,883	223,927
Total Assets		\$ 265,342	\$ 257,172
LIABILITIES			
Current liabilities			
Trade and other payables		\$ 6,435	\$ 8,316
Distributions payable		1,051	1,068
Unit-based payments	5	1,156	1,336
		8,642	10,720
Non-current liabilities			
Debt	10	47,650	47,200
Deferred income tax	7	-	-
Decommissioning liability	11	13,185	10,347
		60,835	57,547
Total Liabilities		\$ 69,477	\$ 68,267
UNITHOLDERS' EQUITY			
Trust capital	12	\$ 316,925	\$ 317,150
Currency reserves		34,104	29,494
Accumulated loss		(35,714)	(41,424)
Accumulated cash distributions	13	(119,450)	(116,315)
Total Unitholders' Equity		\$ 195,865	\$ 188,905
Total Liabilities and Unitholders' Equity		\$ 265,342	\$ 257,172

The notes are an integral part of these condensed financial statements.

See note 14 "Commitments" and note 15 "Subsequent events".

Eagle Energy Trust

Condensed Consolidated Statements of Earnings and Comprehensive Income

(Thousands of Canadian dollars, except per unit amounts) (unaudited)

	Note	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014- Revised ⁽¹⁾
Revenue		\$ 13,393	\$ 26,069
Royalties		(3,671)	(7,096)
		9,722	18,973
Operating expenses		5,938	4,072
Transportation and marketing expenses		40	196
Administrative expenses		2,460	2,555
Depreciation, depletion and amortization		6,170	8,736
Operating profit (loss)		(4,886)	3,414
Unit based compensation recovery	5	(123)	(1,874)
Finance expense	6	772	877
Risk management loss (gain)	3	(3,112)	2,150
Foreign exchange loss net		224	43
Foreign exchange gain on intercompany loan		(8,124)	-
Earnings before taxes		5,477	2,218
Income tax expense (recovery)	7	-	-
Earnings		\$ 5,477	\$ 2,218
Other comprehensive earnings			
Items that may be reclassified subsequently to earnings			
Foreign currency translation gain		4,610	9,744
Comprehensive income		\$ 10,087	\$ 11,962
Earnings per unit			
Basic	8	\$ 0.16	\$ 0.07
Diluted	8	\$ 0.16	\$ 0.02

⁽¹⁾ See note 2.2 "Changes in accounting policy and disclosures".

The notes are an integral part of these condensed financial statements.

Eagle Energy Trust

Condensed Consolidated Statements of Changes in Unitholders' Equity

For the three months ended March 31, 2015 and March 31, 2014
(Thousands of Canadian dollars) (unaudited)

	Note	Number of trust units (000's)	Trust capital	Currency reserve	Accumulated earnings/(loss)	Accumulated cash distributions	Deficit	Total Unitholders' equity
Balance at December 31, 2013		32,149	297,447	11,100	6,604	(80,454)	(73,850)	\$ 234,697
Earnings	8	-	-	-	2,218	-	2,218	2,218
Foreign currency translation gain		-	-	9,744	-	-	-	9,744
Total comprehensive earnings		-	-	9,744	2,218	-	2,218	11,962
Issuance of trust capital		687	5,241	-	-	-	-	5,241
Trust unit issuance costs		-	(45)	-	-	-	-	(45)
Unitholder distributions		-	-	-	-	(8,555)	(8,555)	(8,555)
			5,196	-	-	(8,555)	(8,555)	(3,359)
Balance at March 31, 2014		32,836	302,643	20,844	8,822	(89,009)	(80,187)	\$ 243,300
Balance at December 31, 2014		35,017	317,150	29,494	(41,424)	(116,315)	(157,739)	188,905
Earnings	8	-	-	-	5,477	-	5,477	5,477
Foreign currency translation gain		-	-	4,610	-	-	-	4,610
Total comprehensive earnings		-	-	4,610	5,477	-	5,477	10,087
Issuance of trust capital	12	36	67	-	-	-	-	67
Cancellation of trust capital pursuant to NCIB	12	(30)	(292)	-	233	-	233	(59)
Trust unit issuance costs	12	-	-	-	-	-	-	-
Unitholder distributions	13	-	-	-	-	(3,135)	(3,135)	(3,135)
		6	(225)	-	233	(3,135)	(2,902)	(3,127)
Balance at March 31, 2015		35,023	316,925	34,104	(35,714)	(119,450)	(155,164)	195,865

The notes are an integral part of these condensed financial statements.

Eagle Energy Trust

Condensed Consolidated Cash Flow Statements

For the three months ended March 31, 2015 and March 31, 2014
(Thousands of Canadian dollars) (unaudited)

Note	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Cash flows from operating activities		
Earnings	\$ 5,477	\$ 2,218
Adjustments for non-cash items:		
Depreciation, depletion and amortization	6,170	8,736
Unit-based compensation – non-cash portion	(180)	(2,040)
Unrealized risk management loss	4,183	1,308
Foreign exchange gain on intercompany loan	(8,124)	
Finance expense	201	119
	7,727	10,341
Changes in working capital:		
Trade and other receivables	(1,149)	(411)
Prepaid expenses	155	72
Trade and other payables	(4,414)	712
	(5,408)	373
Net cash generated by operating activities	\$ 2,319	\$ 10,714
Cash flows from investing activities		
Exploration and evaluation	-	(16)
Oil and gas properties	(3,059)	(11,500)
Property, plant and equipment	(1)	(12)
Acquisition of oil and gas assets	-	(5,310)
Change in non-cash working capital	2,535	2,363
Net cash generated by (used in) investing activities	\$ (525)	\$ (14,475)
Cash flows from financing activities		
Debt	450	5,634
Proceeds from issuance of units	67	5,241
Purchase of trust units for cancellation	(59)	-
Trust unit issue costs	-	(45)
Cash distributions to unitholders	(3,153)	(8,495)
Deferred financing charges	(176)	-
Change in non-cash working capital	-	(145)
Net cash generated by (used in) financing activities	\$ (2,871)	\$ 2,190
Net increase (decrease) in cash and cash equivalents	(1,077)	(1,571)
Effects of exchange rates on cash and cash equivalents	596	136
Cash at beginning of the period	11,127	1,435
Cash at end of the period	\$ 10,646	\$ -

The notes are an integral part of these condensed financial statements.

Eagle Energy Trust

Notes to Condensed Consolidated Financial Statements (unaudited)

For the three months ended March 31, 2015 and March 31, 2014
(in Canadian dollars)

1. Reporting entity / Structure of the Trust

Eagle Energy Trust was formed as an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta on July 20, 2010. The beneficiaries of the Trust are the unitholders.

Eagle Energy Trust's activities are restricted to owning property (other than real property or interests in real property), and it does not carry on business.

Throughout these notes to the consolidated financial statements, Eagle Energy Trust and its subsidiaries are referred to collectively as the "Trust" or "Eagle" for purposes of convenience.

The strategy of the Trust is to invest in operating subsidiaries that will acquire on-shore petroleum reserves and production in certain regions of Canada and the United States. The Trust's subsidiaries do not intend to engage substantively in exploration activities.

The Trust intends to make monthly distributions of a portion of its available cash to unitholders and use the remainder of its available cash to reinvest in its subsidiaries to fund growth through additional acquisitions and capital expenditures. Cash flow is provided to the Trust from properties owned and operated by the indirectly owned subsidiaries of the Trust, Eagle Hydrocarbons Inc. and Eagle Energy Canada Inc.

The address of the Trust is: Suite 2710, 500-4th Avenue SW, Calgary, AB T2P 2V6.

2.1. Basis of preparation

The foreign exchange rate at March 31, 2015 was \$US 1 equal to \$CA 1.27 (December 31, 2014 - \$US 1 equal to \$CA 1.16), and the average foreign exchange rate for the three months ended March 31, 2015 was \$US 1 equal to \$CA 1.24 (for the three months ended March 31, 2014 - \$US 1 equal to \$CA 1.10).

Basis of accounting

The condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors made on May 7, 2015.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and have been prepared following the same accounting policies as the annual audited IFRS Consolidated Financial Statements for the year ended December 31, 2014, except for income tax expense for an interim period which is based on an estimated average annual effective income tax rate. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS as issued by the IASB.

2.2. Changes in accounting policy and disclosures

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year.

Historically, the Trust has included crude oil transportation charges as a component of transportation and marketing expenses. Following a review of the Trust's crude oil contracts during the third quarter of 2014, it was determined that the criteria for revenue recognition are met at the point of sale before the crude oil is transported by its purchasers and any charges levied by its purchasers past the point of sale should be treated as a reduction of the Trust's revenue rather than as a transportation and marketing expense. Consequently, the Trust has restated its revenue and transportation and marketing expense for the prior year comparative period to reflect this adjustment.

For the three months ended March 31, 2014, the impact of the oil transportation restatement to both revenue and transportation and marketing expenses was a \$0.5 million reduction.

Accounting pronouncements not yet adopted

IFRS 9, Financial Instruments, replaces International Accounting Standard 39, Financial Instruments: Recognition and Measurement. IFRS 9 is effective for years beginning on or after January 1, 2018. Early adoption is permitted if IFRS 9 is adopted in its entirety at the beginning of a fiscal period. The Trust is currently evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

IFRS 15, Revenue from contracts with customers, replaces IAS 18 - Revenue and IAS 11 - Construction contracts and provides a new principle based model on revenue recognition to all contracts with customers. Mandatory adoption is effective for periods beginning on or after January 1, 2017. The Trust is currently evaluating the impact of adopting this standard on the consolidated financial statements.

A description of accounting policies and disclosures that were adopted by the Trust can be found in the notes to the annual consolidated financial statements for the year ended December 31, 2014. Additional adjustments to the Trust's accounting policies may be required upon completion of a separate IASB framework for extractive industries.

3. Financial risk management and financial instruments

The Trust's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities such as:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about changes in the Trust's exposure to each of the above risks since the year ended December 31, 2014.

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer, joint venture partner or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Trust's receivables from its product marketer and joint venture partners. The Trust limits its exposure, in this regard, by investing only in liquid securities and only with counterparties with a strong credit rating.

At March 31, 2015, there was no material change in credit risk compared to the year end.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that the Trust will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

At March 31, 2015, there was no material change in the contractual undiscounted cash outflow for financial liabilities compared to year end.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Trust's income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Trust may use both financial derivatives and physical delivery sales contracts to manage market risks. All such transactions are conducted within risk management tolerances that are reviewed by the Board of Directors.

Commodity price risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are impacted by not only the relationship between the Canadian and United States dollar but also world economic events that dictate the levels of supply and demand.

The Trust enters into certain financial derivative instruments periodically to economically hedge some oil and natural gas sales through the use of various financial derivative forward sales contracts and physical sales contracts. The Trust does not apply hedge accounting for these contracts. The Trust's production is either sold using "spot" or near term contracts, with prices fixed at the time of transfer of custody or on the basis of a monthly average market price or by way of fixed term, fixed price marketing contracts.

Summary of Unrealized Risk Management Positions

As at March 31, 2015, the Trust has entered into the following financial contracts to mitigate the effects of fluctuating prices on a portion of its production:

	Volume	Measure	Beginning	Term	Floor \$US	Ceiling \$US	Current fair value \$000's \$CA	Non-current fair value \$000's \$CA
Oil Fixed Price								
NYMEX (i)	190	bbls/d	Jan-15	Dec-15	85.40	85.40	2,174	-
NYMEX (ii)	1,000	bbls/d	Jan-15	Jun-15	90.10	92.00	4,654	-
NYMEX (i)	400	bbls/d	Jul-15	Dec-15	87.90	87.90	3,164	-
NYMEX (ii)	400	bbls/d	Jan-15	Jun-15	90.50	94.35	1,880	-
NYMEX (i)	500	bbls/d	Jul-15	Sep-15	55.45	55.45	148	-
Commodity - unrealized risk management position							12,020	-

(i) Represents a fixed price financial swap transaction with a set forward sale price (WTI reference prices).

(ii) Represents costless dollar transactions created by buying puts and selling calls (WTI reference prices).

Reconciliation of Net Management Positions

\$000's	March 31, 2015		December 31, 2014	
	Fair value	Total net risk management asset (liability)	Fair value	Total net risk management asset (liability)
Fair value of contracts, beginning of year	\$ 14,919	\$ 14,919	\$ (1,453)	\$ (1,453)
Fair value of contracts realized during the period	(7,295)	(7,295)	149	149
Fair value of contracts unrealized during the period	4,183	4,183	15,718	15,718
Effects of exchange rate	213	213	505	505
Fair value of contracts	\$ 12,020	\$ 12,020	\$ 14,919	\$ 14,919

Earnings Impact of Realized and Unrealized Risk Management Loss (Gain)

\$000's	March 31, 2015			March 31, 2014		
	Realized loss (gain)	Unrealized loss (gain)	Total net loss (gain)	Realized loss (gain)	Unrealized loss (gain)	Total net loss (gain)
Net effect - commodity	(7,295)	4,183	(3,112)	818	1,114	1,932
Net effect - foreign exchange	-	-	-	24	194	218
Net effect - risk management	\$ (7,295)	4,183	(3,112)	\$ 842	\$ 1,308	\$ 2,150

Determination of fair values

The net fair value of Eagle's unrealized risk management positions at March 31, 2015 is an asset of \$12.0 million (December 31, 2014 - \$14.9 million asset). The carrying value of the Trust's risk management position has been calculated using both quoted prices in active markets and observable market-corroborated data consistent with a Level 2 valuation.

The fair values of cash, trade and other receivables, trade and other payables and distributions payable approximate their carrying amount due to the short-term maturity of those instruments.

Debt is a financial liability with fixed or determinable payments that are not quoted in an active market. After initial measurement, these assets are measured at amortized cost at the settlement date using the effective interest rate method. The carrying value of the Trust's debt is equal to the fair value and the determination of the fair value of the debt is consistent with a level 2 valuation.

4. Segmented information

The Trust's operating activities relate solely to the exploration, development and production of petroleum and natural gas resources in the United States and Canada. Costs incurred in the Corporate segment relate to the Trust's hedging program, public company, and other expenses incurred in overall financing and administration of the Trust.

Eagle's management reviews financial performance by assessing the funds flow from operations of each operating segment. Funds flow from operations is measured before changes in non-cash operating working capital and provides a measure of each segment's ability to generate cash necessary to fund distributions, capital expenditures and asset retirement obligations.

Details of the Trust's reportable segments at March 31, 2015 are as follows:

\$000's	Three months ended March 31, 2015			
	Canada	United States	Corporate	Total
Risk management asset	-	-	12,020	12,020
Oil and gas properties and Property, plant and equipment	111,724	121,307	-	233,031
Other assets	26	20,265	-	20,291
Total assets	\$ 111,750	\$ 141,572	\$ 12,020	\$ 265,342
Revenue	3,791	9,602	-	13,393
Royalties	(869)	(2,802)	-	(3,671)
Revenue, net of royalties	2,922	6,800	-	9,722
Operating expenses	2,082	3,856	-	5,938
Transportation and marketing expenses	9	31	-	40
	\$ 831	\$ 2,913	\$ -	\$ 3,744
Administrative expenses	46	1,906	508	2,460
Cash settled award payments	-	-	57	57
Risk management loss (gain) - realized	-	-	(7,295)	(7,295)
Finance expense (cash portion)	-	-	571	571
Realized foreign exchange loss (gain)	-	-	224	224
Funds flow from operations	\$ 785	\$ 1,007	\$ 5,935	\$ 7,727

Reconciliation of funds flow from operations to net earnings (loss) for each reportable segment is as follows:

\$000's	Three months ended March 31, 2015			
	Canada	United States	Corporate	Total
Funds flow from operations	\$ 785	\$ 1,007	\$ 5,935	\$ 7,727
Unit based compensation - non-cash portion	-	-	(180)	(180)
Risk management loss (gain) - unrealized	-	-	4,183	4,183
Depreciation, depletion and amortization	1,284	4,886	-	6,170
Foreign exchange gain on intercompany loan	-	-	(8,124)	(8,124)
Finance expense (non-cash portion)	-	-	201	201
Earnings (loss)	\$ (499)	\$ (3,879)	\$ 9,855	\$ 5,477

Total assets of the Trust's reportable segments at December 31, 2014 were as follows:

\$000's	Year ended December 31, 2014			
	Canada	United States	Corporate	Total
Risk management asset	-	-	14,919	14,919
Oil and gas properties and Property, plant and equipment	108,539	114,619	-	223,158
Other assets	77	19,018	-	19,095
Total assets	\$ 108,616	\$ 133,637	\$ 14,919	\$ 257,172

The Canadian segment arose due to the acquisition of the Dixonville property on December 18, 2014. The effective date of the acquisition was January 1, 2015 therefore the Trust did not disclose its operating activities by segment at December 31, 2014.

The exchange rate in effect at December 31, 2014 was \$US 1 equal to \$CA 1.16.

5. Unit-based payments

The following table reconciles unit-based compensation expense (recovery):

\$ 000's	Note	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Restricted unit rights	5(a)	6	(379)
Unit options	5(b)	28	(1,425)
Unit rights	5(c)	(157)	(70)
Total unit-based compensation expense (recovery)		\$ (123)	\$ (1,874)

The following table reconciles the unit-based payments liability.

\$ 000's	Note	March 31, 2015	December 31, 2014
Restricted unit rights	5(a)	9	61
Unit options	5(b)	960	932
Unit rights	6(c)	187	343
Total unit-based payments liability		\$ 1,156	\$ 1,336

Note (a)

Cash settled Restricted Unit Rights (RURs) issued upon surrender of performance options

For the three months ended March 31, 2015, \$56,925 has been paid to the RUR holders (year ended December 31, 2014 - \$664,072, three months ended March 31, 2014 - \$166,037).

The following schedule shows the continuity of cash settled RURs issued upon surrender of performance options:

	Three Months Ended March 31, 2015	Year Ended December 31, 2014	Three Months Ended March 31, 2014
Balance, beginning of period	632,500	632,500	632,500
Issued	-	-	-
Forfeited	-	-	-
Balance, end of period	632,500	632,500	632,500
Number of RURs vested	632,500	632,500	632,500

The fair value of the RURs was estimated using the Black-Scholes valuation model with the following inputs:

	March 31, 2015		December 31, 2014		March 31, 2014	
Fair value at the balance sheet date	\$	0.11	\$	0.10	\$	5.09
Volatility		35%		36%		27%
Life of RURs		5.8 years		6.0 years		6.8 years
Risk-free interest rate		1.37%		1.83%		2.46%

A forfeiture rate of 5% was used, which is an estimated expected rate. The expected unit price volatility was calculated using the trading history of the Trust's units.

Note (b)

Unit option plan

The number and weighted average exercise prices of unit options are as follows:

	Three Months Ended March 31, 2015		Year Ended December 31, 2014		Three Months Ended March 31, 2014	
	Number of options	Weighted average exercise price	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning of period	3,431,750	\$ 5.94	3,126,750	\$ 7.05	3,126,750	\$ 7.05
Forfeited	(93,332)	1.82	(45,000)	5.51	-	-
Exercised	-	-	-	-	-	-
Granted	-	-	350,000	5.35	50,000	8.31
Outstanding at end of period	3,338,418	\$ 5.70	3,431,750	\$ 5.94	3,176,750	\$ 6.81
Exercisable at end of period	2,125,762	\$ 5.71	2,109,095	\$ 6.01	1,425,176	\$ 6.75

The range of exercise prices of the outstanding options is as follows at March 31, 2015:

	Weighted average exercise price	Weighted average contractual life (years)
\$4.78- \$7.43	\$ 5.70	7.3

The fair value of the options was estimated using the Black-Scholes model with the following inputs:

	March 31, 2015		December 31, 2014		March 31, 2014	
Fair value - at balance sheet date	\$	0.37	\$	0.37	\$	2.69
Unit trading price - closing	\$	2.41	\$	2.33	\$	7.13
Exercise price – weighted average	\$	5.70	\$	5.94	\$	6.81
Volatility		35%		36%		27%
Option life – weighted average		7.3 years		7.6 years		8.1 years
Distributions – none estimated, due to declining strike price feature		0%		0%		0%
Risk-free interest rate		1.37%		1.83%		2.46%

A forfeiture rate of 5% was used, which is an estimated expected rate. This estimate will be adjusted to the actual forfeiture rate. The expected unit price volatility was calculated using the trading history of the Trust's units.

Note (c)**Unit Rights (URs) plan**

For the three months ended March 31, 2015, \$nil has been paid to the UR holders (year ended December 31, 2014 - \$29,573, three months ended March 31, 2014 - \$nil).

The following schedule shows the continuity of cash settled URs issued:

	Three Months Ended March 31, 2015	Year Ended December 31, 2014	Three Months Ended March 31, 2014
Balance, beginning of period	937,000	997,000	997,000
Issued	-	-	-
Forfeited	(197,500)	(60,000)	-
Balance, end of period	739,500	937,000	997,000
Number of unit rights vested	340,839	465,007	169,336

The Black-Scholes valuation model is used to determine the fair value of the URs issued by the Trust. The fair value of the URs was estimated using the following inputs:

	March 31, 2015	December 31, 2014	March 31, 2014
Fair value at the balance sheet date	\$ 0.32	\$ 0.50	\$ 3.57
Volatility	35%	36%	27%
Life of restricted URs	8.0 years	8.1 years	8.9 years
Risk-free interest rate	1.37%	1.83%	2.46%

A forfeiture rate of 5% was used and this figure is an estimated expected rate. The expected unit price volatility was calculated using the trading history of the Trust's units.

6. Finance expense

\$ 000's	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Interest expense on debt	\$ 488	\$ 753
Amortization of deferred financing costs	134	96
Standby and bank fees	82	5
Accretion of decommissioning provision	68	23
Finance expense	\$ 772	\$ 877

7. Taxation

Reconciliation of effective tax rate

The income tax provision differs from the amount that would have been expected if the reported earnings had been subject only to the statutory Canadian income tax rate of 25% (2014, U.S. Federal and state combined rate of 35%) as follows:

\$ 000's	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Earnings before taxation	\$ 5,477	\$ 2,218
Expected tax rate	25%	35%
Expected income tax provision (recovery)	1,369	776
Decrease (Increase) resulting from:		
Non-deductible items – permanent differences		
Administrative expenses of the Trust	138	322
Unit-based compensation	(17)	(656)
Foreign exchange gain, net	(4,693)	(214)
Foreign tax rate differentials ⁽¹⁾	(359)	-
Changes in temporary differences for which no amounts are recognized	4,148	1,133
Items deductible at the subsidiary level		
Interest on internal debt of subsidiary	(606)	(1,364)
Other	20	3
Total income tax expense (recovery)	\$ -	\$ -

⁽¹⁾ Combined tax rate is 25% in Canada and 35% in the United States.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are attributable to the following items:

\$ 000's	March 31, 2015	December 31, 2014
Deferred tax liabilities		
Oil and gas properties in excess of tax value	\$ 4,367	\$ 3,422
Less deferred tax assets:		
Non-capital losses	(37,343)	(32,216)
Net deferred tax liability (asset) – before valuation allowance	(32,976)	(28,794)
Unrecognized deferred tax asset	32,976	28,794
Net deferred tax liability (asset)	\$ -	\$ -

The U.S. and Canadian tax losses can be utilized for 20 years and start to expire in 2030 and 2034 respectively. Deferred tax assets have not been recognized in respect of these tax losses, as there is not sufficient certainty regarding the future utilization.

8. Earnings per unit

\$ 000's	Three Months Ended March 31, 2015		Three Months Ended March 31, 2014	
Earnings attributable to unitholders (basic)	\$	5,477	\$	2,218
Earnings attributable to unitholders (diluted)	\$	5,477	\$	793
Weighted average number of units outstanding (basic)		35,032		32,427
Weighted average number of units outstanding (diluted)		35,032		35,266
Earnings per unit (basic)	\$	0.16	\$	0.07
Earnings per unit (diluted)	\$	0.16	\$	0.02

9. Oil and gas properties

\$ 000's	Developed oil and gas assets		Production facilities and equipment		Impairment	Total
Cost						
At December 31, 2014	\$	445,606	\$	8,086	\$ -	\$ 453,692
Additions		4,801		824	-	5,625
Effects of foreign exchange		27,751		734	-	28,485
At March 31, 2015	\$	478,158	\$	9,644	\$ -	\$ 487,802
Accumulated depreciation, depletion and amortization						
At December 31, 2014	\$	(170,083)	\$	(5,721)	\$ (54,949)	\$ (230,753)
Depreciation		(5,618)		(304)	-	(5,922)
Effects of foreign exchange		(12,753)		(543)	(4,998)	(18,294)
At March 31, 2015	\$	(188,454)	\$	(6,568)	\$ (59,947)	\$ (254,969)
Net book value						
At December 31, 2014	\$	275,523	\$	2,365	\$ (54,949)	\$ 222,939
Net change for the period		14,181		711	(4,998)	9,894
At March 31, 2015	\$	289,704	\$	3,076	\$ (59,947)	\$ 232,833

The Trust does not capitalize general and administrative costs. Future development costs related to proved plus probable reserves of \$ 42.0 million (December 31, 2014 - \$ 42.9 million) were included in the depletion calculation.

10. Debt

As a result of the Dixonville acquisition and expansion of the banking syndicate, Eagle's credit facility was further expanded to \$US 95 million on February 11, 2015. Amounts drawn on the credit facility can be denominated in U.S. or Canadian dollars and may be used for activities in either the U.S. or Canada.

See note 15 "Subsequent events". Eagle has renewed its credit facility at \$US 85 million, previously \$US 95 million, realizing annual savings of more than \$80,000 through reduced commitment and extension fees. Eagle was only 35% drawn on the facility at quarter end, leaving approximately \$60 million of undrawn availability on the facility. During the semi-annual borrowing base review, the maturity date of the credit facility was extended to May 26, 2017. Pricing remained the same and there were no material changes made to the credit facility conditions or covenants. The next semi-annual borrowing base review by credit facility lenders is scheduled for October 16, 2015.

For the three months ended March 31, 2015, the interest rate on the revolving credit facility was approximately 4.2%. At March 31, 2015, there were no covenant violations under or in connection with the credit facility.

At March 31, 2015, details of the Trust's credit facility are as follows:

\$000's	\$US		\$CA	
Authorized (revolving)	\$	95,000		120,327
Less:				
Amounts drawn		37,620		47,650
Available	\$	57,380	\$	72,677

The exchange rate in effect at March 31, 2015 was \$US 1 equal to \$CA 1.27. The amount drawn on the credit facility at March 31, 2015 was denominated in Canadian funds.

At December 31, 2014, details of the Trust's credit facility are as follows:

\$000's	\$US		\$CA	
Authorized (revolving)	\$	70,000	\$	81,207
Less:				
Amounts drawn		40,686		47,200
Available	\$	29,314	\$	34,007

The exchange rate in effect at December 31, 2014 was \$US 1 equal to \$CA 1.16. The amount drawn on the credit facility at December 31, 2014 was denominated in Canadian funds.

11. Decommissioning liability

\$000's	Three Months Ended March 31, 2015		Year Ended December 31, 2014	
Beginning balance	\$	10,347	\$	3,036
Acquisition		-		472
Additions		-		344
Changes in estimates		2,521		7,981
Disposition		-		(1,189)
Abandonment expenditures		-		(212)
Accretion (unwinding of discount)		68		78
Effects of exchange rate		249		(163)
Ending balance	\$	13,185	\$	10,347

The decommissioning provision reflects the present value of internal estimates of future decommissioning costs of the Trust's net ownership position in oil and gas wells and related facilities at the relevant balance sheet date determined using local pricing conditions and requirements. The liability would be incurred over the life of the assets, with the majority after the year 2050. The timing of payments related to provisions is uncertain and is dependent on various items which are not always within Management's control.

The provision was estimated using existing technology, at current prices (adjusted for a 2.0% annual inflation rate), and discounted using a risk-free discount rate at March 31, 2015 of 1.3% for the Salt Flat properties, 2% for the Hardeman properties and 2% for the Dixonville properties (December 31, 2014 – 2% for Salt Flat, 2.7% for Hardeman, 2.7% for Dixonville).

12. Trust capital

Trust units outstanding

\$000's	Three Months Ended March 31, 2015		Year Ended December 31, 2014	
	Number of units	Amount	Number of units	Amount
Beginning balance	35,017	\$ 317,150	32,149	\$ 297,447
Issuance on Trust capital pursuant to DRIP	36	67	2,868	17,421
Cancellation of Trust capital pursuant to NCIB	(30)	(292)	-	-
Fair value adjustment	-	-	-	2,319
Trust unit issuance costs	-	-	-	(37)
Ending balance	35,023	\$ 316,925	35,017	\$ 317,150

For the three months ended March 31, 2015, the Trust incurred \$nil (December 31, 2014 - \$37,099) of unit issuance costs in conjunction with the DRIP.

For the distribution paid on February 23, 2015 for unitholders of record on January 30, 2015, Eagle's Distribution Reinvestment Plan ("DRIP") was suspended until further notice. Unitholders who had elected to participate in the DRIP will receive cash distributions on the payment date. Unitholders that were enrolled in the DRIP when the plan is suspended will remain enrolled at reinstatement and will automatically resume participation in the DRIP if, and when, the DRIP is reinstated.

On January 19, 2015, the Trust received acceptance from the Toronto Stock Exchange (the "TSX") of Eagle's notice of intention to make a Normal Course Issuer Bid ("NCIB"). Under the NCIB, during the one-year period commencing January 21, 2015 and ending January 20, 2016, Eagle can purchase for cancellation up to 2,852,829 of its units ("Units"), representing ten percent of its public float as of January 16, 2015. The NCIB will be administered through the facilities of the TSX, or alternative trading systems, if eligible, and will conform to their regulations.

The actual number of Units purchased under the NCIB, the timing of such purchases and the price at which the Units are bought will depend upon future market conditions, and upon potential alternative uses for Eagle's cash resources. Any purchases will be made by Eagle at the prevailing market price of the Units at the time of purchase and will be subject to a maximum daily purchase volume of 30,732 Units (being 25% of the average daily trading volume of the Units from July 1, 2014 to December 31, 2014 of 122,928 units) except as otherwise permitted under the TSX NCIB rules. All Units purchased under the NCIB will be cancelled.

Additionally, Eagle entered into an automatic unit purchase plan (the "Plan") with a broker in order to facilitate repurchases of its Units under its NCIB. Under Eagle's Plan, Eagle's broker may repurchase Units under the NCIB at any time including without limitation when Eagle would ordinarily not be permitted to due to regulatory restrictions or self-imposed trading blackout periods. Purchases will be made by Eagle's broker based on the parameters prescribed by the TSX and the terms of the Plan. The Plan will be in place for the one-year period of the NCIB. The Plan has been reviewed by the TSX

For the three months ended March 31, 2015, the Trust has purchased and cancelled 30,300 units at a weighted average market price of \$1.94 per unit pursuant to the NCIB.

13. Accumulated cash distributions

\$ 000's	March 31, 2015	December 31, 2014
Beginning balance	\$ (116,315)	\$ (80,454)
Accumulated cash distributions	(3,153)	(33,524)
Fair market value of units issued under the DRIP	18	(2,337)
Total accumulated cash distributions	\$ (119,450)	\$ (116,315)

In accordance with IFRS 13, at March 31, 2015, the Trust recorded a non-cash fair value adjustment of \$17,921 (March 31, 2014 - \$nil) for units issued under the DRIP.

14. Commitments

Operating lease commitment – head office lease in Calgary, Alberta

On January 1, 2013, the Trust entered into a lease for office space in Calgary which has an approximate 61 month term from January 8, 2013 to February 7, 2018. Future minimum lease payments during the term of the lease approximate \$2.4 million and include a leasehold improvements allowance up to \$0.3 million, with 34 months and approximately \$1.4 million remaining at March 31, 2015.

Operating lease commitment – office lease in Houston, Texas

The Trust entered into a lease in Houston on April 1, 2011, which originally had an approximate 30 month term from April 7, 2011 through September 30, 2013. On November 21, 2012, the lease was extended for an additional 63 month period from October 1, 2013 to December 31, 2017 and the premise space was expanded to incorporate additional square footage. Future minimum lease payments during the term of the lease include a leasehold improvement allowance of \$US 0.1 million and approximate \$US 0.9 million, with 33 months and approximately \$US 0.8 million remaining at March 31, 2015. In \$CA the remaining future minimum lease payments approximate \$1.0 million translated at the exchange rate in effect at the balance sheet date of \$US 1 equal to \$CA 1.27.

15. Subsequent events

Risk management

On April 10, 2015, the Trust entered into the following financial contracts to further mitigate the effects of fluctuating prices on a portion of its production:

- a fixed price financial swap to sell 200 barrels of oil per day with a July 2015 through September 2015 term at a fixed price of \$US 55.60 WTI per barrel.
- a fixed price financial swap to sell 400 barrels of oil per day with a October 2015 through December 2015 term at a fixed price of \$US 57.10 WTI per barrel.

Credit Facility

Eagle has renewed its credit facility at \$US 85 million, previously \$US 95 million, realizing annual savings of more than \$80,000 through reduced commitment and extension fees. Eagle was only 35% drawn on the facility at quarter end, leaving approximately \$60 million of undrawn availability on the facility. During the semi-annual borrowing base review, the maturity date of the credit facility was extended to May 26, 2017. Pricing remained the same and there were no material changes made to the credit facility conditions or covenants. The next semi-annual borrowing base review by credit facility lenders is scheduled for October 16, 2015.