# American Eagle Energy Increasing Interests In Spyglass

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DENVER, Aug. 19, 2013 /CNW/ - American Eagle Energy Corporation (OTCQX: AMZG) (the "Company" or "American Eagle") announced today that it has entered into a Purchase, Sale and Option Agreement with a Joint Venture Partner ("JV Partner") that increases the Company's net acreage and share of production on wells that it currently operates, as well as interests in future wells that it plans to develop as the operator in its Spyglass Project area in the Williston Basin in northwestern Divide County, North Dakota.

**Highlights of Agreements**

- For cash consideration of $47 million, American Eagle agrees to acquire from the JV Partner approximately 9,300 net acres in Spyglass with current production of approximately 600 barrels of oil equivalent per day ("BOEPD");

- American Eagle has an option through March 2014 to acquire from the JV Partner an additional 9,300 net acres in Spyglass that is currently producing approximately 600 BOEPD for an additional $47 million.

**Purchase, Sale and Option Agreement with JV Partner**

American Eagle and the JV Partner are parties to a Joint Operating Agreement ("JOA"), pursuant to which American Eagle is the operator. The JV Partner has agreed to sell a portion of its interests in Spyglass to American Eagle in a Purchase, Sale and Option Agreement dated August 12, 2013 and approved August 16, 2013. At closing, which is scheduled for September 30, 2013, American Eagle will pay $47 million in cash to the JV Partner for approximately 9,300 net acres in the Spyglass Project area in northwestern Divide County, North Dakota ("First Property"). The purchased assets include approximately 600 BOEPD of current production. The effective date of the transaction will be June 1, 2013. Purchase price adjustments will be included for well production, operating expenses and development costs that occur after the effective date.

American Eagle has an option to purchase additional interests of approximately 9,300 net acres ("Second Property") in the same Spyglass Project area in northwestern Divide County, North Dakota with current production of approximately 600 BOEPD for an additional $47 million. The option may be exercised by American Eagle anytime within 180 days after the close of the First Property, which would be March 29, 2014, based on the current scheduled close date. If exercised, the effective date of the second transaction would also be June 1, 2013.

**Impact of Purchase, Sale and Option Agreement on American Eagle**

During second quarter of 2013, American Eagle reported sales production that averaged approximately 1,300 BOEPD. The Company has operating control of 14 contiguous drilling spacing units ("DSUs") in a proved area within its Spyglass Project with an average working interest of approximately 40%. American Eagle has interests in a total of approximately 15,900 net acres in Spyglass with operable control of approximately 39 DSUs. Upon the closing of the First Property purchase transaction, the Company estimates that its average net production for second quarter 2013 on a pro forma basis would be approximately 1,900 BOEPD, with an average working interest of approximately 52% on its 14 proved DSUs and a total of approximately 25,100 net acres in Spyglass. Should American Eagle exercise the option to purchase the Second Property, the Company estimates that its average net production for second quarter 2013 on a pro forma basis would be approximately 2,500 BOEPD, with an average working interest of approximately 63% on its 14 proved DSUs and a total of approximately 34,400 net acres in Spyglass.

**Management Comments**

Brad Colby, President and CEO of American Eagle, said, "We are excited about the operational success we have experienced in our Spyglass Project area and the strong relationship we have with our JV Partner. The purchase transactions will increase the Company's working interest, which will immediately add to our

production, cash flow, and proved reserves. The transactions will give us a larger stake in developing future operated wells in which 14 contiguous DSUs are already proven with production from our 20 operated wells. We believe the fully developed value of our proven area in Spyglass is a compelling risk / reward proposition considering the attractive well economics with low well development costs and quick payback. We continue to increase our position in Spyglass and to position the Company for significant growth in production and cash flow."

**ABOUT AMERICAN EAGLE ENERGY CORPORATION**

American Eagle Energy Corporation is an independent exploration and production operator that is focused on acquiring acreage and developing wells in the Williston Basin of North Dakota and Montana, targeting the Bakken and Three Forks shale oil formations. The Company is based in Denver, CO. More information about American Eagle Energy can be found at www.americaneagleenergy.com or by contacting investor relations at 303-798-5235 or ir@amzgcorp.com. Company filings with the Securities and Exchange Commission can be obtained free of charge at the SEC's internet site at www.sec.gov.

**SAFE HARBOR**

This press release may contain forward-looking statements regarding future events and the Company's future results that are subject to the safe harbors created under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical facts included in this press release regarding the Company's financial position, business strategy, plans and objectives of management for future operations, industry conditions, and indebtedness covenant compliance are forward-looking statements. When used in this report, forward-looking statements are generally accompanied by terms or phrases such as "estimate," "project," "predict," "believe," "expect," "anticipate," "target," "plan," "intend," "seek," "goal," "will," "should," "may" or other words and similar expressions that convey the uncertainty of future events or outcomes. Items contemplating or making assumptions about, actual or potential future sales, market size, collaborations, and trends or operating results also constitute such forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties and important factors (many of which are beyond the Company's control) that could cause actual results to differ materially from those set forth in the forward-looking statements, including the following: general economic or industry conditions, nationally and/or in the communities in which the Company conducts business, changes in the interest rate environment, legislation or regulatory requirements, conditions of the securities markets, our ability to raise capital, changes in accounting principles, policies, or guidelines, financial or political instability, acts of war or terrorism, other economic, competitive, governmental, regulatory and technical factors affecting the Company's operations, products, services, and prices.

The Company has based these forward-looking statements on its current expectations and assumptions about future events. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks, contingencies, and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control. The Company does not assume any obligations to update any of these forward-looking statements.

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