American Eagle Energy Accelerating Development In Spyglass

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DENVER, Aug. 19, 2013 /CNW/ - American Eagle Energy Corporation (OTCQX: AMZG) (the "Company" or "American Eagle") and a Joint Venture Partner ("JV Partner"), collectively (the "Parties") have entered into a Carry Agreement and a Farm-Out Agreement pursuant to which the JV Partner will fund the drilling and completion of up to 11 new wells in the Spyglass Project area, which is located within the Williston Basin in Divide County, North Dakota. The wells will be operated by American Eagle.

Highlights of Agreements

- JV Partner agrees to pay 100% of the Company's working interest share of well development costs for up to 5 Bakken wells that will be operated by American Eagle, with American Eagle initially receiving 50% of the Company's net revenue interest in each well's production over the first two years or until JV Partner has recouped 112% of development costs on a per-well basis, after which 100% of the Company's well bore interests revert back to American Eagle; and

- JV Partner agrees to pay 100% of the Company's working interest share of well development costs for up to 6 wells targeting the Three Forks and Bakken formations that will be operated by American Eagle, with the JV Partner initially receiving 100% of the Company's net revenue interest in each well's production until the JV Partner has recouped 112% of development costs on a per-well basis, after which 30% of the Company's individual well bore interests revert back to American Eagle.

Carry Agreement with JV Partner

American Eagle and the JV Partner entered a Carry Agreement in which the JV Partner desires to facilitate development of Bakken wells in the Spyglass Project area by agreeing to pay for 100% of the Company's working interest share of well development costs for up to five Middle Bakken wells that will be developed and operated by American Eagle. The JV Partner will fund up to 120% of the original authorization for expenditure ("AFE") amount. If exceeded, the Parties will share the excess costs based on their original working interests. Initially, American Eagle will receive 50% of its net revenue interest from production on each of the five carried wells, and the JV Partner will pay for 50% of the Company's working interest share of lease operating expenses ("LOE"), for a period of two years, or until the JV Partner has recouped 112% of payout on a per-well basis, whichever occurs sooner. If 112% of payout is not achieved on a per-well basis within the first two years, American Eagle will pay the JV Partner for the remaining obligation, at which time 100% of the Company's well bore interest on a per-well basis will revert back to American Eagle.

Farm-Out Agreement with JV Partner

American Eagle and the JV Partner entered a Farm-Out Agreement in which the JV Partner desires to facilitate well development in the Spyglass Project area by agreeing to pay for 100% of the Company's working interest share of well development costs for up to six Three Forks and Bakken wells, each of which will be developed and operated by American Eagle. The JV Partner will fund up to 120% of the original AFE amount. If exceeded, the Parties will share the excess costs based on their original working interests. Initially, the JV Partner will receive 100% of the Company's net revenue interest from production on each of the six farm-out wells, and the JV Partner will pay for 100% of the Company's working interest share of LOE, until the JV Partner has recouped 112% of payout on a per-well basis. After the JV Partner has recouped 112% of payout on a per-well basis, 30% of the Company's individual well bore interest will revert back to American Eagle.

Management Comments

Brad Colby, President and CEO of American Eagle, said, "We are excited about our opportunities with our JV Partner to accelerate development of, and to de-risk, our acreage. We have operable control over 14 contiguous DSUs in an already proven area of Spyglass with production from our 20 operated wells. The

Carry Agreement will help to accelerate the growth of our proved reserves by adding more Bakken wells to production, thus enhancing the value of our proved reserves, which currently consist primarily of Three Forks wells. The Farm-Out Agreement will help to expand our proven area geographically to the west and southwest, with future production from wells that will be developed in the Three Forks and Bakken formations."

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.

INVESTOR RELATIONS CONTACT:

Marty Beskow
Vice President of Capital Markets and Strategy
American Eagle Energy Corporation
303-798-5235
ir@amzgcorp.com
www.americaneagleenergy.com

Brad Holmes
EnergyIR
713-654-4009
B_holmes@att.net

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