PRT FOREST REGENERATION INCOME FUND

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

PRT Forest Regeneration Income Fund (the "Issuer")
Suite 101 - 1006 Fort Street
Victoria, B.C. V8V 3K4

Item 2. Date of Material Change

April 10, 2007

Item 3. News Release

Press release issued through CCNMatthews in Vancouver, British Columbia on April 10, 2007 and filed via SEDAR with the appropriate securities regulatory authorities. A copy of the press release as issued is attached as Schedule "A" to this report.

Item 4. Summary of Material Change

The Issuer announced that it had enacted changes to its Declaration of Trust and to the charter of its operating subsidiary, Pacific Regeneration Technologies Inc. ("PRT"), in order to better assure the ability of the Issuer's Unitholders to maintain oversight over the management and direction of the Issuer.

The material change is described in more detail in the attached press release.

Item 5. Full Description of Material Change

At a meeting held on April 5, 2007, the Board of Trustees of the Issuer approved certain amendments to the Issuer's Declaration of Trust and to the articles of PRT, to provide that no amendment to or replacement of the existing management contract between PRT and PMI Management Inc. ("PMI") (which expires in 2017) and no engagement of PMI, or its associates or affiliates, to provide additional management or advisory services to or receive additional compensation from PRT for any such services, will be effective until ratified by the holders of two-thirds of the Issuer's Units.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

No material information has been omitted from this report on the basis that it is confidential information.

Item 8. Additional Information

Colin A. Dobell, Chairman of the Board of Trustees of the Issuer, is knowledgeable about the material change and the contents of this material change report. He can be reached at telephone number (604) 443-2687.

Item 9. Date of Report

This report is dated the 20th day of April, 2007.

Schedule "A"

PRT STRENGTHENS UNITHOLDERS' GOVERNANCE AUTHORITY

VANCOUVER, British Columbia (April 10, 2007) - PRT Forest Regeneration Income Fund (the "Fund") announced today that it has enacted changes to its Declaration of Trust and to the charter of its operating subsidiary, Pacific Regeneration Technologies Inc. ("PRT"), in order to better assure the ability of the Fund's Unitholders to maintain oversight over the management and direction of the Fund.

PRT is managed by PRT Management Inc. ("PMI"), an external management company engaged since 1997 to manage PRT's forest seedling business. From the date of its formation, the Fund's policy has been to ensure that its Trustees, who constitute a majority of the PRT Board, are individuals who are wholly independent of PMI. Because PMI assumes no cost or risk in the financial endeavours of the Fund, but at the same time is entitled to an incentive fee if significant enhancements in cash distributions are achieved, the Trustees regard oversight by an independent Board essential to address and deal with the potential conflicts of interest that are inherent in such a structure.

The Trustees and PMI have from time to time discussed resolution of the conflict of interest and other issues raised by PMI's existing management contract (including the extent to which incentive fees are payable in respect of profits earned outside of the seedling and related business) by cancellation of the contract, but have been unable to agree upon the amount of compensation, if any, payable to PMI for doing so.

PMI has now requested that the Trustees step down at the Fund's Annual Meeting, to be replaced by a new slate of trustees who have strategic objectives compatible with those of PMI which are to change the strategic direction, grow in a diversified manner and at a more rapid pace.

The Annual Meeting, to be held on June 26, will determine who will be the Fund's Trustees for the ensuing year.

Because the management proposal represents the possible election for the first time of Trustees selected by PMI, who would therefore be individuals no longer having the demonstrated independence characterized by Trustees since inception of the Fund, the current Trustees considered it advisable to effect charter amendments to preserve the paramountcy of the Unitholders in overseeing the ongoing management of PRT and the Fund.

Accordingly, the Fund's Declaration of Trust and the PRT Articles have been amended to provide that no amendment to or replacement of PMI's management contract (which expires in 2017) and no engagement of PMI, or its associates or affiliates, to provide additional management or advisory services to or receive additional compensation from PRT for any such services, will be effective until ratified by the holders of two-thirds of the Fund's Units. A material change report, including copies of the changes to the Fund's Declaration of Trust and the PRT Articles will be filed on www.sedar.com.

The Fund is an open ended, single purpose trust created to own all the common shares and subordinated notes of Pacific Regeneration Technologies Inc. PRT is the largest producer of container grown forest seedlings in North America, operating 15 nurseries in Canada and the USA. The Fund's Units are listed for trading on the Toronto Stock Exchange under the symbol PRT.UN.

For further information:
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