FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:

Petrowest Energy Services Trust (the "Trust")
1020, 407 – 2nd Street S.W.
Calgary, AB T2P 2Y3

2. Date of Material Change:

December 31, 2010

3. News Release:

A news release disclosing in detail the material summarized in this material change report was disseminated through the facilities of CNW on January 4, 2011. A copy of the news release is attached hereto as Schedule "A".

4. Summary of Material Change

On December 31, 2010, the Trust completed an offering of secured convertible debentures for gross proceeds of $3.75 million. The debentures were privately placed with individuals who are managers of various operational divisions of the Trust.

5. Full Description of Material Change:

On December 31, 2010, the Trust completed an offering of secured convertible debentures for gross proceeds of $3.75 million (the "Debentures"). The Debentures were privately placed with individuals who are managers of various operational divisions of the Trust.

The Debentures will pay interest at 10.0% per annum, payable semi-annually in arrears on May 31 and November 30, commencing May 31, 2011, with a maturity date of December 30, 2013. The Debentures are secured against certain accounts receivable of the Trust and principal and interest on the Debentures are payable from the collections on these accounts receivable. The Debentures are convertible to Trust Units at a conversion price of $0.15 per Trust Unit prior to November 30, 2011 and $0.175 per Trust Unit subsequent to this date to a maximum of 8,500,000 Trust Units (unless disinterested unitholder approval is obtained in accordance with the requirements of the Toronto Stock Exchange, in which case the full amount of the Debentures would be convertible for 25,000,000 Trust Units).

The proceeds of the offering of the Debentures will be used for general working capital purposes.

Several of the subscribers for the Debentures are related parties within the meaning of Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* as they are officers, directors or holders of more than 10% of the voting securities of the Trust. The offering of the Debentures was completed in reliance on the exemptions from the formal valuation and minority approval requirements contained in Sections 5.5(a) and 5.7(i)(a), respectively, of that instrument.

In the aggregate, the related parties who subscribed for Debentures hold approximately 23.1% of the outstanding Trust Units of the Trust. If these related parties converted a portion of the Debentures to obtain the 6,800,000 trust units (their portion of the 8,500,000 maximum amount that is issuable in accordance with the terms of the Debentures without obtaining disinterested shareholder approval) the aggregate ownership of the subscribers would increase to 28.8% of the Trust Units of the Trust.

The issuance of the Debentures was approved by the Board of Directors of the Trust on January 28, 2010 with 2 members of the board who are also subscribers for Debentures declaring their conflict and abstaining from the approval.

This material change report contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "achievable," "believe," "expect," "estimate," "plan," "intend," "project," "may," "should", "could", "predict", "may," "will," or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking statements and information are based on Petrowest's current beliefs as well as assumptions made by and information currently available to Petrowest concerning anticipated business performance. Although management of Petrowest considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking statements are subject to many external variables that are beyond Petrowest's control, such as fluctuating prices for crude oil and natural gas, changes in drilling activity, and general local and global economic, political, business and weather conditions. If any of these, or other uncertainties, materialize the actual results of Petrowest may vary materially from those expected.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer:

For further information, please contact Rick Quigley, President and CEO, or Lloyd A. Wiggins, Chief Financial Officer, at 1-888-830-0881 and (403) 237-0881.

9. Date of Report:

January 10, 2011.

Schedule "A"

News Release

PETROWEST ENERGY SERVICES TRUST ANNOUNCES CONVERTIBLE DEBENTURE FINANCING

***Calgary, Alberta, January 4, 2011* -** Petrowest Energy Services Trust (TSX: PRW.UN) (the "Trust") is pleased to announce the closing of an offering of secured convertible debentures (the "Debentures") for gross proceeds of $3.75 million. The Debentures were privately placed with individuals who are managers of various operational divisions of the Trust.

The Debentures will pay interest at 10.0% per annum, payable semi-annually in arrears on May 31 and November 30, commencing May 31, 2011, with a maturity date of December 30, 2013. The Debentures are secured against certain accounts receivable of the Trust and principal and interest on the Debentures are payable from the collections on these accounts receivable. The Debentures are convertible to Trust Units at a conversion price of $0.15 per Trust Unit prior to November 30, 2011 and $0.175 per Trust Unit subsequent to this date to a maximum of 8,500,000 Trust Units (unless disinterested unitholder approval is obtained in accordance with the requirements of the Toronto Stock Exchange, in which case the full amount of the Debentures would be convertible for 25,000,000 Trust Units).

The proceeds of the offering of the Debentures will be used for general working capital purposes.

Several of the subscribers for the Debentures are related parties within the meaning of Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* and the offering of the Debentures was completed in reliance on exemptions from the formal valuation and minority approval requirements of that instrument.

FORWARD LOOKING INFORMATION

This news release contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "achievable," "believe," "expect," "estimate," "plan," "intend," "project," "may," "should", "could", "predict", "may," "will," or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking statements and information are based on Petrowest's current beliefs as well as assumptions made by and information currently available to Petrowest concerning anticipated business performance. Although management of Petrowest considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Forward-looking statements are subject to many external variables that are beyond Petrowest's control, such as fluctuating prices for crude oil and natural gas, changes in drilling activity, and general local and global economic, political, business and weather conditions. If any of these, or other uncertainties, materialize the actual results of Petrowest may vary materially from those expected.

For further information, please contact Rick Quigley, President and CEO, or Lloyd A. Wiggins, Chief Financial Officer, at 1-888-830-0881 and (403) 237-0881, respectively, or info@petro-west.com.