

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Parallel Energy Trust  
4100, 350 – 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3N9

**Item 2 Date of Material Change**

April 12, 2012

**Item 3 News Release**

Parallel Energy Trust (“**Parallel**” or the “**Trust**”) issued two press releases on April 12, 2012, which were disseminated through the facilities of Marketwire and subsequently filed on SEDAR.

**Item 4 Summary of Material Change**

On April 12, 2012, the Trust announced the closing of its previously announced bought deal public offering of 8.5 million trust units of the Trust (the “**Units**”) at a price of \$7.05 per Unit and \$60 million aggregate principal amount of 6.50% convertible unsecured subordinated debentures due June 30, 2017 (the “**Debentures**”) at a price of \$1,000 per Debenture for aggregate gross proceeds of \$119,925,000 (the “**Offering**”). The Trust also granted over-allotment options in respect of the Units and the Debentures to the underwriters for the Offering as described below.

On April 12, 2012, the Trust additionally announced the completion of its previously announced acquisition whereby the Trust’s wholly-owned subsidiary, Parallel Energy Acquisitions LP (the “**Partnership**”) acquired the remaining undivided 41% interest in the West Panhandle Field (Texas) (the “**Additional Panhandle Interest**”) held by Bravo Natural Gas, LLC (the “**Vendor**”), along with certain additional oil and gas leasehold interests and tangible personal property and equipment (collectively, the “**Acquisition Assets**”). The purchase by the Partnership of the Acquisition Assets pursuant to a purchase and sale agreement dated March 21, 2012 with an effective date of April 1, 2012 (the “**Acquisition Agreement**”) is hereinafter referred to as the “**Acquisition**”. The purchase price was US\$189.4 million, subject to customary closing adjustments.

**Item 5 Full Description of Material Change**

On April 12, 2012, the Trust announced the closing of its previously announced bought deal public offering of 8.5 million Units at a price of \$7.05 per Unit and \$60 million aggregate principal amount of 6.50% convertible unsecured subordinated debentures due June 30, 2017 at a price of \$1,000 per Debenture for aggregate gross proceeds of \$119,925,000. The underwriting syndicate was co-led by Scotia Capital Inc., RBC Dominion Securities Inc. and CIBC World Markets Inc., and included TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp. and Desjardins Securities Inc. The Units are listed and posted for trading on the Toronto Stock Exchange (“**TSX**”) under the symbol

“PLT.UN” and the Debentures are listed and posted for trading on the TSX under the symbol “PLT.DB”.

The Debentures bear interest at 6.50% per annum, payable semi-annually on the last day of June and December commencing on June 30, 2012, and mature on June 30, 2017. The Debentures are convertible at the holder’s option into trust units of the Trust at a conversion price of \$9.50 per trust unit, subject to adjustment in certain circumstances and satisfaction of certain conditions. The Debentures are not redeemable before June 30, 2015. On or after June 30, 2015 and at any time prior to maturity, the Debentures may be redeemed in whole or in part from time to time at the Trust’s option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the trust units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price.

The underwriters have been granted an over-allotment option to purchase up to an additional 425,000 Units at a price of \$7.05 per Unit, exercisable in whole or in part from time to time, for a period of 30 days following the closing date and an over-allotment option to purchase up to an additional \$3,000,000 aggregate principal amount of Debentures, exercisable in whole or in part from time to time, for a period of 30 days following the closing date. If both over-allotment options are exercised in full, gross proceeds of the financing will be \$125,921,250.

In addition, on April 12, 2012, the Trust announced the completion of its previously announced acquisition whereby the Partnership acquired the Acquisition Assets for a purchase price of US\$189.4 million, subject to customary closing adjustments. The Acquisition was funded from the net proceeds of the Offering, plus an advance of approximately US\$75 million under the Partnership’s credit facility, which was increased to US\$175 million concurrent with the closing of the Acquisition.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

The executive officer of Parallel Energy Inc., administrator of the Trust, who is knowledgeable about this material change and this report is Richard N. Miller, Chief Financial Officer.

Phone: (403) 781-7842

**Item 9 Date of Report**

April 20, 2012.

### ***Future Outlook and Forward-Looking Information***

*This material change report contains forward-looking statements, including, without limitation, statements relating to the exercise of the over-allotment options, terms and conditions of the Debentures and timing of conversion and maturity of the Debentures. These statements relate to future events or future performance of the Trust and its subsidiaries. When used in this material change report, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “propose”, “expect”, “potential”, “continue”, and similar expressions, are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Trust’s current views with respect to certain events and are subject to certain risks, uncertainties and assumptions which could cause results to differ materially from those expressed in the forward-looking statements contained in this material change report. Although the Trust believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because it can give no assurance that they will prove to be correct. Many factors could cause the Trust’s actual results, performance, or achievements to materially differ from those described in this material change report. Readers are referred to the Trust’s Annual Information Form and the Trust’s final short form prospectus dated April 4, 2012, filed on [www.sedar.com](http://www.sedar.com), which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements. Should one or more risks or uncertainties materialize or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this material change report. The forward-looking statements contained in this material change report are expressly qualified in their entirety by this cautionary statement. These statements speak only as of the date of this material change report. The Trust does not intend and does not assume any obligation, to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.*