

PARALLEL ENERGY
Calgary, Alberta and Tulsa, Oklahoma
November 9, 2015



NEWS RELEASE: PARALLEL ENERGY
Files for Protection Under the Companies' Creditors Arrangements Act and Chapter 11 Bankruptcy

Calgary, Alberta and Tulsa, Oklahoma — This morning, Parallel Energy Trust (the "Trust") and its affiliated entities, Parallel Energy Commercial Trust and Parallel Energy Inc. (collectively, the "Canadian Parallel Entities") filed an application for protection under the Companies' Creditors Arrangement Act (the "CCAA") with the Alberta Court of Queen's Bench in Calgary (the "Canadian Court"). Contemporaneously with the Canadian Parallel Entities' CCAA filing, the Trust's wholly owned U.S. based subsidiaries, Parallel Energy LP and Parallel Energy GP LLC (the "U.S. Parallel Entities") each filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court of Delaware (the "Bankruptcy Court").

The Trust also announces that the U.S. Parallel Entities have reached an agreement for the sale of substantially all of the U.S. Parallel Entities' assets for USD\$110 million as part of the Chapter 11 filings to Scout Energy Group II, LP as a "stalking horse" bidder, subject to applicable sale and bid procedures to be approved by the Bankruptcy Court as part of a sale in the Chapter 11 process. The applications for CCAA and Chapter 11 creditor protection are part of a larger strategy to obtain a stay of certain creditor claims while the U.S. Parallel Entities conduct the sales process.

In connection with the Canadian Parallel Entities' and U.S. Parallel Entities' (collectively, "Parallel") CCAA and Chapter 11 filings, respectively, Parallel has entered into a Restructuring Support Agreement with Parallel's existing lending syndicate, whereby Parallel's existing lenders have agreed to support the CCAA and Chapter 11 filings and the sales process.

Parallel has received commitments from its existing lending syndicate for CDN\$2 million for the Canadian process and USD\$9.4 million for the U.S. process, in "debtor in possession" financing to support its continued operation, both of which are subject to approval by the Canadian Court and the Bankruptcy Court, respectively. Upon approval by both courts, the financing, combined with cash generated from ongoing operations, will provide sufficient liquidity to support the business during the proceedings.

As part of the CCAA proceedings, the Canadian Parallel Entities are seeking the appointment of KPMG Inc. as monitor (the "Monitor") to oversee and monitor the Canadian Parallel Entities' affairs while the sales process is conducted in the Chapter 11 filings.

The U.S. Parallel Entities have filed various motions with the Bankruptcy Court which will allow them to continue their post-petition business operations in the ordinary course, including requesting Bankruptcy Court approval to continue honouring employee obligations, including wages, without interruption.

Evercore Group, L.L.C. has been retained by Parallel as its investment banker and Alvarez & Marsal North America LLC has been retained by Parallel as its financial advisor.

Additional information regarding the CCAA proceedings will be available on the Monitor's website at <http://www.kpmg.ca/paralleleenergy>. Bankruptcy Court filings and other information related to the Chapter 11 filings are available at a website administered by the U.S. Parallel Entities' noticing agent, Prime Clerk, at <http://cases.primeclerk.com/parallel>.



ABOUT PARALLEL ENERGY TRUST

Parallel's assets and operations are located in the Mid-Continent Region of the United States and its portfolio consists of mature, liquids-rich natural gas assets. The Trust's common units are traded on the Toronto Stock Exchange (the "TSX") under the symbol "PLT.UN" and the Trust's debentures are traded on the TSX under the symbol "PLT.DB".

Additional information about Parallel can be found on the Trust's website at www.paralleleenergy.ca or in Parallel's annual information form, available on SEDAR at www.sedar.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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ADVISORIES

Forward-Looking Information

This news release contains forward-looking information including statements regarding the Trust's anticipated future strategies, the CCAA proceedings, the Chapter 11 filings and the sales process. Such forward-looking statements speak only as of the date of this document and are based on Parallel's current expectations and assumptions in light of information available to it at the time the statements are made. The statements involve substantial known and unknown risks and uncertainties, most of which are beyond the control of Parallel, including, without limitation, the decisions of the courts' in Canada and the United States, the financial condition and market capitalization of the Trust, commodity price levels, retention of key personnel, whether the sales process will result in an acceptable transaction of any form and what arrangements Parallel's existing lenders may agree to, whether the sales process will result in proceeds which exceed the senior indebtedness owed to Parallel's existing lending syndicate, in addition to those risks and uncertainties listed under "Risk Factors" in Parallel's annual information form dated March 19, 2015 (the "AIF"). Parallel cautions investors in Parallel's securities that the assumptions used in the preparation of the forward-looking statements, although considered reasonable at the time of preparation, may prove to be imprecise and important risk factors discussed above cast significant doubt on Parallel's ability to continue as a going concern. Actual results, performance or achievements may differ materially from those projected in any forward-looking statements. As such, undue reliance should not be placed on the forward-looking statements. No assurance can be given that the sales process will result in proceeds in excess of the senior indebtedness owed to Parallel's existing lending syndicate or that the expectations set out in this news release will transpire in the manner expressed in, or implied by, these forward-looking statements or if any of them do transpire, what benefits Parallel or its securityholders will derive therefrom. Unless required by law, Parallel does not assume any obligation to update or revise the forward-looking statements, whether as a result of new information, future events or circumstances or otherwise. The forward-looking statements are expressly qualified by these cautionary statements.

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