



November 16, 2015

Re: Parallel Energy LP and Parallel Energy GP LLC (collectively, "Parallel"); Voluntary Chapter 11 Filing – District of Delaware, jointly administered under Case No. 15-12263-KG (the "Bankruptcy Cases")

Dear Royalty and Working Interest Owners:

Our business, like many others, has been negatively affected by the downturn in the economy and the recent drop in oil and gas prices. After careful consideration of the available options, Parallel's management determined that filing of the Bankruptcy Cases was the best option available to us to preserve our business as a going concern.

Parallel filed the Bankruptcy Cases to effectuate a sale of the business and/or assets. Prior to filing our Bankruptcy Cases, Parallel entered into a purchase and sale agreement with Scout Energy Group II, LP. With the support of our secured lenders, we hope to move rapidly through the chapter 11 process to maximize value for our creditors. This means that we hope to emerge from chapter 11 by the first quarter of 2016.

Last week, the Court gave us the authority to pay our royalty and working interests owners in full, even for amounts owed prior to the filing of the Bankruptcy Cases. Because we were waiting for Court approval, we could not release your checks dated November 5, 2015 until November 12, 2015.

During what we hope is a short stay in chapter 11, Parallel intends to conduct business as usual. Payments to you should be made according to normal business terms. If you experience something out of the ordinary, please contact Peggy Gwartney or myself at (918) 430-3988; revenue@parallelenergy.us so that we can quickly address your concern.

We look forward to our continued business relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony M. Swindell", is written over a horizontal line.

Tony M. Swindell
Chief Operating Officer
Parallel Energy LP