

PARALLEL ENERGY TRUST
Calgary, Alberta
March 16, 2015



NEWS RELEASE: PARALLEL ENERGY TRUST
Announces Fourth Quarter and Year-End 2014 Financial Results; the
2014 Year-End Reserve Report; a Production Update; and Confirms
its March Distribution

Calgary, Alberta - Parallel Energy Trust ("Parallel" or the "Trust") is pleased to announce its financial and operating results for the three and twelve months ended December 31, 2014, and provides a summary of its 2014 year-end reserve report. Parallel's audited year-end financial statements and accompanying Management's Discussion and Analysis ("MD&A") will be filed shortly on the SEDAR website at www.sedar.com and on the Trust's website at www.parallelenergy.ca.

Summary of 2014 Financial and Operating Results

(\$000s, except where indicated)	Quarter Ended Dec. 31, 2014	Quarter Ended Dec. 31, 2013	Year Ended Dec. 31, 2014	Year Ended Dec. 31, 2013
Production				
Natural gas (mcf/day)	14,174	14,842	14,577	14,594
Condensate (bbls/day)	1,760	1,803	1,673	1,715
Natural Gas Liquids (bbls/day)	2,988	2,943	2,980	3,000
Total (@6:1) (boe/day)	7,110	7,220	7,083	7,147
Average sales price (US\$ per boe)	33.61	44.49	44.05	42.62
Revenue, net of royalties	15,559	25,274	102,230	93,430
Funds from operations ⁽¹⁾	8,931	11,306	43,521	41,964
Net income (loss)	(182,856)	9,912	(175,155)	10,088
Distributions	6,925	8,028	31,309	31,862
Capital expenditures excluding acquisitions	1,717	729	17,437	11,367
Bank debt outstanding (US\$)	156,000	154,039	156,000	154,039
Convertible debentures (CAD\$)	63,000	63,000	63,000	63,000
Unitholder's equity	117,465	286,481	117,465	286,481

(1) Non-GAAP measure. Readers are referred to Advisories at the end of the press release for additional information.



Fourth Quarter 2014 Financial and Operating Highlights

- Recorded average daily production of 7,110 boe/day (67% natural gas liquids and condensate), down 2% compared to production of 7,220 boe/day in the fourth quarter of 2013. Quarterly production levels were within the Trust's expectations.
- Generated funds from operations of \$8.9 million (\$0.16 per unit, basic), a 21% decrease compared to \$11.3 million funds from operations in the fourth quarter of 2013. Lower funds from operations were primarily due to the decline in commodity prices in the fourth quarter of 2014.
- Recorded a net impairment of \$185.2 million on Parallel's oil and gas assets which was solely due to lower forecasted commodity prices and an increase in the discount rate used to calculate the amount of impairment to 12%, compared to 10% in 2013.
- Reduced bank debt by approximately US\$1.6 million. This resulted in total bank debt of US\$156.0 million drawn against the Trust's borrowing base of US\$190.0 million.
- Declared total distributions of \$0.125 per unit during the quarter, representing \$0.05 per unit per month for October and November, and \$0.025 per unit for December.

2014 Year-End Financial and Operating Highlights

- Recorded annual average daily production of 7,083 boe/day, which was consistent with Parallel's full year production guidance of 7,100 to 7,300 boe/day and Parallel's strategic goal to maintain flat year-over-year production levels in 2014.
- Generated funds from operations of \$43.5 million (\$0.80 per unit, basic), up 4% compared to \$42.0 million funds from operations in 2013. Full year 2014 funds from operations was below the Trust's expectations of \$46 million due to the decline in commodity prices in the fourth quarter of 2014.
- Drilled and completed a total of 14 gross wells (13.2 net wells) in the Texas and Oklahoma operating areas. The average 30 day initial production (IP30) rate for the wells drilled in 2014 was 60 boe/day, which exceeded the Trust's expected IP30 rate of 35 to 40 boe/day. Parallel's 2014 drilling program resulted in drilling efficiencies of approximately US\$13,000 per flowing boe/day, which exceeded the Trust's drilling efficiency expectations of US\$20,000 per flowing boe/day.
- Completed the acquisition of additional interest in the Cargray operating area as well as the acquisition of an average 23% working interest in eight producing wells in the Garfield County, Oklahoma operating area.
- Declared total distributions of \$0.575 per unit during the year.

2014 Year End Reserve Report

The following information is provided on the Trust's reserves as at December 31, 2014, as evaluated by the Trust's independent reserves engineering firm, Ryder Scott. The evaluation of Parallel's petroleum and natural gas reserves was conducted pursuant to National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities (NI 51-101) and the Canadian Oil and Gas Evaluation Handbook (COGEH) reserves definitions.



2014 Reserves Summary

(Company interest before royalties . December 31, 2014)

	2014 Total Oil Equivalent (mboe)	%	2013 Total Oil Equivalent (mboe)	%
Proved developed producing (PDP)	32,306	67	32,985	67
Proved undeveloped	8,366	18	9,521	19
Total proved	40,672	85	42,506	86
Probable	7,029	15	6,994	14
Total proved plus probable (P+P)	47,701	100	49,500	100

Net Present Value of Future Revenue

(Company interest . December 31, 2014 escalated price forecast)

(US\$000s)	0%	5%	10%	15%
PDP	588,779	389,188	280,534	215,328
Proved undeveloped	104,827	50,076	22,535	7,705
Total proved	693,606	439,264	303,070	223,033
Probable	149,386	82,256	49,648	32,086
Total P+P	842,992	521,520	352,717	255,119
CAD/US Exchange Rate at Dec. 31, 2014	1.1601	1.1601	1.1601	1.1601
Total P+P (C\$000s)	977,955	605,015	409,187	295,963

Reconciliations of Changes in Reserves

The following table sets out a reconciliation of the changes in total company working interest reserve volumes as at December 31, 2014 against such reserves as at December 31, 2013.

	Proved (mboe)	Probable (mboe)	Proved Plus Probable (mboe)
Opening balance at Dec. 31, 2013	42,506	6,994	49,500
Technical revisions	1,290	(42)	1,248
Discoveries	-	-	-
Acquisitions	160	-	160
Dispositions	-	-	-
Economic factors	(707)	77	(630)
Production	(2,577)	-	(2,577)
Closing balance at Dec. 31, 2014	40,672	7,029	47,701



2014 Year End Reserve Report Highlights

- Positive technical revisions of proved plus probable reserves of 1.2 million boe, representing a replacement of approximately 50% of volumes produced during 2014, and was due to better than expected drilling results in 2014 and lower than expected decline rates on several wells.
- Reserve life index of 13 years for proved developed producing reserves and 19 years for proved plus probable reserves based on the Trust's 2015 production guidance of 6,800 boe/day.
- Approximately 140 gross potential drilling locations. The Trust's 2015 drilling program has been postponed until a sustained recovery in commodity prices is evident; however, the Trust retains multiple years of drilling inventory.

Financial Liquidity

Parallel's credit facility has no financial covenants; however, it is subject to a borrowing base valuation of the Trust's oil and gas assets which is reviewed every six months. Parallel's borrowing base of US\$190 million was last reviewed and confirmed by the Trust's lenders in October 2014. Since that time there has been a significant decline in commodity prices which is likely to result in a reduction to the amount of Parallel's borrowing base when it is reviewed in April 2015. However, Parallel anticipates that the available amount of the facility will continue to be above expected usage of the facility and that the Trust will have sufficient liquidity to fund its operations.

Production Update

Based on field data, Parallel's production results for January and February of 2015 averaged 6,600 boe/day, which was below the Trust's expectations due to several winter storms experienced during the period. Parallel is now experiencing normal weather conditions and average production has increased to a level that is consistent with the Trust's production capacity of over 7,000 boe/day. Despite the lower than expected production results to date, the Trust retains its 2015 estimated annual average daily production rate of 6,800 boe/day, which assumes that no drilling is completed during the year.

President's Message – Rick Alexander, President & CEO

In 2014, we marked the second consecutive year in which our production results were in line with our expectations. This is a notable achievement considering that our production was negatively impacted by winter weather conditions in both years. We have experienced similar weather-related production challenges in the first two months of 2015; however, our operating team has done an exceptional job of mitigating downtime and subsequently restoring our production levels in a timely manner.

Our 2014 drilling program yielded the best initial production rates and drilling efficiencies in Parallel's history. This achievement reflects enhancements we have made to our drilling program, our improved ability to select drilling locations and a greater understanding of our assets. Notwithstanding the success of our 2014 drilling program, we previously announced that we have postponed our 2015 drilling program due to ongoing weaknesses in the commodity price environment. We plan to continuously assess market conditions to determine when to re-implement a drilling program.

Our management team and Board have set three main goals for 2015. First, as previously communicated in our January 2015 press release, our primary goal in 2015 is to maintain a sustainable business model amid the currently weak commodity price environment. To achieve this, we plan to continuously evaluate our business throughout the year and, based on these evaluations, we will take any necessary steps to ensure that we are operating within our available cash flow. Our second goal is to reduce our bank debt in 2015. Improving our financial flexibility is an important step to ensure the long-term success of our business and this will be one of our top priorities. Finally, our third goal is to continue to look for cost saving measures to reduce our combined year-over-year U.S. dollar operating and general and administrative expenses in 2015 by 10 to 15 per cent from 2014 levels.



Distribution

Parallel confirms that its cash distribution to be paid on April 23, 2015, in respect of the period from and including March 1, 2015 to March 31, 2015, to unitholders of record on March 31, 2015 will be \$0.01 per trust unit. The ex-distribution date is March 27, 2015.

The payment and the amount of distribution declared in any month will continue to be subject to the discretion of the Trust's Board and will depend on the Board's assessment of Parallel's production levels, capital expenditure requirements, funds from operation, debt position and the commodity price environment.

ABOUT PARALLEL ENERGY TRUST

Established in March 2011, Parallel Energy Trust (the "Trust") is a Calgary-based distribution-paying energy income 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 business strategy is focused on acquiring and developing long-life, conventional oil and natural gas assets.

Parallel is considered to be a "mutual fund trust" under the Income Tax Act of Canada; however, the Trust is not subject to specified investment flow through (SIFT) trust taxes as all of its properties are held outside of Canada. Parallel's common units are traded on the Toronto Stock Exchange (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 that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Parallel, including, without limitation, those listed under "Risk Factors" in Parallel's annual information form dated March 21, 2014 (collectively, "forward-looking information"). Forward-looking information in this news release includes, but is not limited to, Parallel's objectives and status as a mutual fund trust and not a SIFT trust and Parallel's expectations and estimates regarding current and future production rates and drilling results. Parallel cautions investors in Parallel's securities about important factors that could cause Parallel's actual results to differ materially from those projected in any forward-looking statements included in this news release. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that the expectations set out in Parallel's final prospectus or herein will prove to be correct and accordingly, prospective investors should not place undue reliance on these forward-looking statements. These statements speak only as of the date of this press release and Parallel does not assume any obligation to update or revise them to reflect new events or circumstances.

In this news release, Parallel and its subsidiaries are referred to collectively as the "Trust" or "Parallel" for purposes of convenience.

Non-GAAP Measures

This press release contains the term "funds from operations". This term is not a recognized measure under Canadian generally accepted accounting principles (GAAP). Parallel believes that in addition to net income, funds from operations is a useful supplemental measurement. Funds from operations provides an indication of the funds generated by the Trust's principal business activities and is defined as "cash from operating activities" prior to workovers and "change in non-cash working capital related to operating activities" in the Statement of Cash Flows.



Oil and Gas Measures and Definitions

This press release contains disclosure expressed as "boe" and "boe/day". All oil and natural gas equivalency volumes have been derived using the ratio of six thousand cubic feet of natural gas to one barrel of oil. Equivalency measures may be misleading, particularly if used in isolation. A conversion ratio of six thousand cubic feet of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily.

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