TRANSEASTERN POWER TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2015

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") is dated as of May 29, 2015 and should be read in conjunction with Transeastern Power Trust's ("Transeastern" or the "Trust") unaudited condensed interim consolidated financial statements and related notes as at and for the three month period ended March 31, 2015. The unaudited condensed consolidated interim financial statements should also be read in conjunction with the audited consolidated financial statements and the related notes for the period ended December 31, 2014, together with the notes thereto. The above referenced filings have been prepared in accordance with IFRS.

Reference should also be made to the Trust's filings with Canadian securities regulatory authorities, which are available at www.sedar.com. This MD&A is the responsibility of management. The Board of Directors carries out its responsibility for the review and disclosure both directly and through its audit committee.

All amounts are expressed in Canadian dollars ($) unless otherwise stated. References to Transeastern or the Trust in this MD&A refer to the Trust and its controlled subsidiaries taken as a whole.

TRUST OVERVIEW

The Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario that generates and sells electricity to licensed electricity buyers in Romania through its portfolio of hydro-electric generation facilities comprised of 11 run-of-river hydroelectric power plants with total capacity of over 5.1 megawatts ("MW"). All of the hydroelectric power production facilities are located in Romania.

The Trust directly and indirectly owns all of the membership rights of Transeastern Power Coöperatief U.A. ("Netherlands Parent"), which owns all of the issued and outstanding shares of Transeastern Power B.V. ("Netherlands Holdco"). Netherlands Parent and Netherlands Holdco jointly own 100% of three Romanian companies (the "Romanian Acquisitioncos") formed for the purpose of acquiring the shares or assets of Romanian hydroelectric power projects and a fourth Romanian company which acts as a management company for the Romanian operations. On May 28, 2014, Netherlands Holdco and three of the Romanian Acquisitioncos respectively acquired 100% of the shares of each of two Romanian hydroelectric power companies, Rott

Energy Srl (“Rott”) and Zagra Hidro Srl (“Zagra”), and the assets of a third hydroelectric power project (“Suha”), from arm’s length owners to the Trust (the “Romanian Projects” or the “Projects”).

Equity Financial Trust Company, trustee of the Trust (the “Trustee”) has delegated most of its powers and duties relating to the operations and governance of the Trust to Transeastern Power Administrator Inc., as administrator of the Trust (the “Administrator”), pursuant to an Administrative Services Agreement dated February 4, 2014. All of the shares of the Administrator are owned by Transeastern Management Inc. (the “Administrator Shareholder”), all of the shares of which are owned by Mr. Eadie, the Chief Executive Officer and Mr. Sood, the Chairman of the Administrator, and are subject to the terms of a unanimous shareholders agreement dated May 28, 2014.

The Trust qualifies as a “mutual fund trust” and not a “SIFT trust” (each as defined in the Tax Act) in accordance with the restrictions set forth in the Trust Indenture. The Administrator is responsible for monitoring the Trust’s investments and holdings of property to ensure the Trust is not at any time a “SIFT trust” and does not hold any “non-portfolio property”.

The principal head and registered office of each of the Trust, the Administrator, the Administrator Shareholder and the Trust’s Canadian subsidiaries are located at Suite 1800, 181 Bay Street, Toronto, Ontario. References to the Trust herein include reference to the applicable subsidiary where appropriate.

HIGHLIGHTS

Produced 2,122 MwH of energy in the first quarter of 2015 generating revenue of $332,584, with $126,382 from the sale of electricity and $206,202 in revenue from the sale of green certificates.

Operated hydro assets at 85% of forecast feasibility for the quarter as disclosed in the prospectus dated March 31, 2014 (the “IPO Prospectus”) related to the Trust’s initial public offering (the “IPO”).

Declared and paid first quarterly distribution of 2015 Q1 distribution of $0.021575 per unit in accordance with the targeted yield of 8.75% on an annualized basis through a combination of cash and Unit issuances to Unitholders who have elected to participate in the Trust’s Distribution Reinvestment Plan.

Continued to advance the financings and solar acquisition transactions (for more details see “Proposed Transactions”) and anticipates closing the financing and acquisitions early in June 2015.

Incurred net loss of $2,070,671 with basic and diluted loss per Unit of $0.18.

OUTLOOK

The Trust's goals for the remainder of 2015 are to:

- optimize and improve the performance of the Romanian Projects and generate distributable income for the year;
- continue to make quarterly distributions of a portion of its available cash to Unitholders;
- complete the $18 million financing, comprised of a non-brokered private placement for a minimum of $13 million of subscription receipts and the related acquisition of two photovoltaic solar power production plants in Romania as announced by the Trust on March 3, 2015 (see "Proposed Transactions" below for further details);
- increase the market presence of the Trust and attract new Unitholders; and
- identify and pursue new acquisitions that are accretive to the Trust and add income generating assets to increase the base of distributable income.

REVIEW OF OPERATIONS

The selected financial information in the table below has been derived from the unaudited condensed interim consolidated financial statements as at and for the three month period ended March 31, 2015.

	Rott	Zagra	Suha	Corporate Overhead	Total
Revenue	$ 183,706	$ 57,161	$ 91,717	$ -	$ 332,584
Operating	120,767	51,094	135,548	-	307,409
Depreciation	77,124	37,415	70,347	-	184,886
Expenses	-	-	-	490,592	490,592
Operating (loss)	(14,185)	(31,348)	(114,178)	(490,592)	(650,303)
Profit (loss) for the period	$ (35,721)	$ (46,908)	$ (80,563)	$ (1,907,479)	$ (2,070,671)

The three Romanian Projects are comprised of 11 hydroelectric run-of-river plants in Romania totalling approximately 5.1 MW of installed power. The Romanian Projects have installed power capacities and were commissioned and became fully operational on the following dates:

Romanian Project	Capacity	Commission Date	Fully Operational Date
Rott	1.657 MW	May 2012	May 2012
Zagra	1.43 MW	August 2014	See Note (1)
Suha	2.02 MW	September 2014	December 2014

Note:

(1) Two of the three Zagra projects became fully operational in September 2014. The third Zagra project, which is undergoing capital improvements, is expected to be operational in the fourth quarter of 2015.

Operations and Capital Improvements

Zagra

Project Name	Operational Construction Status	Turbine Type	Years of Historical Hydrological Data Available	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)
ZAGRA							1.430		
Zagra 1	Completed in April 2014	Pelton	45	880.0	126.0	0.42	.450	3027	600
Zagra 2	Completed in April 2014	Pelton	45	754.9	74.0	0.600	.310	2383	700
Zagra 3	Projected to be completed in 2016	Pelton	45	680.0	138.0	0.600	.670	5604	800

Zagra 1 and 2 were fully operational, subject to hydrology, during the first quarter of 2015 and produced 312 MwH of electricity during the period.

During 2014, it became evident that the internet communication system and internet provider subscription did not have the appropriate bandwidth necessary to properly monitor the project. Consequently, the Trust has changed the internet service provider and communication system from satellite to a combination of satellite and line of sight radio, which has allowed for increased connectivity and bandwidth for monitoring the project. The new internet connection and subscription will allow the Trust to implement a more robust system control and data acquisition ("SCADA") and security system to monitor and archive the data points generated by the project. The data gathered will enable the Trust to analyze performance, optimize the plants and to monitor and take preventive measures if the data so suggests. The Trust plans to implement these systems by the third quarter of 2015 and has requested tenders for the software and control system development.

The Trust has also requested tenders for the installation of the remaining 3.7 km of penstock to connect Zagra 3 and Zagra 2. It is expected that the capital improvements on Zagra 3 will be completed in 2016.

Rott

Project Name	Operational Construction Status	Turbine Type	Years of Historical Hydrological Data Available	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)	Annual Est. Production MWh	Green Certificates Available/ MW
ROTT							1.657			8,870	3.00
Plant 1	Completed in June 2012	Pelton	63	513.0	122.5	0.98	.928	3635	800		
Plant 2	Completed in June 2012	Pelton	63	412.0	99.5	0.98	.729	3845	800		

The Trust purchased Rott on a fully commissioned and operational basis. Rott has been fully operational, subject to hydrology, from the acquisition date to March 31, 2015 and produced 1,307 MwH of electricity during the period.

Similar to Zagra, the Trust has been working to implement a new SCADA system, which is expected to be fully implemented by the third quarter of 2015. The SCADA system will record and archive data points that will be analyzed to gauge performance, optimize the plants and to monitor and take preventative measures as necessary. The Trust is currently requesting tenders for the software and control system development for the project.

Suha

Project Name	Operational Construction Status	Turbine Type	In-Take Height (mdMN)	Gross Drop (Δh)	Installed Flow (m^3/s)	Capacity Power (MW)	Pipe (m)	Pipe Diameter (mm)
SUHA						2.021		
Suha Mare	Completed in September 2014	Francis	688.0	47.0	0.800	.289	2040	1000
Valeni	Completed in September 2014	Pelton	640.0	119.0	0.600	.233	8300	600
Poiana	Completed in September 2014	Francis	520.0	73.0	1.100	.565	6405	1000
Maleni	Completed in September 2014	Francis	446.0	42.5	0.850	.249	4525	1000
Gainesti	Completed in December 2014	Francis	519.0	80.0	1.050	.122	7366	1000
Slatina	Completed in October 2014	Pelton	438.0	70.0	0.230	.563	2590	600

The six Suha plants were fully operational throughout the first quarter of 2015, subject to hydrology, and produced 503 MwH of electricity during the period.

During the recommissioning of Suha, as was the case with Zagra and Rott, it was identified that the project’s control system and SCADA required optimization. Similar to Zagra, the turbine manufacturer has been engaged as part of post commissioning operations to assist with the optimization of the Suha projects and its controls. Site visits are expected to be scheduled during the height of the spring flows in order to fine-tune the projects at maximum capacity.

The Trust currently plans to undertake the following capital improvements in 2015:

- repairing the Slatina intake;
- replacing some of the gates throughout the projects; and
- implementing a new SCADA System. There is currently a tender process underway for the software and control system development. The implementation of a SCADA system

will allow for recording and archiving of data points that will be analyzed to gauge performance, optimize the plants and to monitor and take preventive measures as necessary.

After completion of the capital improvements, and subject to proper ongoing monitoring, maintenance and associated capital requirements, the Trust does not foresee any further significant capital expenditures on the Romania Projects in the near term.

Licensing and Accreditation

In Romania, there are two regulatory licenses that are needed under applicable Romanian legislation for renewable power projects under the renewable support scheme. A producer needs: (i) a production license; and (ii) green certificate accreditation which grants the producer a certain number of green certificates per MWh of production. Both licenses are granted by National Energy Regulation Authority of Romania ("ANRE"). The green certificate accreditation is enforced by the transmission system operator Transelectrica SA ("Transelectrica") which monitors energy production and awards the green certificates based on this production.

The acquisitions of the Romanian Projects by the Trust involved both share acquisitions (Zagra and Rott) as well as an asset acquisition (Suha). Pursuant to a share acquisition, the licenses remain with the company that owns the assets and, as a result, with both Rott and Zagra, it was not necessary to transfer the power license and green certificate accreditation. Pursuant to the asset acquisition of Suha, the license needed to be transferred post-closing. Under Romanian law, the granting of a temporary production license is part of the transfer protocol in connection with an asset acquisition to enable the continuity of generation under the license during and subsequent to the transfer period so that the new owner is able to receive all of the necessary permits or take all of the necessary steps for granting of the permanent production licence and accreditation. These permits and steps include: i) confirmation of a grid connection certificate or new ATR (connection contract); ii) grid usage convention signed with the grid operator; iii) evidence of an application for the environmental permit; and iv) water permits.

As required by Romanian law, the Trust and the vendors filed a joint notification with the competent authorities for the transfer of the environmental permit. The Trust and the vendors also filed a joint notification with the competent authorities at closing for the granting of the new water permit. The water permit was received by the Trust on November 28, 2014. The Trust also applied and received a new connection certificate and signed a new grid usage convention in October 2014 with E-On Moldova. Including the above steps, the Trust commenced the procedure and obtained the permanent production license and green certificate accreditation for Suha in December of 2014.

Key Factors Affecting the Trust's Business

The Trust's operations are subject to seasonality. Apart from the constant flows of the river and constant runoff from variable annual precipitation, the spring snow melt and seasonal precipitation create periods of high flow, while flows generally diminish during the winter and summer dry seasons. A run-of-the-river power plant has little or no capacity for energy storage and therefore periods of low flow create periods of low electricity production. Generally, production will reach a peak after the gradual meltdown of snow that has accumulated on the mountains. This is usually called “spring melt” or “runoff”.

In order to mitigate the Trust’s dependence on one watershed or one predominant weather system or micro climate, the Trust has chosen to acquire Romanian Projects on different water basins and on different sides of the mountain range. Although the Romanian Projects will all be influenced by the same regional climate, all the projects will be influenced by different micro climates as they sit on different regions and aspects in the greater Carpathian Mountain range. The Romanian Projects are located in areas with good rainfall conditions, which adds extra flow to the rivers to keep the power plants operational through the year. Although the Trust plans to mitigate hydrology risk further through additional future acquisitions, the Romanian Projects give the Trust some diversity, mitigating the hydrology risk that would exist for assets located in one weather system.

The Trust is reviewing the monitoring and control packages of all of its assets with a view to creating a common platform in order for its management and operations staff to monitor water flows, plant availability and various other metrics so that it can establish plant performance benchmarks.

Due to the age of some components of the Suha and Zagra projects, there is a potential risk of capital works failures. Such capital works failures would affect the operational time of the assets and could have a significant impact on the Trust’s revenues. The Trust plans to mitigate this risk by implementing a rigorous monitoring program of its capital works and to hire experienced operators who are able to perform routine maintenance and capital repairs in order to minimize operational downtime.

The key sources of revenue for the Trust are directly linked to inflation in the European Union. The floor and ceiling trading prices for green certificates are subject to an annual inflation factor based on the EU inflation index. Local spot electricity prices are a function of market forces including inflation. This mechanism gives power producers a hedge against inflation by linking the range of potential revenues realized from green certificate sales to prevailing inflation rates. To mitigate these pricing risks, the Trust negotiated and entered into the Power and GC Purchase Agreements.

The Trust’s operations are subject to fluctuations in currency. All of the operating assets of the Trust are currently located in Romania. The Romanian Projects’ revenues are also received in RON or Euros. Interest and principal payments to Netherlands Holdco under certain intercompany loan agreements are denominated in Euros and any distributions paid by the Romanian Projects on their shares are denominated in Euros. The Trust, on the other hand, raises capital and pays interest and principal on the Debentures and any distributions to Unitholders in Canadian dollars. The Trust also expects to raise funds primarily from the sale of offered securities in Canadian dollars and invest indirectly through its subsidiaries in Romanian assets, using Euros and RON. Thus, when the Canadian dollar increases in value against the Euro and/or the RON, the Trust’s indirect investments in Romanian assets will be less expensive; however, the value of distributions received by the Trust directly or indirectly from subsidiaries will also be reduced. When the Canadian dollar decreases in value against the Euro and/or RON, the cost of the Trust's indirect investments in Romanian assets will be more expensive. However, the value of distributions received by the Trust directly or indirectly from the subsidiaries will increase.

The Trust may in the future utilize derivative instruments in order to manage exposures to changes in foreign currency rates and to mitigate the currency risk impact on the long-term sustainability of distributions to Unitholders and payments to holders of Debentures. The Trust may also change its offering currency or pursue other measures to mitigate its currency risk exposure.

There are a number of different areas of environmental policy that are important to the power sector in Romania and have direct bearing on the Trust and other renewable energy producers in Romania, namely compliance with the following legislation and policies: (i) the Kyoto Protocol and the EU Emissions Trading Scheme; (ii) Large Combustion Plant Directive and the Industrial Emissions Directive; and (iii) the EU Renewables Directive. These policies impact wholesale electricity prices indirectly by changing asset investment and retirement decisions, as well as directly impacting the costs of generation. The Trust is aware of two current legislative proposals applicable in Romania that would enact a feed in tariff ("FIT") scheme for renewable energy producers with a name plate capacity of less than 1000 Kw (1 Mw) and 500 Kw (0.5 Mw). If enacted, such a scheme may have a positive impact on the Trust's assets by providing long-term fixed pricing with a stable counterparty for the sale of its energy produced as all of the Suha projects are under 1 MW and Zagra 1 and Zagra 2, which share a connection point, are also under 1000 Kw. The 1000 Kw proposal is currently at the EU parliament for approval while the 500 Kw proposal has been approved at the EU level and by the Romanian regulators and is now at the Romanian competition council for approval as a final step prior to implementation. The Trust has been advised by ANRE that the 500 Kw FIT scheme can be implemented in the market within 30 days of the approval from the Romanian competition council. The Trust is waiting for further information on such proposals in order to assess its economic viability to the Trust.

SUMMARY OF QUARTERLY RESULTS

Given the Trust acquired the Romanian Projects on May 28, 2014, a comparison of operations between the periods set-out below is not relevant. It is difficult to compare operations over different parts of the year due to the seasonal nature of hydrology for the respective projects. A comparison to the same quarter from preceding year is much more relevant. The following table provides the available summary financial data for the Trust's completed quarters.

	Three months ended March 31, 2015 ($)	**Three months ended December 31, 2014 ($)**	**Three months ended September 30, 2014 ($)**	**Three months ended June 30, 2014 ($)**	**Period from February 4, 2014 to March 31, 2014 ($)**
Revenue	332,584	247,675	130,290	20,375	-
Operating Expenses	982,887	1,348,278	957,231	2,997,301	-
Other Expenses (income)	1,447,294	(936,868)	(397,596)	(391,009)	-

	Three months ended March 31, 2015 ($)	Three months ended December 31, 2014 ($)	Three months ended September 30, 2014 ($)	Three months ended June 30, 2014 ($)	Period from February 4, 2014 to March 31, 2014 ($)
Net Loss for the period	2,070,671	163,735	429,345	2,585,917	-
Total Comprehensive Loss After Tax	2,210,109	455,612	1,077,699	2,761,872	-
Basic & Diluted loss per Unit	(0.18)	(0.16)	(0.04)	(0.23)	-

Revenue from Sale of Electricity

The six Suha projects were operational as at December 31, 2014, however, as a result of required maintenance and repairs to the penstock, there was limited production from Suha from October 1, 2014 through December 31, 2014.

Zagra 1 and Zagra 2 also became operational near the end of September 2014 after installation of a new communication system and, therefore, also had limited production during the three months ended September 30, 2014. In October and November 2014, Zagra 1 and 2 were fully operational and available for production, performing at 90% of the Trust's long term average estimates as disclosed in the IPO Prospectus. Zagra 3 is expected to be operational in 2016 following the completion of its capital improvements plan.

The following table lists the actual production of the Romanian Projects for the three month period ended March 31, 2015 and their expected annual production:

Romanian Project	Actual generation for period ended March 31, 2015 (MWh)	Expected Annual Generation Per Year (MWh)
Rott	1,307	8,870
Zagra	312	3,500
Suha	503	5,700

Revenue from Green Certificates

Prior to the commissioning dates noted above, the Romanian Projects were being developed and were incurring costs while not being available for power generation. Therefore, the Romanian Projects did not realize any revenues from the sale of green certificates prior to becoming operational.

Rott is accredited to receive three green certificates for each MW delivered into the grid, of which: (i) 0.96 of a green certificate is receivable by the Trust and is tradable immediately; (ii) one green certificate is granted and restricted from trading until March 31, 2017; and (iii) 1.04 green certificates are used to retire an interest-free EU loan on Rott (the "EU Loan").

Rott received the EU Loan in February 2014. Based on the terms of this loan, the number of tradable green certificates issued to Rott to date were re-assessed, as the project operated with two tradable green certificates between receiving approval for the EU Loan and the actual funding of this loan. The project was re-assessed with: (i) a lower number of tradable green certificates (0.96 green certificates); and (ii) with a green certificate clawback to cover the period that the project received the full number of tradable green certificates. The clawback is issued by Transelectrica and is rated as a green certificate equivalent but given in MWh. The amount to be repaid as assessed by Transelectrica and ANRE for Rott was 3,825 MWh with a start date in February 2014. Given the production during this period, based on management's calculations, this hurdle has been reached and management is in the process of confirming the release of the green certificates and confirmation of satisfaction of the clawback with Transelectrica and ANRE. Under the terms of the clawback arrangement, Rott is now entitled to receive the 1.96 green certificates, referred to in (i) and (ii) above.

Zagra was re-licensed and re-accredited in June 2014 to receive 2.3 immediately tradable green certificates for each MW delivered into the grid while Suha receives two immediately tradable green certificates for each MW delivered into the grid.

Operating Expenses

Operating expenses for the Romanian Projects are comprised of fixed and variable components and represent the costs of maintaining and operating the plants and equipment, including employee salaries, insurance, maintenance, repairs, utilities and supplies and are generally expected to be stable.

Significant components of operating expenses totaling $982,887 include:

- general and administrative expenses of $218,144, the significant components being executive and director salaries, fees, and listing costs;
- increase in the fair value of Units issuable under milestone unit agreements with key members of management with an estimated fair value of $226,889 expensed for the three month period ended March 31, 2015; and
- $45,559 in legal and professional fees incurred relating to ongoing reporting issuer compliance advice and services performed on behalf of the Trust.

Significant components of other expenses that total $1,447,294 are:

- the debentures issued in connection with the IPO (the "Debentures") are carried at fair value and, due to the increase in the closing price of the Debentures on the TSX Venture Exchange between December 31, 2014 and March 31, 2015, a mark to market loss of $1,176,300 was incurred for the period;
- interest expense of $217,535 was incurred, attributable to the Debentures; and
- $64,503 in financing costs relating mainly to accretion of the vendor take back loans to fair value were incurred.

SUMMARY OF FINANCIAL POSITION

Summarized selected consolidated financial information with respect to the Trust for all of the completed quarters since inception is as follows:

	March 31, 2015 ($)	December 31, 2014 ($)	September 30, 2014 ($)	June 30, 2014 ($)	February 4, 2014 ($)
Total Current Assets	876,398	744,153	927,897	1,740,548	15
Total Current Liabilities	3,939,402	3,284,255	2,465,435	2,908,111	-
Working Capital (deficit)	(3,063,004)	(2,540,102)	(1,537,538)	(1,167,563)	15
Total Assets	17,659,335	17,883,869	18,478,048	20,487,464	15
Total Liabilities	15,284,870	13,226,534	13,347,634	14,104,836	-
Trust capital	9,715,978	9,539,427	9,306,079	9,234,523	15
Deficit	6,085,889	(3,765,906)	(3,351,356)	(2,675,940)	-
Unitholders Equity	2,374,465	4,657,335	5,130,414	6,382,628	15
Total Liabilities and Equity	17,659,335	17,883,869	18,478,048	20,487,464	15

The changes in the working capital financial position from December 31, 2014 to March 31, 2015 reflect increasing working capital requirements as well interest on the Debentures accrued for the period. In addition, the Trust incurred mark to market losses of $1,176,300 on the outstanding Debentures and a fair value increment of $226,889 on Milestone Units (as defined under the heading "Summary of Outstanding Securities" below).

LIQUIDITY AND CAPITAL RESOURCES

The Trust's objectives when managing capital are primarily to support the creation of Unitholder value while to ensuring that the Trust is able to meet its financial obligations as they become due.

Financial Condition

	As at March 31, 2015 ($)
Cash and cash equivalents	113,370
Percentage of total assets	0.6%
Working capital deficit	(3,063,004)

Cash flows from operations are generally impacted by hydrology levels as well as the operational capability of the generating assets. Going forward, the Trust's ability to fund the planned operations for the foreseeable future is contingent on the success of the transaction discussed in the "Proposed Transactions" section below. Generally, four sources of funding for future expenditures are expected by management to be available: (i) internally generated cash flow from operations; (ii) existing working capital; (iii) external debt financing, when appropriate; and

(iv) external equity financing through the issuance of additional Units or other trust securities, if available on suitable terms.

Management anticipates that the Romanian Projects will be fully operational with optimized monitoring systems in place by the end of the third quarter of 2015, other than Zagra 3 which is planned for 2016. Once the Romanian Projects are fully operational, management anticipates internally generated cash flows to fund the Romanian operations thereafter. The forecasted revenues of the Romanian Projects are expected to exceed projected raw materials and consumables used, general and administrative expenses, including interest payable on intercompany debt owing to Netherlands Holdco, generating pre-tax profits. In 2014, the Trust required short term financing to ensure it is able to meet upcoming financial commitments, such as interest payments on the Debentures and distributions on the Units.

The Trust entered into a $600,000 short term debt financing arrangement on December 1, 2014 in the form of a promissory note (the "Note Payable"). The Trust and the holder of the Note Payable have negotiated a second extension agreement which shall extend the repayment terms to the earlier of June 30, 2015 and the moment that is immediately prior to the closing of the secured debt facility described below under the heading "Proposed Transactions". The Trust may elect to repay the aggregate of the principal and accrued interest owing under the Note Payable by issuing to the holder 7.5% convertible debentures of the Trust governed by the Debenture Indenture dated as of the 28th day of May, 2014, with a principal amount equal to the principal amount owing under the Note Payable plus accrued interest. In exchange for both the extension of the maturity date and the Trust's right to settle the obligations under the Note Payable with debentures, the Trust has agreed to an additional a cash fee of $300,000, which the holder agreed to settle by way of an issuance of subscription receipts pursuant to the financing described below under the heading "Proposed Transactions".

On April 14, 2015, the Trust issued 205,000 Units to an existing Unitholder at a price of $1.00 per Unit. Such issuance shall form part of the financing described below under the heading "Proposed Transactions"

The Trust has negotiated guaranteed bid floor prices for its power and GCs that expire between July 2015 and July 2016. The Trust is commencing negotiations to enter into new energy and GC agreements and plans to have this process completed before the expiry of the existing contracts.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Trust does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

On March 2, 2015, the Trust entered into two non-binding term sheets for a minimum $18 million financing, comprised of a non-brokered private placement for a minimum of $13 million of subscription receipts and a $5 million secured debt facility.

Proceeds from the financing will be used for the acquisition of two photovoltaic solar power production plants in Romania (the "Solar Assets") and for general working capital purposes. The plants are fully operational and have a total capacity of over 16 kWp. The plants have been in production for over two years and have performed consistently over that timeframe. The Trust is currently in the process of finalizing various documentation for the financings and acquisitions and anticipates closing the transactions in early June.

RELATED PARTY TRANSACTIONS

All transactions are in the normal course of business and are recorded at the exchange value agreed to by the related parties. Inter-company transactions and balances are eliminated upon consolidation.

Key management of the Trust consists of members of the Board of Directors and officers of the Trust and Administrator. During the three month period ended March 31, 2015, the Trust expensed $93,750 of salaries and benefits to the officers of the Trust in addition to $17,500 in directors' fees.

As at March 31, 2015, the Trust has amounts payable of $150,258 to related parties consisting of advances to the Trust as well as reimbursement of payments of expenses incurred on behalf of the Trust by the Executive Chairman and the CEO. These advances are non-interesting bearing and due on demand.

NEW ACCOUNTING PRONOUNCEMENTS

The Trust has not yet adopted the following accounting pronouncements which are applicable to the Trust in future periods:

i. In July 2014, the IASB issued IFRS 9 – *Financial Instruments* which brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 – *Financial Instruments: Recognition and Measurement. Application* of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Trust is evaluating the impact of the adoption of IFRS 9 on the Trust's consolidated financial statements.

ii. In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*, which establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Trust is currently evaluating the impact of the adoption of IFRS 15 to its consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses and other income during the year.

Judgments, estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Areas of judgment, estimate and assumptions that have the most significant effect on the amounts recognized in the financial statements are as follows:

Fair Value of Acquired Assets and Impairment Assessments

The Trust completed three acquisitions in 2014 and assessed the Trust’s acquired assets and liabilities in order to determine the fair value of the assets acquired and post-acquisition whether an impairment might exist in the carrying values of the acquired Companies. Assessing the fair value requires assumptions regarding forecasted prices of hydro, green certificate allotments, exchange rates, production costs and hydrology, cost of future maintenance and capital expenditures, and discounting. Changes in any of the assumptions or estimates used in determining the fair values could impact the carrying values and require impairment analysis.

The Trust performs impairment assessments over the course of the reporting period as and when there are significant changes in circumstances or at a minimum, annually. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. The determination of the recoverable amount requires the use of fair value estimates and assumptions as noted above.

CAPITAL MANAGEMENT

The Trust manages its capital with the objective of ensuring sufficient financial flexibility to achieve the ongoing business objectives including funding Unitholder distributions, improving and maintaining the operation of Trust assets and the pursuit of accretive acquisitions.

The Trust monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Trust may manage its capital structure by issuing new Units, taking on debt, acquiring cash through acquisitions or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

To date, the Trust has been dependent on external financing to fund its activities. In order to continue to achieve its capital objectives, the Trust will attempt to spend/invest its existing working capital and raise additional amounts as needed.

The Trust considers its capital to be equity, comprising all aspects of Unitholder equity, plus convertible debentures and notes payable.

The Trust manages capital through its financial and operational forecasting processes including working capital forecasts and forecasts of future operational cash flows from our Projects. The Trust budget is regularly updated based on actual experience and summary forecast information is frequently provided to the Board of Directors of the Trust.

SUMMARY OF OUTSTANDING SECURITIES

The authorized capital of the Trust consists of an unlimited number of Units, of which 11,970,341 Units are issued and outstanding as of the date of this MD&A.

In addition, the Trust has $11,763,000 principal amount of Debentures outstanding and has issued 150,000 Restricted Trust Units ("RTU'S") under the Trust's RTU plan. Further, up to 3,000,000 Units (the "Milestone Units") are issuable pursuant to existing milestone unit agreements with certain members of management of the Trust in the event that the Trust achieves certain milestones over the periods covering any one of (i) the first full 12 fiscal quarters; (ii) the first 16 fiscal quarters; or (iii) the first 20 fiscal quarters after March 31, 2014.

Assuming the exercise or conversion of all of the outstanding Debentures and RTUs and the issuance of the Milestone Units, an aggregate of 24,530,741 Units would be issued and outstanding on a fully diluted basis.

FINANCIAL RISK FACTORS

The Company's financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, notes payable, convertible debentures and distributions payable. The fair value of the Company's trade and other receivables, and accounts payable and accrued liabilities, distributions payable and note payable approximate their carrying value, which is the amount disclosed on the balance sheet dates due to their short-term maturities or ability of prompt liquidation. Cash and convertible debentures are based on level-one quoted prices in active markets.

Strategic and operational risks are risks that arise if the Trust fails to identify opportunities and/or threats arising from changes in the Romanian market where the Trust operates. These strategic opportunities or threats arise from a range of factors that might include changing economic and political circumstances and regulatory developments and competitor actions. These risk factors are summarized in the "Risks and Uncertainties" section of this MD&A.

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Trust is subject to normal industry credit risks. The Trust currently has no minimal receivables for the purchase of the power it produces, and other receivable balance consists of amounts outstanding on tax credits from governmental authorities, each of which are expected to be paid in the near term at face value. The Company's exposure to credit risk is minimal.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Trust's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund operations and satisfy obligations as they become due. While management considers that the preparation of the financial statements under the going concern basis is appropriate, there is significant doubt about the Trust's ability to continue as a going concern as the Trust has a working capital deficiency of $3,063,004 as at March 31, 2015, an accumulated deficit of $6,085,889 as at March 31, 2015 and for the three month period ended March 31, 2015, the Trust incurred a loss of $2,070,671. Included in the working capital deficiency is a $600,000 note payable upon which the Trust has negotiated extended repayment terms. Considering that the Trust's Romanian Projects have either recently commenced operations or are in the start-up phase, the projections made by management for the following years take into consideration that the operations will be profitable. The Trust's ability to continue as a going concern is dependent upon the Trust's ability to raise additional capital through equity and/or debt financings and achieve profitable operations. Should the Trust be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

On March 2, 2015, the Trust entered into two non-binding term sheets for a minimum $18 million financing, comprised of a non-brokered private placement for a minimum of $13 million of subscription receipts and a $5 million secured debt facility. Proceeds from the financings will be used for the acquisition of two photovoltaic solar power production plants in Romania and for general working capital purposes. The Trust believes that these financings and increased revenues from operations will provide sufficient cash flow for it to continue as a going concern in its present form in the foreseeable future, however, there can be no assurances that the Trust will achieve such results. Accordingly, the financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Trust be unable to continue as a going concern.

Interest risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently small in that the rates on outstanding notes and debentures are fixed.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Trust's operations are in Romania and its reporting currency is Canadian dollars. The nature of the Trust's operations results in foreign exchange risk as day to day operating transactions are denominated in foreign currencies, Euros, RON and sources of financing have, to date, been in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Trust and may also affect the value of the Trust's assets and liabilities. The Trust monitors the volatility of foreign exchange rates and may hedge its currency risk if it determines that the need arises.

Market risk is the risk that the fair values or future cash flows of the Trust will fluctuate due to changes in market conditions. The Trust's future cash flows and valuation of its hydro assets are exposed to market risk in regard to power pricing in Romania and availability and saleability of green certificates obtained.

RISKS AND UNCERTAINTIES

The Trust and its operations are subject to various business, financial and operational risks that could materially adversely affect the Trust's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A.

The following list details existing and potential material risks to the business of the Trust. The risks described below are not listed in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Trust, or those that it currently deems to be immaterial, may become material and adversely affect the Trust's business.

Each of these risk factors is discussed in more detail in the Trust's annual MD&A for the year-ended December 31, 2014 which was filed on April 30, 2015 on www.sedar.com

Risks Relating to Hydroelectric Power Production

- *The Trust may be adversely affected if its supply of water is materially reduced.*
- *As hydroelectric producers, the Projects are required to be licensed by ANRE, the Romanian Waters Agency and the Romanian Environment Protection Agency, in each region in which they operate. The denial of a renewal license or revocation of an existing license may impact the Trust's financial results and have a material adverse effect on the Trust.*
- *The operation and maintenance of the Trust's facilities involve risks that may materially and adversely affect the Trust's business.*
- *A significant increase in water rental costs or requirements could result in a material adverse effect.*

Risks Relating to the Electricity, Foreign Currency, GCs and Other Markets

- *The Trust's revenues will be adversely affected by a decrease in the market price of electricity.*
- *The Trust's revenues will be adversely affected by a reduction in the market price of GCs.*
- *The value of the Canadian dollar against the Euro and the Romanian Lei will affect the Trust's results and distributions.*
- *The Trust may suffer economic losses where market risk management policies and programs do not work as planned.*
- *The global economy continues to exhibit unprecedented volatility and uncertainty and unforeseen events may negatively impact the Trust's financial condition.*

Risks Relating to the Power Generation Industry

- *Revenues and results from operations are expected to fluctuate on a seasonal and quarterly basis as a result of demand for electricity and the Projects' ability to produce energy.*
- *The Trust's facilities and operations are exposed to effects of natural disasters and other catastrophic events outside of the Trust's control and such events could result in a material adverse effect.*
- *The power generation industry has certain inherent risks related to worker health and safety and the environment that could cause the Trust to suffer unanticipated expenditures or to incur fines, penalties or other adverse consequences material to its business and operations.*
- *Unexpected changes in the cost of maintenance or in the durability and replacement cost of components for the Trust's facilities may adversely affect its results of operations.*
- *The Trust's communications and monitoring technology and operating systems may experience interruptions or breaches in security which could lead to increased operating costs and other liabilities.*
- *The Trust is not able to insure against all potential risks and may become subject to higher insurance premiums.*
- *The Trust's facilities rely on national and regional transmission systems and related facilities that are owned and operated by third parties and have both regulatory and physical constraints that could impede access to electricity markets.*

Risks Relating to the Operations and Strategy of the Trust

- *The Projects have limited historical data that can be utilized to assess the performance of the Trust.*
- *There are potential undisclosed liabilities associated with any acquisitions completed by the Trust.*
- *The reduction, elimination or expiration of government subsidies and economic incentives, particularly the GC program, could adversely affect the Trust.*
- *The Projects are party to significant third party contracts and the failure of such third parties to fulfill their contractual obligations could have a material adverse effect on the Projects.*
- *The Projects' revenues may be reduced upon the failure to conclude or negotiate attractive balancing agreements.*
- *The Trust could suffer lost revenues or increased expenses and penalties if it was unable to operate its generation facilities at a level necessary to comply with its PPAs and balancing agreements.*
- *The Trust's growth strategy is focused on the acquisition of high quality renewable power projects and there is no certainty the Trust will be successful in the execution of this strategy.*
- *The Trust's management may not successfully manage the Trust's growth.*
- *The Trust may face significant competition for the acquisition of high quality renewable power projects and may not successfully complete and integrate acquisitions.*

- *The Trust competes with other renewable power companies as well as traditional energy companies, which may have greater financial and other resources for new business.*
- *The Trust's success depends upon the continued involvement of its present management.*
- *There is no certainty that the economic crisis in Romania has been overcome despite current economic growth.*
- *Although Romania has enacted anti-corruption legislation and has taken steps to reduce corrupt practices, the risk of corruption affecting the business of the Projects remains higher than in many more developed markets.*

Risks Relating to the Legal and Regulatory Environment

- *Recent legislative changes impacting the GC program may affect profitability of the Trust.*
- *The Projects operate in a regulated industry and are exposed to legislative and regulatory risks that could harm the Trust's interests.*
- *The Trust is subject to extensive government regulation and incentive mechanisms, including stringent environmental laws and regulations which may impact the Trust's financial performance, limit its flexibility and, in the event of non-compliance could result in adverse actions by regulatory authorities against it.*
- *Building permits for erection of the physical facilities of the Projects could be subject to annulment.*
- *By virtue of their industry, the Projects are subject to labour authority review.*

Risks Relating to the Trust

- *The majority of the Trust's assets and the majority of the Trust's subsidiaries are outside of Canada, with the result that it may be difficult for investors to enforce within Canada any judgments obtained against the Trust or some of the Administrator's directors or officers.*
- *The Trust has agreed to indemnify directors and officers against liabilities incurred by them in such capacities.*
- *To date, distributions have been through returns of capital.*
- *The Trust is dependent upon distributions from its subsidiaries.*

FORWARD LOOKING INFORMATION

Certain statements contained in this MD&A constitute "forward-looking statements". All statements other than statements of historical fact contained in this MD&A, including, without limitation, those regarding the Trust's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Trust participates or is seeking to participate and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Trust's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

Additional factors that could cause actual results, performance or achievements, to differ materially include, but are not limited to, the risk factors discussed herein under the section heading "Risks and Uncertainties". Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Trust. These forward-looking statements are made as of the date of this MD&A and the Trust assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this MD&A are based on numerous assumptions regarding the Trust's present and future business strategies and the environment in which the Trust will operate in the future, including assumptions regarding expected energy prices, business and operating strategies, future acquisitions and the Trust's ability to operate its facilities on a profitable basis.

Some of the risks which could affect future results and would cause results to differ materially from those expressed in the forward-looking statements contained herein include: risks related to foreign operations (including various political, economic and other risks and uncertainties), the interpretation and implementation of the energy law, expropriation of property rights, political instability and bureaucracy, limited operating history, lack of profitability, high inflation rates, failure to obtain bank financing, fluctuations in currency exchange rates, competition from other businesses, reliance on various factors (including local labour, importation of machinery and other key items and business relationships), risks related to seasonality (including adverse weather conditions, shifting weather patterns, and global warming), a shift in energy trends and demands, a shift in energy generation in the European Union, vulnerability to fluctuations in the world market, the lack of availability of qualified management personnel and stock market volatility.

Risks may materially and adversely affect the Trust's business, financial condition, results of operations and/or the market price of the Trust's securities.