

# NEWS



**Primary Energy Recycling Corporation**

**For Immediate Release**

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## **Primary Energy Recycling Corporation Completes C\$285,000,000 Initial Public Offering**

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Oak Brook, Illinois, August 24, 2005 – Primary Energy Recycling Corporation (TSX: PRI.UN) announced today the successful completion of its initial public offering of 28,500,000 enhanced income securities (“EISs”) at a price of C\$10.00 per EIS for gross proceeds of C\$285,000,000. In addition, the Company has granted the underwriters an option, exercisable for a period of 30 days following closing, to purchase up to an additional 4,275,000 EISs on the same terms to cover over-allotments, if any, and for market stabilization purposes. In conjunction with the offering, Primary Energy Recycling Corporation also sold an additional C\$18,500,000 of 11.75% subordinated notes on a private placement basis. The net proceeds of the offering and the private placement were used to acquire a 76.5% economic interest in Primary Energy Recycling Holdings LLC, which owns interests in five (5) recycled energy projects located in Indiana. The projects have a combined capacity to generate 283 MW of electricity and over 1,800 mlbs/hr of steam or hot water. The offering was underwritten by a syndicate of underwriters led by RBC Capital Markets as sole bookrunner and including CIBC World Markets, Scotia Capital, BMO Nesbitt Burns, TD Securities and HSBC Securities. In connection with the offering, a subsidiary of Primary Energy Recycling Corporation has also entered into a US\$150,000,000 senior credit facility arranged by RBC Capital Markets and CIBC World Markets.

The EISs will be listed and begin trading today on the Toronto Stock Exchange under the symbol PRI.UN. The first monthly distribution is expected to be paid on October 31, 2005 for the period from closing to September 30, 2005. The initial cash distribution is expected to represent an annualized distribution of C\$1.10 per EIS representing a yield of 11.0% at a price of C\$10.00 per EIS.

Management services will be provided to the Company by Primary Energy Ventures LLC a privately held owner, operator and developer of recycled energy projects. Primary Energy Ventures LLC owns a 100% interest in nine (9) other energy projects in Indiana, California, Colorado, New Jersey and North Carolina.

“These energy recycling plants benefit the environment by producing heat and power without burning incremental fuel or releasing incremental pollution, while providing significant savings to our customers. We believe energy recycling can mitigate some of the world’s most pressing problems. We appreciate the confidence of the new investors in our mission of creating value from waste energy”, stated Thomas R. Casten, Chair and CEO of Primary Energy Ventures LLC and member of the Primary Energy Recycling Corporation Board of Directors.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the EISs in any jurisdiction. The EISs offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States of America.

When used in this news release, the words "anticipate", "expect", "project", "believe", "estimate", "forecast" and similar expressions are intended to identify forward-looking statements, which include statements relating to pending and proposed projects. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions and, in the case of pending and proposed projects, risks relating to design and construction, regulatory processes, obtaining financing and performance of other parties, including partners, contractors and suppliers.

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