

# NEWS



Primary Energy Recycling Corporation

**For Immediate Release**

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## **PRIMARY ENERGY RECYCLING CORPORATION ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS FOR 2005**

*Strong performance builds Distributable Cash reserve*

**Oak Brook, Illinois – March 30, 2006** – Primary Energy Recycling Corporation (TSX: PRI.UN) (the “Company”) today released its financial results for the period ended December 31, 2005.

The Company is providing financial information for the three months and the period of 130 days ended December 31, 2005 for which the company was public. Adjusted pro forma results are provided for the entire year ended December 31, 2005. All amounts are in US dollars unless otherwise indicated.

### **Highlights:**

- Successful IPO and TSX listing on August 24, 2005
- Declared total distributions of Cdn\$0.39 per Enhanced Income Security (“EIS”) unit for the 130 days ended December 31, 2005
- Earned excess Distributable Cash amounting to Cdn\$3.07 million resulting in an effective payout ratio of 82.6%

“These results reflect the impact of our company-wide efforts to continuously enhance performance,” said Thomas R. Casten, CEO of the Company’s Manager. “During our first 130 days as a public company we earned 21% more Distributable Cash than was declared for payment of distributions, adding to our reserves.” The Company earned excess Distributable Cash of Cdn\$ 3.07 million.

For the fourth quarter, the Company’s Projects generated earnings before interest, taxes, depreciation and amortization (“EBITDA” (see non-GAAP Measures below)) of \$13.82 million. Distributable Cash for the fourth quarter was \$10.96 million or \$0.29 (Cdn\$ 0.34) per fully diluted EIS. The Company declared total distributions of \$8.75 million or \$0.23 (Cdn\$ 0.27) per EIS.

For the 130 days of 2005 during which the Company was public, the Company’s Projects generated EBITDA of \$19.11 million. Distributable Cash for this period was \$15.04

million or \$0.40 (Cdn\$ 0.47) per fully diluted EIS. Total declared distributions were \$12.42 million or \$0.33 (Cdn\$ 0.39) per EIS.

### Summary of Distributable Cash

(US\$ thousands except per share data)	Three Months ended December 31, 2005	130 Days ended December 31, 2005
EBITDA	13,821	19,106
Less Interest and Related Charges on Senior Debt	2,400	3,409
Less Interest on Separate Subordinated Notes	464	659
<b>Distributable Cash</b>	<b>10,957</b>	<b>15,038</b>
Hedge Rate (Cdn\$/US\$)	1.1712	1.1712
Distributable Cash (Cdn\$)	12,833	17,613
Distributable Cash (Cdn\$) per fully diluted EIS	0.34	0.47
Distributable Cash Declared (Cdn\$) per fully diluted EIS	0.27	0.39
Excess Distributable Cash Earned (Cdn\$) per fully diluted EIS	0.07	0.08
Payout Ratio	79.9%	82.6%

As of December 31, 2005, the Company had total liquidity of \$27.09 million of which \$12.09 million was cash and cash equivalents and \$15.00 million was an unused credit facility.

The full financial statements and Management's Discussion and Analysis, are available at [www.sedar.com](http://www.sedar.com) or the Company's website [www.primaryenergyrecycling.com](http://www.primaryenergyrecycling.com).

### Conference Call and Webcast

Management will host a conference call to further discuss the results on Thursday, March 30, 2006 at 1:30 pm ET. The call can be accessed by calling 1-800-814-4857 or 416-644-3426. A replay of the call will be available until midnight on Thursday, April 6, 2006 ET. It can be accessed by calling 416-640-1917 or 1-877-289-8525 and entering the passcode 21180110#. A webcast replay will be available for 90 days by accessing a link through the Investor Information section at [www.primaryenergyrecycling.com](http://www.primaryenergyrecycling.com).

### Non-GAAP Measures

Distributable Cash and EBITDA are not recognized measures under U.S. GAAP or Canadian GAAP and do not have standardized meanings prescribed by U.S. GAAP or Canadian GAAP. Therefore, Distributable Cash and EBITDA may not be comparable to similar measures presented by other companies. See the definitions of Distributable Cash and EBITDA in the Company's MD&A for the period August 24, 2005 to December 31, 2005.

### Forward-Looking Statements

When used in this news release, the words "anticipate", "expect", "project", "believe", "estimate", "forecast" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions pertaining, but not limited, to operating performance, regulatory parameters, weather and economic conditions and the factors discussed in the Company's public filings available on SEDAR at [www.sedar.com](http://www.sedar.com). These forward-looking statements are made as of the date

of this press release and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

**About Primary Energy Recycling Corporation**

Primary Energy Recycling Corporation owns a majority interest in Primary Energy Recycling Holdings LLC (“PERH”). PERH, headquartered in Oak Brook, Illinois, indirectly owns and operates four recycled energy projects and a 50 per cent interest in a pulverized coal facility (collectively, the “Projects”). The Projects have a combined electrical generating capacity of 283 megawatts (MW) and a combined steam generating capacity of 1,851Mlbs/hour. PERH creates value for its customers by capturing and recycling waste energy from industrial and electric generation processes and converting it into reliable and economical electricity and thermal energy for its customers’ use. For more information, please see [www.primaryenergyrecycling.com](http://www.primaryenergyrecycling.com).

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