

# NEWS



## Primary Energy Recycling Corporation

**For Immediate Release**

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### **PRIMARY ENERGY RECYCLING CORPORATION ADVISED OF COMPLETION OF THE ACQUISITION OF THE MANAGER BY EPCOR POWER L.P. AND ANNOUNCES CERTAIN MANAGEMENT AND BOARD CHANGES**

**Oak Brook, Illinois – November 1, 2006** -- Primary Energy Recycling Corporation (TSX:PRI.UN, “PERC”), has been advised of the completion of the previously announced acquisition of Primary Energy Ventures LLC, (PERC’s Manager, “PEV”) by EPCOR Power L.P. (TSX: EP.UN) (“EPCOR Power”).

Established in 1997, EPCOR Power is a publicly-traded limited partnership organized under the laws of the province of Ontario. With this transaction, EPCOR Power wholly owns and operates a portfolio of 20 power generation assets in Canada and the United States.

As a result of the acquisition of PEV by EPCOR Power, all the employees of PEV are being transferred to EPCOR Operations (US) Inc. (EPCOR Operations), a wholly owned subsidiary of EPCOR Utilities Inc. and an affiliate of EPCOR Power. EPCOR Operations will provide all management and administrative services to PEV which will continue to act as Manager under the Management Agreement between PEV and PERC. EPCOR Utilities Inc., and their over 3000 employees, builds, owns and operates power plants, electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure in Canada and the United States.

In connection with the completion of the acquisition of PEV by EPCOR Power, PERC is announcing certain changes in the composition of the Board of Directors and employee changes of the Manager. Specifically, the Board of Directors has been advised that two of the four existing management employees known as Designated Employees (see the Management Agreement as filed on SEDAR), Thomas Casten and William Rockford, are leaving the Manager. PERC has agreed to PEV’s designation of Mark Hall and Craig Bennett as replacement Designated Employees.

The principal responsibilities of each of the four Designated Employees are as follows:

- John Prunkl, President of EPCOR Operations will replace Thomas Casten. John was formerly Executive Vice President of Operations of PEV

- Michael Alverson, CFO and Vice President of EPCOR Operations will replace William Rockford. Mike was formerly Executive Vice President of Treasury and Administration of PEV
- Mark Hall, Vice President of EPCOR Operations will continue to serve in the capacity as the head of Investor Relations of PERC.
- Craig Bennett, Associate General Counsel and Secretary of EPCOR Operations will continue to provide management services to PERC as Corporate Secretary

In addition, PERC is announcing changes to its Board of Directors. Brian Vaasjo, President of EPCOR Power and John Prunkl, President of EPCOR Operations, have been appointed as Directors of PERC. These new Directors replace Michael Fisch of American Securities Capital Partners (former majority owner of PEV) and Thomas Casten, former Chair and CEO of PEV, who have resigned.

“We are pleased to have reached an agreement with EPCOR Power that both ensures that the existing projects will continue to be professionally managed and secures our rights with regard to certain projects under development”, stated Michel Lavigne, Chairman of the Board of Directors. “We are especially pleased that John Prunkl, who has been responsible for the operations of the facilities, is taking on the role of President of the Manager. I also want to thank Tom Casten and Bill Rockford for their dedication and service to PERC’s customers and unitholders. We wish them the very best.”

“Although we have made a few personnel changes as a result of the acquisition, I want to assure all of PERC’s unitholders that we will continue to provide the highest levels of quality service to PERC’s customers and that our focus is on delivering the cash distributions that we have promised,” said John Prunkl, President of the Manager. “In addition to our staff in Oak Brook and at the facilities, we now have the opportunity to tap into the extensive experience and expertise of EPCOR in fulfilling our obligations to PERC.”

As a condition of the acquisition of PEV by EPCOR Power, EPCOR Power sought certain waivers under and amendments to existing agreements between PEV and PERC. Among other things, PERC allowed EPCOR Power to appoint a Director to the Board of Primary Energy Recycling Holdings (“PERH”) under the Securityholders Agreement. In addition, PERC, EPCOR Power, PEV, and Thomas Casten entered into a new Allocation Agreement which sets out the basis on which PERC may benefit from enhancements to its own projects, and from new projects to be developed or identified through PEV, EPCOR Operations or Thomas Casten in the future.

Each of these amendments and the new Allocation Agreement, together with the resulting Material Change Report will be filed on SEDAR.

Discussions and disclosures by PERC as to the existence of ROFO rights, whether under previously existing agreements or the new agreements discussed in this press release reflect the expectations of management regarding future growth, results of operations, performance and business prospects and opportunities of PERC and as such are “forward-looking statements”. Such forward-looking statements reflect current expectations regarding future events and operating performance, involve significant risks and uncertainties, and speak only as of the date of this press release. PERC assumes no

obligation to update or revise statements with respect to such opportunities 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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