

NEWS



Primary Energy Recycling Corporation

For Immediate Release

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PRIMARY ENERGY RECYCLING CORPORATION ANNOUNCES YEAR END RESULTS FOR 2006

Oak Brook, Illinois – March 7, 2007 – Primary Energy Recycling Corporation (TSX: PRI.UN) (the “Company”) today released its financial results for the annual period ended December 31, 2006.

The Company is providing financial information for the full year ended December 31, 2006 compared to the 130 day period from August 24, 2005 to December 31, 2005 for which the company was public (see Consolidated Financial Statements filed on SEDAR). Pro forma results for the year ended December 31, 2005 are presented, for comparative purposes, in Management’s Discussion and Analysis, available on SEDAR. All amounts are in US dollars unless otherwise indicated.

2006 Highlights:

- Revenue of \$87.1 million, Operating Expenses of \$81.1 million and Operating Income of \$6.0 million for the year.
- Financial performance was below expectations, principally because of higher commodity volumes and prices at Harbor Coal and an extended outage.
- Declared total distributions of Cdn\$1.13 per Common and Equivalent Common Share for year.
- Generated Distributable Cash amounting to \$33.8 million resulting in an effective payout ratio of 107.1% for 2006 and 99.5% since inception

“While most of our projects’ are performing well, Harbor Coal continues to underperform and accounts for the majority of our failure to meet expectations this year” said John Prunkl, President of Primary Energy Ventures LLC (the “Manager”). “We experienced an increase in the prices of input commodities and in the volume of those commodities at Harbor Coal over the course of year. On the other hand, overall production levels and associated revenues were up compared to the prior year.”

Harbor Coal results for the year were also affected by a negative revenue adjustment of \$3.2 million associated with coke inventory maintained by the host. This adjustment was recorded in the fourth quarter of 2006 upon completion of the host’s annual inventory adjustment. At the request of the Manager, there will be semi-annual inventory surveys and associated inventory adjustments to provide more transparency into the performance of Harbor Coal and the partnership as a whole.

“One of our other facilities also experienced an outage in the fourth quarter coupled with boiler control issues with our customer’s boilers, negatively impacting revenue.”
continued Mr. Prunkl.

For the year, the Company’s Projects generated earnings before interest, taxes, depreciation and amortization (“EBITDA” (see non-GAAP Measures below)) of \$46.4 million. Distributable Cash was \$33.8 million or \$0.91 (Cdn\$1.06) per fully diluted EIS. The Company declared total distributions of \$36.2 million or \$0.97 (Cdn\$1.13) per EIS.

Summary of Distributable Cash

(US\$ thousands except per share data)

	Year Ended December 31, 2006	August 24, 2005 to December 31, 2006
Cash Provided by Operating Activities	31,774	41,372
Interest on EIS Subordinated Notes	7,776	10,535
Interest Income	(1,027)	(1,082)
Accretion of Asset Retirement Obligations	(202)	(269)
Changes in Operating Assets and Liabilities	(4,558)	(1,755)
Distributable Cash	33,763	48,801
Hedge Rate (Cdn\$/US\$)	1.1687	1.1695
Distributable Cash (Cdn\$)	39,459	57,073
Distributable Cash (Cdn\$) per Common and Equivalent Common Share	1.06	1.53
Distributable Cash Declared (Cdn\$) per Common and Equivalent Common Share	1.13	1.52
Excess Distributable Cash Earned (Cdn\$) per Common and Equivalent Common Share	(0.07)	0.01
Payout Ratio	107.1%	99.5%

At December 31, 2006, the Company had liquidity of \$30.6 million of which \$15.6 million was cash and cash equivalents and \$15.0 million was an unused credit facility.

The full financial statements and Management’s Discussion and Analysis, are available at www.sedar.com or the Company’s website www.primaryenergyrecycling.com.

Conference Call and Webcast

Management will also host a conference call to further discuss the fourth quarter results on **Thursday, March 8, 2007 at 10:00 a.m. (ET)**. Following management’s presentation, there will be a question and answer session.

To participate in the conference call, please dial **(416) 644-3418** or **1-800-814-4861**. A conference call replay will be available until 12 a.m. on March 15, 2007. The replay can be accessed by dialing **(416) 640-1917** or **1-877-289-8525** and entering passcode 21216228#. A webcast replay will also be available for 90 days by accessing a link through the Investor Information section at 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.

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. 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.

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