



Primary Energy Recycling Corporation

NEWS

For Immediate Release

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Primary Energy Recycling Corporation Announces an Amendment to its Credit Agreement and Completion of the North Lake Turbine Outage

Oak Brook, Illinois, June 15, 2007 – Primary Energy Recycling Corporation (TSX: PRI.UN or the “Company”) today announced that it has entered into an amendment to the Primary Energy Operations LLC Credit Agreement that provides temporary relief under certain financial covenants and that its North Lake Energy facility has returned to service.

Effective June 13, 2007, Primary Energy Operations LLC and its senior lenders entered into an amendment to the Credit Agreement. The amendment modifies the compliance limits for certain coverage ratio covenants for the next four quarterly test periods. Beginning the second quarter of 2008 and thereafter, the pre-amendment compliance limits will continue to apply. The company anticipates that with this relief the debt covenants should not impair future distributions. A copy of the amendment has been filed with SEDAR and is available at www.sedar.com.

Mr. Michel Lavigne, Chair of the Board of Directors said “The covenant relief is important because it gives us greater assurance that we can maintain compliance with the Credit Agreement and continue payment of monthly distributions to holders of our enhanced income securities. We appreciate the lenders’ understanding of the Company’s current situation and their support in approving the amendment.”

As previously announced, a steam turbine blade failure occurred at the Company’s North Lake Energy facility on April 19, 2007. Repairs have now been completed and the unit was returned to service on May 25, 2007. Since May 25, 2007, the unit has operated without

interruption. The total outage duration was 36 days. The financial impact, including lost revenue and repair costs is estimated to be \$US 1,775,000. After subtracting costs that are not eligible for insurance recovery and allowing for the insurance deductible, a net claim of approximately \$US 200,000 will likely be pursued. Timing and size of actual recovery is not known.

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

The Company owns a majority interest in Primary Energy Recycling Holdings LLC ("Primary Energy"). Primary Energy, headquartered in Oak Brook, Illinois, indirectly owns and operates four recycled energy projects and a 50% interest in a pulverized coal facility (collectively, the "Projects"). The Projects have a combined electrical generating capacity of 283 megawatts and a combined steam generating capacity of 1.8 MMlbs/hour. Primary Energy 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 visit us at www.primaryenergyrecycling.com.

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