



Primary Energy Recycling Corporation

NEWS

For Immediate Release

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Primary Energy Recycling Corporation Announces Decision to Not Extend Revolving Loan Provisions of Credit Agreement

Oak Brook, Illinois, August 25, 2008 — Primary Energy Recycling Corporation (TSX: PRI.UN) (the “Company”) announced today that after evaluating the Company’s liquidity position, it has determined that its current cash on hand of \$14.4 million (at July 31, 2008) plus anticipated proceeds from operations are expected to be adequate to fund near term business operations and distributions. As a result, it has let the \$15 million Revolving Loan provisions of its Credit Agreement (the “Revolver”) expire. The Revolver had not been drawn for operational liquidity during its three year term. Even if extended, the Revolver would expire when the senior debt is refinanced, which could occur in early 2009. The cost to extend the Revolver for such a relatively short period was not warranted.

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.

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



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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.

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