

NEWS

For Immediate Release

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Primary Energy Recycling Corporation Announces December Distribution

Oak Brook, Illinois, December 18, 2006 – Primary Energy Recycling Corporation (TSX: PRI.UN) announced today that a cash distribution of Cdn\$ 0.0959 per enhanced income security (“EIS”) of the Issuer will be paid on January 31, 2007 to holders of record on the last day of the month, December 31, 2006.

Each EIS consists of one common share of the Issuer (a “Common Share”) and Cdn\$ 2.50 principal amount of 11.75% subordinated note of the Issuer (the “Subordinated Note”). The EISs trade on the Toronto Stock Exchange under the symbol PRI.UN. The total distribution of Cdn\$ 0.0959 per EIS reflects a cash distribution of Cdn\$ 0.0714 per Common Share and an interest payment of Cdn\$ 0.0245 per Cdn\$ 2.50 principal amount of Subordinated Note for the period from December 1 to December 31, 2006.

The Issuer 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 1,851 Mlbs/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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