

NEWS



Primary Energy Recycling Corporation

For Immediate Release

Contact:
Mark C. Hall
Senior Vice President
Primary Energy Ventures
(630) 371-0573
investorinfo@primaryenergy.com

PRIMARY ENERGY RECYCLING CORPORATION ANNOUNCES THIRD QUARTER 2006 RESULTS

Oak Brook, Illinois – November 8, 2006 – Primary Energy Recycling Corporation (TSX: PRI.UN) (the “Company”) today released its financial results for the third quarter and the nine months ended September 30, 2006. All amounts are in U.S. dollars unless otherwise indicated.

Highlights:

- Results for all projects on target, except Harbor Coal which was affected by lower production levels and commodity spreads.
- Positive assessment of turbine at Portside allows planned overhaul to be rescheduled for second quarter 2007.
- Declared total distributions of Cdn\$0.29 per Common and equivalent Common Share in the quarter with an effective payout ratio of 111.0% for the quarter and 97.9% for the year to date.
- Pursuant to closing of EPCOR Power L.P.’s acquisition of Company’s Manager announced November 1, 2006, John Prunkl appointed President and Michael Alverson appointed Chief Financial Officer of Primary Energy Ventures and EPCOR Operations (US) Inc.

“All of our projects’ results were on track for the quarter, with the exception of Harbor Coal,” said John Prunkl, President the Company’s Manager. “Production levels at Harbor Coal were adversely affected by an operational problem that temporarily reduced production. In addition, the relative price spreads between the coal used and the natural gas and coke displaced affected results.”

“However, our positive assessment of the condition of the combustion turbine at Portside has allowed us to push back the planned turbine overhaul with associated expenditures of approximately \$1 million to the second quarter of 2007” continued Mr. Prunkl.

For the third quarter of 2006, the Company earned revenue of \$21.2 million, down 3.3% from the previous quarter and up 9.5% from the pro forma third quarter of 2005. Energy service revenue, while up in comparison to the pro forma third quarter last year, was down compared to the previous quarter.

Total operating expenses were \$19.6 million for the quarter. Operating and maintenance expenses were \$7.2 million, down \$1.5 million compared to the previous quarter and up \$1.3 million compared to the pro forma third quarter of 2005 due to additional operating and maintenance expenses.

Third quarter earnings before interest, taxes, depreciation and amortization (“EBITDA” -- see non-GAAP Measures below) was \$11.5 million compared to \$12.1 million in the previous quarter.

For the nine months ended September 30, 2006, the Company earned revenue of \$68.8 million and operating expenses were \$61.9 million. EBITDA for the nine month period was \$36.9 million.

Distributable Cash for the third quarter was \$8.3 million or \$0.22 (Cdn\$0.26) per Common and equivalent Common Share. The Company declared total distributions of \$9.2 million or \$0.25 (Cdn\$0.29) per Common and Equivalent Common Share, for a payout ratio of 111.0% for the quarter. Distributable Cash earned since inception totaled \$42.6 million or \$1.14 (Cdn\$1.34) per Common and Equivalent Common Share. Since inception, the Company has declared total distributions of \$39.4 million or \$1.06 (Cdn\$1.24) per Common and equivalent Common Share, for a payout ratio of 92.5%.

Summary of Distributable Cash

	Third Qtr 2006	Year to Date 2006	Inception to September 30, 2006
<i>(US\$ thousands except per share data)</i>	<i>(Three Months ended September 30, 2006)</i>	<i>(Nine Months ended September 30, 2006)</i>	
Distributable Cash	8,269	27,564	42,602
Hedge Rate (Cdn\$/US\$)	1.1671	1.1691	1.1698
Distributable Cash (Cdn\$)	9,651	32,225	49,836
Distributable Cash (Cdn\$) per Common and Equivalent Common Share	0.26	0.86	1.34
Distributable Cash Declared (Cdn\$) per Common and Equivalent Common Share	0.29	0.84	1.24
Excess Distributable Cash Earned (Cdn\$) per Common and Equivalent Common Share	(0.03)	0.02	0.10
Payout Ratio	111.0%	97.9%	92.5%

At September 30, 2006, the Company had total liquidity of \$29.9 million of which \$14.9 million was cash and cash equivalents and \$15.0 million was an unused credit facility.

“We believe our results and our liquidity position should provide a firm basis for continuing to provide stable and sustainable distributions,” said Michael Alverson, Chief Financial Officer of the Company’s Manager.

The full interim 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 third quarter results at on **Thursday, November 9, 2006 at 11 a.m. (ET)**. Following management's presentation, there will be a question and answer session.

To participate in the conference call, please dial **(416) 644-3415** or **1-800-814-4861**. A conference call replay will be available until 12 a.m. on November 16, 2006. The replay can be accessed by dialing **(416) 640-1917** or **1-877-289-8525** and entering passcode **21205266#**. 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 percent 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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