

NEWS



For Immediate Release

Primary Energy Recycling Corporation

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PRIMARY ENERGY RECYCLING CORPORATION ANNOUNCES NEWS REGARDING ITS MANAGER

Oak Brook, Illinois – May 1, 2006 -- Primary Energy Recycling Corporation (TSX:PRI.UN), announces that it has been informed by Primary Energy Ventures LLC, (the Company’s manager, “PEV”) that PEV has engaged a financial advisor to explore strategic alternatives, which could include a sale of the current equity shareholders interests in PEV. PEV provides management services to the Company and its subsidiaries and is the owner of eight energy projects (the “ROFO Projects”) for which the Company has a contractual right of first offer. The process PEV is engaged in is not expected to affect the current management contract.

PEV’s controlling shareholder, American Securities Capital Partners (ASCP), a New York private equity investment firm, has been backing PEV since 2003. “Our partnership with American Securities Capital Partners has been quite successful, building a portfolio of thirteen energy recycling facilities with long term contracts that produce highly predictable, stable cash flows,” said Thomas R. Casten, CEO of PEV. “However, we are exploring alternatives that will allow us to continue our successful growth. Regardless of the outcome of this process, it is business as usual for the Company and its public security holders; PEV will continue to work closely with the Company’s board of directors to ensure that the Company receives high quality management services.”

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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