QUARTERLY REPORT

SECOND QUARTER 2000

PrimeWest builds with acquisitions, posts second straight quarter of record financial performance, expects record full-year distributions

Calgary, August 15, 2000 (TSE: PWI.UN) -- PrimeWest Energy Trust (PrimeWest) today announced interim operating and record financial results for the second quarter ended June 30, 2000. Cash flow from operations was $0.62 per trust unit, ($0.61 per trust unit fully diluted) of which $0.39 per trust unit was distributed to unitholders.

Second-quarter per-unit cash flow was the strongest in the history of the Trust, representing a 24-percent increase over the previous record achieved during the first quarter of 2000 and a 114-percent improvement over the comparative quarter in 1999.

Distribution declaration

The next distribution payment, totalling $0.16 per trust unit, will be made on September 15, 2000, to all unitholders of record on August 31, 2000. With the regular and extra distributions in September, PrimeWest will have paid a total of $1.46 per trust unit during the previous 12-month period (October 1999 through September 2000), and $4.71 per trust unit since inception. The ex-distribution date for the September payment is August 29, 2000.

"PrimeWest remains on track for best-ever cash flow and distributions this year," said Kent MacIntyre, Vice-chairman and CEO. "Unitholders have enjoyed the momentum and impacts of our successful acquisition program this year, continuing cost reductions and the benefits of strong commodity prices."

"At the same time as we are paying record distributions, we are also managing our debt prudently, so that we will be strongly positioned in the event that commodity prices cycle downwards."

PrimeWest Energy Trust is a Calgary-based conventional oil and gas royalty trust, actively managed for the benefit of unitholders. The trust generates monthly cash distributions by acquiring, developing, producing and selling crude oil, natural gas and natural gas liquids in Western Canada.

PrimeWest Energy Trust

TSE TRADING SYMBOL PWI.UN

Operating highlights

	Three months ended June 30			Six months ended June 30		
	2000	1999	Change	2000	1999	Change
Daily sales volumes						
Crude oil and natural gas liquids (barrels)	7,575	7,082	7%	7,302	7,288	-
Natural gas (thousand cubic feet)	48,388	47,342	2%	48,258	48,122	-
Total (barrels of oil equivalent)	12,414	11,816	5%	12,128	12,100	-
Average selling prices						
Crude oil and natural gas liquids ($/bbl)	33.45	20.58	63%	33.15	17.90	85%
Natural gas ($/Mcf)	3.99	2.21	81%	3.50	2.22	58%
Operating netback ($/BOE)						
Revenues	37.22	21.32	75%	34.61	19.69	76%
Royalties, net of ARTC	(6.56)	(3.38)	94%	(6.31)	(3.13)	102%
Operating expenses	(6.30)	(6.41)	(2%)	(6.30)	(6.43)	(2%)
Operating netback	24.36	11.53	111%	22.00	10.13	117%

Financial highlights

(thousands of dollars except per-BOE and per-trust-unit amounts)	Three months ended June 30			Six months ended June 30		
	2000	1999	Change	2000	1999	Change
Cash flow from operations	24,114	9,726	148%	42,040	16,900	149%
per BOE	21.34	9.05	136%	19.05	7.72	147%
per trust unit	0.62	0.29	114%	1.13	0.51	122%
Operating revenues, net of royalties	34,641	19,293	80%	62,470	36,274	72%
per BOE	30.66	17.94	71%	28.30	16.56	71%
per trust unit	0.89	0.58	53%	1.68	1.10	53%
Operating expenses	7,122	6,895	3%	13,914	14,075	(1%)
per BOE	6.30	6.41	(2%)	6.30	6.43	(2%)
per trust unit	0.18	0.21	(14%)	0.37	0.43	(14%)
Cash G&A expenses	1,260	1,291	(2%)	2,364	2,519	(6%)
per BOE	1.12	1.20	(7%)	1.07	1.15	(7%)
per trust unit	0.03	0.04	(25%)	0.06	0.08	(25%)
Cash management fees	716	328	118%	1,266	588	115%
per BOE	0.63	0.31	103%	0.57	0.27	111%
per trust unit	0.02	0.01	100%	0.03	0.02	50%
Financing costs	1,429	1,053	36%	2,886	2,192	32%
per BOE	1.27	0.98	30%	1.31	1.00	31%
per trust unit	0.04	0.03	33%	0.08	0.07	14%
Cash distributed to unitholders	15,089	7,605	98%	25,842	13,553	91%
per BOE	13.36	7.07	89%	11.71	6.19	89%
per trust unit	0.39	0.23	70%	0.69	0.41	68%

(thousands of dollars)	June 30, 2000	March 31, 2000	December 31, 1999
Net debt (long-term debt net of working capital)	83,741	83,467	85,856
Debt-to-current-cash flow (annualized)	0.87	1.16	2.09

Management's Discussion and Analysis (MD&A)

The following discussion is management's opinion about PrimeWest's operating and financial results for the second quarter of 2000 and previous periods, and the Trust's future outlook based on currently available information. This discussion should be read in conjunction with the Trust's annual MD&A and audited consolidated financial statements for the years ended December 31, 1999 and 1998, together with the accompanying notes. These are included on pages 24 through 42 of PrimeWest's 1999 annual report to unitholders.

We have a balanced strategy of financial prudence – managing our current capital structure while providing for the future.

Results of operations

- Production volumes for the quarter averaged 12,414 barrels of oil equivalent (BOE) per day, up from 11,841 BOE in the first quarter of 2000 and from 11,816 BOE in the second quarter of 1999. The increase reflects new volumes from the Trust's acquisition and development program, which offset natural production declines.

- PrimeWest participated in a total of 20 separate development projects during the quarter, as part of an operating strategy that has shifted towards project diversification and an increased emphasis on technology and stewardship. Our second-quarter projects included: the drilling and completion of two wells in Lone Pine Creek and Enchant, the re-completion and / or work-over of 15 wells, and repairs and maintenance at five facilities. We also abandoned and / or reclaimed 10 wells.

- The combined result of these activities was the addition of approximately 250 BOE per day of production on an annualized basis.

- During the quarter, world oil prices remained extremely strong. The average West Texas Intermediate (WTI) crude oil price was US$28.63 per barrel compared with US$28.73 in the first quarter of this year and US$17.66 per barrel for the second quarter of 1999. During the quarter, North American prices for natural gas rose sharply both on the New York Mercantile Exchange (NYMEX) and in the Alberta markets compared with the first quarter of 2000 and the same period last year. The average AECO price was $4.23 per million cubic feet (Mcf) compared with $3.16 for the first quarter of 2000 and $2.66 for the same quarter in 1999.

The key aim of our risk management strategy – to provide an element of stability and predictability to our monthly distributions, while maintaining the opportunity to capture benefit from strong prices.

- The average selling price PrimeWest received in the second quarter for all products combined increased to $37.22 per BOE compared with $31.73 per BOE in the first quarter of 2000 and $21.32 per BOE in the second quarter of 1999.
- In late 1999 and early 2000, PrimeWest layered in several hedging structures, which at June 30, 2000, represented approximately 38 percent of total anticipated crude oil production to year-end, and about 20 percent of anticipated full-year natural gas production (both figures after royalties). The main purposes of our risk management strategy have been to protect PrimeWest's regular monthly distribution rate of $0.10 per trust unit, and to provide an element of stability and predictability to the distribution stream.

At June 30, 2000, hedging structures represented about 20 percent of total anticipated crude oil production to June 30, 2001, and approximately 11 percent of total anticipated natural gas production for the same period.

PrimeWest will continue to monitor the markets for both crude oil and natural gas and make considered risk-management decisions to minimize opportunity losses while at the same time preserve an element of stability and predictability in our distribution stream. The effect of these hedging transactions will continue to be reported quarterly.

The following tables show the effect of hedging transactions for the next four quarters.

Crude oil hedging (as at June 30, 2000)

	Quarter ended Sept. 30, 2000	Quarter ended Dec. 31, 2000	Quarter ended Mar. 31, 2001	Quarter ended Jun. 30, 2001
Volume hedged(3) ***(as a percentage of total anticipated crude oil production after royalties)***	59%	20%	0%	0%
(barrels per day)	3,000	1,000	0	0

(U.S. dollars per barrel) **If WTI is:**	**PrimeWest receives(1)**	**PrimeWest receives(1)**	**PrimeWest receives(2)**	**PrimeWest receives(2)**
30.00	27.86	28.18	30.00	30.00
28.00	26.99	27.68	28.00	28.00
26.00	25.83	26.18	26.00	26.00
24.00	24.33	24.68	24.00	24.00
22.00	23.99	24.68	22.00	22.00
20.00	21.99	24.68	20.00	20.00
18.00	21.49	23.18	18.00	18.00

(1) Prices received on hedged sales only. Actual prices realized are a weighted average blend of hedged prices received per the above table and unhedged sales at the prevailing market prices.
(2) The prevailing market price received, as all volumes are unhedged.
(3) Does not include Reserve Royalty volumes.

Natural gas hedging (as at June 30, 2000)

	Quarter ended Sept. 30, 2000	Quarter ended Dec. 31, 2000	Quarter ended Mar. 31, 2001	Quarter ended Jun. 30, 2001
Volume hedged(3) ***(as a percentage of total anticipated natural gas production after royalties)***	26%	11%	7%	0%
(millions of cubic feet per day)	12.3	6.0	4.0	0.0

(Canadian dollars per Mcf) **If AECO is:**	**PrimeWest receives(1)**	**PrimeWest receives(1)**	**PrimeWest receives(1)**	**PrimeWest receives(2)**
4.50	3.61	3.52	3.70	4.50
4.00	3.61	3.52	3.70	4.00
3.75	3.61	3.52	3.70	3.75
3.50	3.61	3.39	3.50	3.50
3.25	3.53	3.19	3.25	3.25
3.00	3.45	2.99	3.00	3.00
2.75	3.43	2.94	2.95	2.75

(1) Prices received on hedged sales only. Actual prices realized are a weighted average blend of hedged prices received per the above table and unhedged sales at the prevailing market prices. Approximately 48 percent of 2000 gas volumes is sold through aggregators, with the remaining 52 percent sold into the Alberta short- and long-term markets.
(2) The prevailing market price received, as all volumes are unhedged.
(3) Does not include Reserve Royalty volumes.

Our operating excellence strategy: pursue a conservative program of property development focused on lowering operating costs and arresting the natural declines in mature producing properties.

- **Revenues** – Revenues from the sales of crude oil, natural gas and natural gas liquids were $42.0 million or $1.08 per trust unit, up 83 percent over the same period in 1999 due to higher commodity prices and higher production volumes. Opportunity losses from hedging activities for the period were $2.2 million or $0.06 per trust unit.

- **Cash flow** – Cash flow from operations was $24.1 million or $0.62 per trust unit for the quarter compared with $17.9 million or $0.50 per trust unit in the first quarter of 2000 and $9.7 million or $0.29 per trust unit posted in the second quarter of 1999. These increases are due mainly to higher commodity prices.

- **Royalties** – Crown and other royalties, net of ARTC, were $7.4 million up from $6.5 million in the first quarter of 2000 due to the Venator acquisition and higher commodity prices, and up from $3.6 million in the second quarter of 1999. The year-over-year increase was due to higher commodity prices received, higher royalty rates, and a lower ARTC claim rate. (Royalty rates and ARTC claim rates are sensitive to commodity prices.)

- **Operating expenses** – Operating expenses were $7.1 million for the second quarter or $6.30 per BOE, up in aggregate from $6.8 million in the first quarter due to the effects of the acquisition of Venator but flat on a per-BOE basis. Compared with the corresponding period in 1999, second quarter operating expenses were up three percent in aggregate and down two percent per BOE.

- **Operating netback** – PrimeWest's operating netback (before G&A, management fees and interest expense) was $24.36 per BOE, up from $19.52 per BOE in the first quarter of 2000 and $11.53 per BOE in the corresponding period last year. These increases were due mainly to higher commodity prices, offset by higher crown and other royalties.

- **General and administrative expenses** – Cash general and administrative expenses, net of overhead recoveries, were $1.26 million or $1.12 per BOE, up slightly from the first quarter of 2000, yet down three percent from the same period in 1999. Non-cash general and administrative costs, representing the liability associated with the Trust's long-term incentive program, were $4.0 million in the quarter, up from $0.5 million in the first quarter of 2000. There were no costs for this program in the corresponding period in 1999, as the program was not 'in the money' at that time. This is a non-cash charge in that payouts are made by the issuance of trust units upon exercise.

Asset replenishment -- another key to long-term stability of PrimeWest and its cash distributions to unitholders. We work to increase the size, diversity and quality of our asset base.

- Management fees – Cash and non-cash management fees increased to $0.88 million for the quarter as compared with $0.67 million in the first quarter of 2000 and $0.44 million for the corresponding period in 1999. Management fees are mainly based on net production revenue, which itself is highly dependent on commodity prices received.

- Interest expense – Interest expense was $1.4 million compared with $1.5 million in the first quarter of 2000 and $1.1 million in the corresponding period of 1999. The increases have been due to higher interest rates.

- Depletion, Depreciation and Amortization (DD&A) – The second-quarter 2000 DD&A rate was $8.78 per BOE compared with a first-quarter rate of $8.55 per BOE (due to the Venator acquisition) and with a 1999 rate of $8.05 per BOE (due in part to proven reserve reductions booked at the end of 1999).

- Site reclamation and restoration reserve – During the second quarter, PrimeWest reserved $0.3 million or $0.30 per produced BOE for future site restoration and reclamation. This compares with $0.3 million or $0.30 per produced BOE in the first quarter, and $0.2 million or $0.20 per produced BOE in the second quarter of 1999. The increase in 2000 reflects a more conservative contribution policy, which PrimeWest considers to be among the most prudent in the sector.

- Liquidity and capital resources – Capital expenditures, excluding acquisitions, totalled $4.5 million during the quarter. First-quarter 2000 capital expenditures, excluding acquisitions, also totalled $4.5 million.

Net debt (long-term debt net of working capital) at June 30, 2000, was $83.7 million or $2.16 per trust unit. This compares with $83.5 million or $2.33 per trust unit at March 31, 2000 and $85.8 million or $2.40 per trust unit at year-end 1999.

- Unitholders' equity – In November 1999 PrimeWest received consent from The Toronto Stock Exchange to implement a trust unit repurchase program for up to 1.8 million trust units. To August 14, 2000, we had repurchased for retirement a total of 263,100 trust units at an average price of $6.39 per trust unit, for a total of $1.68 million.

"PrimeWest is on track for best-ever cash flow and distributions this year. Unitholders have enjoyed the momentum and impacts of our successful acquisition program this year, continuing cost reductions and the benefits of strong commodity prices."

Developments and outlook

- **Distribution reinvestment discount** – PrimeWest's Distribution Reinvestment Plan enables participants to reinvest their monthly cash distributions and automatically purchase additional trust units directly, at a five-percent discount to the prevailing market value, without incurring brokerage fees or other expenses.

For further information or to join this plan, contact our Plan Agent, The Trust Company of Bank of Montreal, at 1-800-332-0095. PrimeWest Energy Trust welcomes questions from unitholders and potential investors; call Investor Relations at 403-234-6600 or toll-free in Canada at 1-877-968-7878; or visit us on the Internet at our Web site, primewestenergy.com.

- **Reserve Royalty acquisition** – On July 27, 2000, PrimeWest announced that its offer to purchase Reserve Royalty Corporation was successful. We have begun to integrate the two companies' operations.

The bulk of Reserve Royalty's assets are in the form of gross overriding royalties (GORRs). GORRs provide an economic interest in oil and gas production without any obligation for the payment of lessor royalties, operating costs, capital expenditures or environmental liability costs. This results in high netbacks per unit of production.

Reserve Royalty also owns some 300,000 net acres of undeveloped royalty lands, which may provide future production and reserve additions with no exploration or development risk or capital contribution.

The transaction adds approximately 5.3 million barrels of established reserves and, beginning August 1, 2000, approximately 1,500 BOE of daily production. It was completed through an exchange of 6.66 million trust units worth $54 million plus approximately $27 million of assumed net debt.

The transaction will drive synergies and economies of scale. To illustrate, PrimeWest's first-quarter-2000 G&A costs per unit of production were about one-fifth that of Reserve Royalty's. We can administer these properties more effectively as a larger organization.

- **Venator acquisition** – On April 18, 2000, PrimeWest announced that its offer to purchase Venator Petroleum Company Limited was successful. PrimeWest has now integrated the two companies' operations. The transaction added 4.3 million barrels of established reserves and, effective April 19, 2000, approximately 1,300 BOE of daily production.

PrimeWest's capital budget was increased earlier in the year for waterflood optimization and development drilling on the Venator properties. In June and July, two successful oil wells were drilled at Enchant.

- **Crossfield developments** – In June, PrimeWest took additional steps to increase the value of its Crossfield-area assets. These initiatives will increase the operational efficiency of the Crossfield gas plant, increase third-party processing revenues, add production and reserves, and enhance the economic value of the Trust's reserves in the area.

PrimeWest has sold a 25.8-percent interest in the Crossfield plant to TriGas Exploration Inc. (TriGas). In consideration of this, TriGas has dedicated for processing at the plant all of its operated production from three nearby fields, on a life-of-reserves basis. TriGas has significant shut-in gas in these fields and an active exploration and development program planned for the next two years.

In a subsequent transaction, PrimeWest agreed to purchase TransCanada Midstream's 39-percent interest in the Crossfield plant and D1 Unit, however this transaction did not close as a third party exercized a first right of refusal. This third party has an active drilling program nearby and is expected to deliver additional gas volumes to the Crossfield plant over the next two years.

These transactions set the stage for a series of capacity and efficiency improvements, all of which have begun as part of PrimeWest's expanded 2000 capital budget announced May 11, 2000.

- A $3.5-million ($1.0-million net to PrimeWest) plant de-bottlenecking project will increase the plant's maximum throughput capacity. Capacity will grow from the current rating of 107 million cubic feet (MMcf) per day of raw gas (which, due to bottlenecks, is effectively limited to the current throughput of 85 MMcf per day) to 120 MMcf per day. The de-bottlenecking will enable the processing by year-end 2000 of additional volumes of area gas, which are currently shut-in. Greater throughput will further reduce per-unit processing expenses.
- A $1.78-million ($512,000 net to PrimeWest) plant-automation project, expected to be completed by year-end, will further reduce facility operating costs, including those for fuel gas consumption associated with utility loading.
- A $663,000 ($362,000 net to PrimeWest) compressor re-wheeling project was completed in early July, and has increased

D1 Unit raw gas deliverability by some 2.0 MMcf/d (1.1 net to PrimeWest). As a result of lower suction pressures a review of suspended unit wells is under way to determine if additional production can be obtained.

In addition to this, PrimeWest has voluntarily de-grandfathered the plant to comply with new, more stringent government regulations stipulating acceptable levels of emissions.

- Distribution outlook – Taking into account year-to-date distributions declared and paid, and those anticipated for the upcoming months, PrimeWest expects that full-year distributions declared will be not less than $1.65 per trust unit. Monthly distribution levels are assessed on at least a quarterly basis.

"We continue to execute well on all four of our strategies – financial prudence, risk management, operating excellence and asset replenishment," said President and Chief Operating Officer Hugh Gillard. "The two acquisitions we have completed so far this year and our initiatives at Crossfield are concrete steps forward for us."

"These and other efforts are helping us to hold PrimeWest's operating costs in check, mitigate the natural production declines on existing properties, and add material new reserves and production."

Second quarter conference call and Webcast

PrimeWest will be conducting a conference call and Webcast for interested analysts, brokers, investors and media representatives about its second quarter results and outlook for 2000 at 2:00 p.m. Mountain time (4:00 p.m. Eastern time) on August 16, 2000.

Callers may dial 1-800-361-1028 a few minutes prior to start and request the PrimeWest conference call. The call also will be available for replay by dialing 1-877-289-8525, and entering pass code 13725 followed by the pound (#) key.

Interested users of the Internet are invited to go to www.newswire.ca/webcast/pages/primewest20000816.html for the live Webcast and/or replay and at the PrimeWest Web site, www.primewestenergy.com.

On behalf of the Board of Directors:

August 15, 2000

Kent J. MacIntyre
Vice-chairman and
Chief Executive Officer

D. Hugh Gillard
President and
Chief Operating Officer

PRIMEWEST ENERGY TRUST
CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(thousands of dollars)

	June 30, 2000	December 31, 1999
Assets		
Current assets		
Cash	2,080	5,503
Accounts receivable	22,603	21,811
Short-term investments	-	174
Prepaid expenses	3,256	2,452
	27,939	29,940
Cash reserved for site restoration and reclamation	851	1,060
Capital assets	312,023	289,210
	340,813	320,210
Liabilities and unitholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	24,871	18,675
Accrued distributions to unitholders	6,113	3,555
Due to related company	1,653	1,280
Current portion of long-term debt	106	106
	32,743	23,616
Long-term debt	78,937	92,180
Long-term incentive liability	4,521	475
Site restoration and reclamation provision	3,864	3,899
	120,065	120,170
Unitholders' equity		
Net capital contributions	339,948	311,049
Accumulated income (loss)	15,733	(2,379)
Accumulated cash distributions	(133,327)	(107,485)
Accumulated dividends	(1,606)	(1,145)
	220,748	200,040
	340,813	320,210

PRIMEWEST ENERGY TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY (UNAUDITED)

(thousands of dollars)

	June 30, 2000	December 31, 1999
Unitholders' equity, beginning of the period	200,040	213,214
Net income for the period	18,112	5,985
Net capital contributions	28,899	18,598
Cash distributions	(25,842)	(37,351)
Dividends	(461)	(406)
Unitholders' equity, end of the period	220,748	200,040

PRIMEWEST ENERGY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(thousands of dollars)	**Three months ended June 30**		**Six months ended June 30**	
	2000	1999	2000	1999
OPERATING ACTIVITIES				
Net income (loss) for the period	10,032	831	18,112	(1,226)
Add: Items not involving cash from operations				
Depletion, depreciation and amortization	9,921	8,654	19,139	17,481
Corporate acquisition costs expensed	-	139	-	1,138
Investment income	-	(11)	-	(705)
Non-cash general and administrative	3,999	-	4,512	-
Non-cash management fees	162	113	277	212
Funds from operations	24,114	9,726	42,040	16,900
Change in non-cash working capital	4,113	(918)	4,975	(5,004)
	28,227	8,808	47,015	11,896
FINANCING ACTIVITIES				
Proceeds from issue of trust units (net of costs)	28,210	110	28,433	222
Cash distributions to unitholders	(15,089)	(7,605)	(25,842)	(13,553)
Dividends	(343)	(105)	(461)	(186)
Increase (decrease) in long-term debt	(10,756)	7,288	(13,243)	12,023
Change in non-cash working capital	2,537	120	2,281	121
	4,559	(192)	(8,832)	(1,373)
INVESTING ACTIVITIES				
Corporate acquisition costs	(32,258)	(139)	(32,258)	(1,138)
Expenditures on capital assets	(4,497)	(4,340)	(7,753)	(7,610)
Acquisition of capital assets	(750)	(3,275)	(1,994)	(4,642)
Proceeds on disposal of capital assets	849	72	849	3,654
Increase (decrease) in cash reserved for future site restoration and reclamation	307	(234)	208	(485)
Expenditures on site restoration and reclamation	(654)	(141)	(832)	(168)
Proceeds on disposition of short-term investments	2	267	174	293
	(37,001)	(7,790)	(41,606)	(10,096)
Increase (decrease) in cash for the period	(4,215)	826	(3,423)	427
Cash, beginning of the period	6,295	800	5,503	1,199
Cash, end of the period	2,080	1,626	2,080	1,626

PRIMEWEST ENERGY TRUST
CONSOLIDATED STATEMENTS OF INCOME AND CASH AVAILABLE FOR DISTRIBUTION (UNAUDITED)

(thousands of dollars, except for per-trust-unit and number of units)	Three months ended June 30		Six months ended June 30	
	2000	1999	2000	1999
REVENUES				
Sales of crude oil, natural gas and natural gas liquids	41,962	22,860	76,273	43,003
Crown and other royalties, net of ARTC	(7,411)	(3,633)	(13,927)	(6,852)
Other income	90	77	124	828
	34,641	19,304	62,470	36,979
EXPENSES				
Operating	7,122	6,895	13,914	14,075
Cash general and administrative	1,260	1,291	2,364	2,519
Non-cash general and administrative	3,999	-	4,512	-
Interest	1,429	1,053	2,886	2,192
Corporate acquisition costs	-	139	-	1,138
Cash management fees	716	328	1,266	588
Non-cash management fees	162	113	277	212
Depletion, depreciation and amortization	9,921	8,654	19,139	17,481
	24,609	18,473	44,358	38,205
Net income (loss) for the period	10,032	831	18,112	(1,226)
Add back (deduct) amounts to reconcile to distribution:				
Undistributed reserve	(8,542)	(1,813)	(15,251)	(2,756)
Corporate acquisition income, net of costs	-	128	-	433
Depletion, depreciation and amortization	9,921	8,654	19,139	17,481
Contribution to reclamation fund	(330)	(231)	(687)	(454)
Non-cash general and administrative	3,999	-	4,512	212
Management fees paid in trust units	162	113	277	-
	5,210	6,851	7,990	14,916
CASH AVAILABLE FOR DISTRIBUTION	15,242	7,682	26,102	13,690
Cash available to trust unitholders (99 percent)	15,089	7,605	25,842	13,553
Cash available for distribution per trust unit	0.39	0.23	0.69	0.41
Net income (loss) per trust unit	0.26	0.03	0.49	(0.04)
Fully diluted net income (loss) per trust unit	0.25	0.03	0.48	(0.04)
Trust units issued and outstanding	38,771,852	33,069,350	38,771,852	33,069,350
Weighted average trust units outstanding	38,720,005	33,065,844	37,288,330	33,055,815
Exchangeable shares outstanding	1,360,316	-	1,360,316	-
Exchange ratio (as at July 15/00)	1.0352			

Notes to Consolidated Financial Statements
For the Three Months Ended June 30, 2000

(1) Acquisition of Venator Petroleum Company Limited

On April 19, 2000, PrimeWest Resources Ltd., a subsidiary company of PrimeWest Energy Inc., completed the acquisition of all of the issued and outstanding shares of Venator Petroleum Company Limited (“Venator”) on a share for share exchange. PrimeWest issued 0.65 trust units or 0.65 exchangeable shares of PrimeWest Resources Ltd. for each Venator share. In aggregate, 2.4 million trust units and 2.0 million exchangeable shares were issued for total consideration, including debt assumed, of $31.24 million. Subsequent to the transaction, Venator was dissolved and all of its assets distributed to PrimeWest. The acquisition was accounted for using the purchase method of accounting.

(2) Exchangeable Shares of PrimeWest Resources Ltd.

In connection with the Venator acquisition, PrimeWest Resources Ltd. amended its articles to create an unlimited number of exchangeable shares. The exchangeable shares are exchangeable into PrimeWest trust units at anytime up to April 18, 2005, based on an exchange ratio that adjusts each time PrimeWest makes a distribution to unitholders. In certain circumstances, PrimeWest has the right to require redemption prior to that date. Dividends are paid to holders of record based on the estimated taxable portion of the monthly distribution paid. The exchange ratio, which was 1:1 on the date the transaction closed, is based on the total monthly distribution paid less the dividend paid, divided by the closing unit price on the distribution payment date. The exchange ratio, effective July 15, 2000, is 1.0352:1 and there are 1.36 million exchangeable shares outstanding.

Trading performance

	For the quarter ended				
	Jun. 30/00	Mar. 31/00	Dec. 31/99	Sept. 30/99	Jun. 30/99
Unit prices *(dollars per trust unit)*					
High	8.10	7.40	7.10	7.70	7.05
Low	6.30	6.30	6.15	6.65	5.75
Close	8.05	6.40	6.65	7.10	6.80
Volume traded *(millions of units)*	7.96	4.64	3.24	3.22	2.37
Number of units outstanding *(millions of units)*	38.80	35.85	35.77	33.10	33.07
Distribution paid per trust unit	$0.39	$0.30	$0.35	$0.34	$0.23

Forward-looking statements - This news release contains forward-looking statements with respect to PrimeWest. Some of these statements include words to indicate that management 'intends', 'expects', or 'believes' that an outcome will occur. Because forward-looking statements address future events and conditions, they involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. These risks and uncertainties include commodity price levels and differentials, production levels, new information about the recoverability of reserves, and operating and other costs. They also include other risks detailed from time to time in the publicly filed disclosure documents and securities commissions reports of PrimeWest.

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