

QUARTERLY REPORT

THIRD QUARTER 2000

PrimeWest Energy Trust posts third straight record quarter, expects to pay 20 cents per month through April 2001

Calgary, November 8, 2000 (TSE: PWI.UN) -- PrimeWest Energy Trust (PrimeWest) today announced interim operating and financial results for the third quarter ended September 30, 2000. Cash flow from operations was \$0.62 per trust unit, (\$0.60 per trust unit fully diluted) of which \$0.48 per trust unit was distributed to unitholders.

Third-quarter cash flow of \$29.2 million was a record for the Trust, up from \$24.1 million in the second quarter of 2000 and \$10.9 million over the comparative period in 1999.

Distribution declaration

The next distribution payment, totalling \$0.20 per trust unit (\$0.10 regular plus \$0.10 special), will be made on December 15, 2000, to all unitholders of record on November 30, 2000. With the regular and special distributions in December, PrimeWest will have paid a total of \$1.67 per trust unit during the previous 12-month period (January 2000 through December 2000), and \$5.27 per trust unit since inception. The ex-distribution date for the December payment is November 28, 2000.

PrimeWest expects to pay a total of \$0.20 per trust unit per month at least until the March 2001-declared distribution for payment in April.

“PrimeWest is maturing as one of the core holdings in the oil and gas royalty trust sector, “ said Vice-chairman and CEO Kent MacIntyre. “Unitholders are benefitting from the results of our acquisition and financing activities this year, as well as our focus on operating excellence and cost efficiency.”

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

THIRD QUARTER 2000

Operating highlights

	Three months ended September 30			Nine months ended September 30		
	2000	1999	Change	2000	1999	Change
Daily sales volumes						
Crude oil and natural gas liquids (barrels)	8,608	7,150	20%	7,740	7,241	7%
Natural gas (thousand cubic feet)	52,102	41,273	26%	49,549	45,815	8%
Total (barrels of oil equivalent)	13,818	11,277	23%	12,695	11,823	7%
Average selling prices						
Crude oil and natural gas liquids (\$/bbl)	38.56	23.20	66%	34.67	19.66	76%
Natural gas (\$/Mcf)	4.20	2.70	56%	3.74	2.37	58%
Operating netback (\$/BOE)						
Revenues	39.98	24.78	61%	36.57	21.33	71%
Royalties, net of ARTC	(7.66)	(4.26)	80%	(6.80)	(3.49)	95%
Operating expenses	(6.42)	(6.95)	(8%)	(6.34)	(6.59)	(4%)
Operating netback	25.90	13.57	91%	23.43	11.25	108%

Financial highlights

(thousands of dollars except per-BOE and per-trust-unit amounts)

	Three months ended September 30			Nine months ended September 30		
	2000	1999	Change	2000	1999	Change
Operating revenues, net of royalties	41,091	21,290	93%	103,561	57,564	80%
per BOE	32.32	20.52	58%	29.77	17.84	67%
per trust unit	0.87	0.64	36%	2.50	1.74	44%
Operating expenses	8,156	7,209	13%	22,069	21,283	4%
per BOE	6.42	6.95	(8%)	6.34	6.59	(4%)
per trust unit	0.17	0.22	(23%)	0.53	0.64	(17%)
Cash G&A expenses	715	1,403	(49%)	3,080	3,900	(21%)
per BOE	0.56	1.35	(58%)	0.89	1.21	(26%)
per trust unit	0.02	0.04	(50%)	0.07	0.12	(42%)
Cash management fees	846	371	128%	2,112	959	120%
per BOE	0.67	0.36	86%	0.61	0.30	103%
per trust unit	0.02	0.01	100%	0.05	0.03	67%
Financing costs	1,807	1,450	25%	4,692	3,642	29%
per BOE	1.42	1.40	1%	1.35	1.13	19%
per trust unit	0.04	0.04	-%	0.11	0.11	-%
Cash flow from operations	29,157	10,857	168%	71,197	27,780	156%
per BOE	22.93	10.46	119%	20.47	8.61	138%
per trust unit	0.62	0.33	88%	1.72	0.84	105%
Cash distributed to unitholders	22,702	11,250	102%	48,544	24,803	96%
per BOE	17.86	10.84	65%	13.96	7.68	82%
per trust unit	0.48	0.34	41%	1.17	0.75	56%

(thousands of dollars)

	September 30, 2000	June 30, 2000	March 31, 2000
Net debt (long-term debt net of working capital)	77,529	83,741	83,467
Debt-to-current-cash flow (annualized)	0.66	0.87	1.16

Management's Discussion and Analysis (MD&A)

The following discussion is management's opinion about PrimeWest's operating and financial results for the third 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 a record 13,818 barrels of oil equivalent (BOE) per day, up from 12,414 BOE in the second quarter of 2000 and from 11,277 BOE in the third quarter of 1999. The increase reflects new volumes from the Trust's acquisition and development program, which offset natural production declines.

The acquisition of Reserve Royalty Corporation added 1,455 BOE per day of production to PrimeWest, effective July 27, 2000, (970 BOE per day averaged over the full three months of the quarter).

- PrimeWest participated in a total of 29 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 third-quarter projects included: the drilling and completion of three oil wells (two at Enchant and one at Boundary Lake), the re-completion and/or work-over of 23 wells, and repairs and maintenance at two facilities. We also abandoned and/or reclaimed eight wells.

The combined result of these activities was the addition of approximately 480 BOE per day of production.

- During the quarter, world oil prices remained extremely strong. The average West Texas Intermediate (WTI) crude oil price was US\$31.58 per barrel compared with US\$28.63 in the second quarter of this year and US\$21.72 per barrel for the third 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 second quarter of 2000 and the same period last year. The average AECO price was \$5.26 per thousand cubic feet (Mcf) compared with \$4.24 for the second quarter of 2000 and \$3.15 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 third quarter for all products combined increased to \$39.98 per BOE compared with \$37.22 per BOE in the second quarter of 2000 and \$24.78 per BOE in the third quarter of 1999.
- In late 1999 and early 2000, PrimeWest layered in several hedging structures, which at September 30, 2000, represented approximately 38 percent of total anticipated crude oil production to year-end, and about 29 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 special monthly distribution stream.

At the quarter end, hedging structures for the twelve-month period ending September 30, 2001 represented about 26 percent of total anticipated crude oil production and approximately 23 percent of total anticipated natural gas production.

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 September 30, 2000)

	Quarter ended Dec. 31, 2000	Quarter ended Mar. 31, 2001	Quarter ended Jun. 30, 2001	Quarter ended Sept. 30, 2001
Volume hedged (as a percentage of total anticipated crude oil production after royalties)	38%	60%	0%	0%
(barrels per day)	2,334	3,500	0	0
<i>(U.S. dollars per barrel)</i>				
If WTI is:	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽²⁾	PrimeWest receives⁽²⁾
36.00	31.69	35.51	36.00	36.00
34.00	30.80	34.00	34.00	34.00
32.00	29.91	32.00	32.00	32.00
30.00	29.03	30.00	30.00	30.00
28.00	28.33	29.01	28.00	28.00
26.00	27.50	28.86	26.00	26.00
24.00	26.66	28.86	24.00	24.00
22.00	26.66	28.86	22.00	22.00
20.00	26.66	28.58	20.00	20.00

- (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 prevailing market prices.
(2) The prevailing market price received, as all volumes are unhedged.

Natural gas hedging (as at September 30, 2000)

	Quarter ended Dec. 31, 2000	Quarter ended Mar. 31, 2001	Quarter ended Jun. 30, 2001	Quarter ended Sept. 30, 2001
Volume hedged (as a percentage of total anticipated natural gas production after royalties)	29%	33%	15%	15%
(millions of cubic feet per day)	16.5	18.5	8.0	8.0
<i>(Canadian dollars per Mcf)</i>				
If AECO is:	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾
7.00	5.35	6.45	5.77	5.77
6.50	5.10	6.04	5.45	5.45
6.00	4.80	5.62	5.14	5.14
5.50	4.52	5.20	4.83	4.83
5.00	4.32	4.87	4.52	4.52
4.50	4.21	4.75	4.40	4.40
4.00	4.21	4.75	4.40	4.40
3.50	4.20	4.70	4.30	4.30
3.00	4.10	4.62	4.10	4.10

- (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 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.

- Our operating excellence strategy: pursue a conservative program of property development focused on lowering operating costs and arresting the natural production declines in mature producing properties.
- **Revenues** – Revenues from the sales of crude oil, natural gas and natural gas liquids for the third quarter were \$50.7 million or \$1.07 per trust unit, up 97 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 \$2.8 million or \$0.06 per trust unit.
 - **Cash flow** – Cash flow from operations was \$29.2 million or \$0.62 per trust unit for the quarter compared with \$24.1 million or \$0.62 per trust unit in the second quarter of 2000 and \$10.8 million or \$0.33 per trust unit posted in the third quarter of 1999. These increases are due to higher commodity prices, higher production volumes and lower operating costs.
 - **Royalties** – Crown and other royalties, net of ARTC, were \$9.7 million during the third quarter, up from \$7.4 million in the second quarter of 2000 due to the Venator acquisition and higher commodity prices, and up from \$4.4 million in the third quarter of 1999. The increases were 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 \$8.2 million for the third quarter or \$6.42 per BOE, up in aggregate from \$7.1 million in the second quarter due to the effects of the acquisition of Venator and Reserve Royalty and turnaround costs at Crossfield. Compared with the corresponding period in 1999, third quarter operating expenses were up 13 percent in aggregate and down eight percent per BOE. Expenses increased temporarily in the Boundary Lake area (for trucking and storage) following a line break in the Pembina Pipeline system. We expect that operating costs per BOE will improve in the fourth quarter with the full effects of Reserve Royalty and Venator production.
 - **Operating netback** – PrimeWest's third quarter operating netback (before G&A, management fees and interest expense) was \$25.90 per BOE, up from \$24.36 per BOE in the second quarter of 2000 and \$13.57 per BOE in the corresponding period last year. These increases were due mainly to higher commodity prices and lower operating costs, offset by higher crown and other royalties.
 - **Cash general and administrative expenses** – Cash G&A expenses, net of overhead recoveries, were \$0.71 million or \$0.56 per BOE for the quarter, down 50 percent from the second quarter of 2000 and down 49 percent from the same period in 1999. The reduction of cash G&A is mainly due to higher overhead recoveries.

- Non-cash general and administrative expenses – Non-cash G&A expenses, representing the cost associated with the Trust’s long-term incentive program, were \$2.2 million in the third quarter, down from \$4.0 million in the second quarter of 2000 and up from \$0.29 million for the corresponding period in 1999. Awards under the program are a function of total unitholder return (distributions plus unit price) and are subject to an escalating hurdle rate. This is a non-cash charge in that payouts are made by the issuance of trust units upon exercise.
 - Management fees – Cash and non-cash management fees increased to \$1.1 million for the quarter as compared with \$0.88 million in the second quarter of 2000 and \$0.47 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 \$1.8 million in the third quarter compared with \$1.4 million in the second quarter of 2000 and \$1.5 million in the corresponding period of 1999. The increases were due to debt of \$27 million assumed on the Reserve Royalty transaction, which was repaid with the net proceeds of our equity issue at the end of the quarter.
 - Depletion, Depreciation and Amortization (DD&A) – The third-quarter 2000 DD&A rate was \$9.50 per BOE compared with a second-quarter rate of \$8.78 per BOE and with a 1999 rate of \$7.86 per BOE. DD&A expense increased due to the Venator and Reserve Royalty acquisitions.
 - Site reclamation and restoration reserve – During the third quarter, PrimeWest reserved \$1.88 million (\$0.30 per produced BOE plus a special contribution of \$1.5 million reflecting liabilities associated with the acquisitions of Venator and Reserve Royalty) for future site restoration and reclamation. This compares with \$0.3 million or \$0.30 per produced BOE in the second quarter, and \$0.2 million or \$0.20 per produced BOE in the third 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 \$6.2 million during the quarter. Second-quarter 2000 capital expenditures, excluding acquisitions, totalled \$4.5 million.
- Asset replenishment -- another key to the long-term stability of PrimeWest and its cash distributions to unitholders. We work to increase the size, diversity and quality of our asset base.

"PrimeWest is maturing as one of the core holdings in the conventional oil and gas royalty trust sector. Unitholders are benefitting from the results of our acquisition and financing activities this year, as well as our operating excellence and cost efficiency."

Net debt (long-term debt net of working capital) at September 30, 2000 was \$77.5 million or \$1.53 per trust unit. This compares with \$83.7 million or \$2.16 per trust unit at June 30, 2000 and \$85.8 million or \$2.40 per trust unit at year-end 1999.

Debt was paid down during the quarter with the proceeds of an equity issue of 4.83 million trust units at \$8.35 per trust unit. The issue raised \$38.2 million, net of associated expenses and commissions.

Developments and outlook

Summary of operations – For the nine months ended September 30, 2000, PrimeWest has shown improvement in key operational indices. Volumes have risen by seven percent over the period and unit operating costs have been reduced by four percent. Along with successful acquisitions, the corporate focus on project diversification and cost containment has contributed to improved results.

During the nine-month period, we drilled a total of eleven wells (8.97 net) on operated properties, casing ten of them (7.97 net). To date, five of these wells have been placed on production, with a rate of 285 BOE per day net to PrimeWest. With the completion and tie-in of the remaining five wells, an incremental production rate of approximately 525 BOE per day should be realized.

Throughout the year, operated drilling activities were undertaken at Grand Forks, Kaybob and Lone Pine Creek. New development areas included Boundary Lake, Laprise Creek and Enchant, one of the Venator acquisition assets. An active work-over program in all areas continues to yield positive results.

Through the end of the quarter, PrimeWest completed a minor maintenance turnaround and two major capital projects at the Crossfield gas plant. We increased the plant's inlet capacity to 120 million cubic feet per day, and installed process automation. In doing this, the plant was shut down for ten days and had partial throughput for approximately five days during start-up. The enhancements position the facility for additional custom processing and for continued cost improvements.

- **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 \$1.77 per trust unit.

Due to record cash flows, we now expect that about 50 percent of distributions received in 2000 will be treated as income in the year received, and that approximately 50 percent will be treated as a tax-deferred return of capital. The actual level of taxability is dependent upon commodity prices received and company activities undertaken to year-end. We will provide precise figures to unitholders in February 2001.

PrimeWest's monthly distribution levels are assessed on at least a quarterly basis.

- **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, www.primewestenergy.com.

Third quarter conference call and Webcast

PrimeWest will be conducting a conference call and Webcast for interested analysts, brokers, investors and media representatives about its third quarter results and outlook at 2:00 p.m. Mountain time (4:00 p.m. Eastern time) on November 8, 2000.

Callers may dial 1-888-571-5411 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 4321 followed by the pound (#) key.

Interested users of the Internet are invited to go to www.newswire.ca/webcast/pages/primewest20001108/ for the live Webcast and/or replay and at the PrimeWest Web site, www.primewestenergy.com.

On behalf of the Board of Directors:

November 8, 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)

<i>(thousands of dollars)</i>	September 30, 2000	December 31, 1999
Assets		
Current assets		
Cash and short-term investments	11,625	5,503
Accounts receivable	28,481	21,811
Portfolio investments	-	174
Prepaid expenses	3,613	2,452
	<u>43,719</u>	<u>29,940</u>
Cash reserved for site restoration and reclamation	1,737	1,060
Capital assets	<u>391,226</u>	<u>289,210</u>
	<u><u>436,682</u></u>	<u><u>320,210</u></u>
Liabilities and unitholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	26,280	18,675
Accrued distributions to unitholders	7,979	3,555
Due to related company	2,608	1,280
Current portion of long-term debt	106	106
	<u>36,973</u>	<u>23,616</u>
Long-term debt	84,274	92,180
Long-term incentive liability	5,471	475
Site restoration and reclamation provision	3,278	3,899
	<u>129,996</u>	<u>120,170</u>
Unitholders' equity		
Net capital contributions	434,319	311,049
Accumulated income (loss)	30,394	(2,379)
Accumulated cash distributions	(156,029)	(107,485)
Accumulated dividends	(1,998)	(1,145)
	<u>306,686</u>	<u>200,040</u>
	<u><u>436,682</u></u>	<u><u>320,210</u></u>

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

<i>(thousands of dollars)</i>	September 30, 2000	December 31, 1999
Unitholders' equity, beginning of the period	200,040	213,214
Net income for the period	32,772	5,985
Net capital contributions	123,270	18,598
Cash distributions	(48,544)	(37,351)
Dividends	(852)	(406)
Unitholders' equity, end of the period	<u>306,686</u>	<u>200,040</u>

PRIMEWEST ENERGY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(thousands of dollars)

	Three months ended September 30		Nine months ended September 30	
	2000	1999	2000	1999
OPERATING ACTIVITIES				
Net income for the period	14,660	3,186	32,772	1,975
Add: Items not involving cash from operations				
Depletion, depreciation and amortization	12,077	8,155	31,215	25,636
Attempted acquisition costs expensed	-	-	-	1,138
Investment income	-	(890)	-	(1,595)
Non-cash general and administrative	2,201	291	6,713	299
Non-cash management fees	219	115	497	327
Funds from operations	29,157	10,857	71,197	27,780
Change in non-cash working capital	(3,870)	416	1,104	(4,603)
	25,287	11,273	72,301	23,177
FINANCING ACTIVITIES				
Proceeds from issue of trust units (net of costs)	39,172	65	38,686	67
Cash distributions to unitholders	(22,702)	(11,250)	(48,544)	(24,803)
Dividends	(392)	(112)	(852)	(298)
Increase (decrease) in long-term debt	5,338	655	(7,905)	12,677
Change in non-cash working capital	1,647	737	3,928	1,071
	23,063	(9,905)	(14,687)	(11,286)
INVESTING ACTIVITIES				
Expenditures on capital assets	(6,170)	(3,628)	(13,923)	(11,238)
Acquisition of capital assets	(30,747)	(5,276)	(36,081)	(9,919)
Proceeds on disposal of capital assets	-	1,557	849	5,211
Decrease (increase) in cash reserved for future site restoration and reclamation	(886)	(248)	(677)	(732)
Expenditures on site restoration and reclamation	(1,002)	(376)	(1,834)	(544)
Proceeds on disposition of short-term investments	-	4,512	174	4,805
Attempted acquisition costs	-	-	-	(1,138)
	(38,805)	(3,459)	(51,492)	(13,555)
Increase (decrease) in cash for the period	9,545	(2,091)	6,122	(1,664)
Cash, beginning of the period	2,080	1,626	5,503	1,199
Cash and short-term investments, end of the period	11,625	(465)	11,625	(465)
Cash interest paid	1,522	951	5,015	3,270

THIRD QUARTER 2000

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 September 30		Nine months ended September 30	
	2000	1999	2000	1999
REVENUES				
Sales of crude oil, natural gas and natural gas liquids	50,698	25,675	126,971	68,678
Crown and other royalties, net of ARTC	(9,741)	(4,423)	(23,668)	(11,275)
Other income	134	928	258	1,756
	<u>41,091</u>	<u>22,180</u>	<u>103,561</u>	<u>59,159</u>
EXPENSES				
Operating	8,155	7,209	22,069	21,283
Cash general and administrative	715	1,403	3,080	3,900
Non-cash general and administrative	2,201	291	6,713	299
Interest	1,807	1,450	4,692	3,642
Corporate acquisition costs	-	-	-	1,138
Cash management fees	846	371	2,112	959
Non-cash management fees	219	115	497	327
Capital taxes	411	-	411	-
Depletion, depreciation and amortization	12,077	8,155	31,215	25,636
	<u>26,431</u>	<u>18,994</u>	<u>70,789</u>	<u>57,184</u>
Net income for the period	<u>14,660</u>	<u>3,186</u>	<u>32,772</u>	<u>1,975</u>
Add back (deduct) amounts to reconcile to distribution:				
Undistributed reserve	(4,332)	749	(19,582)	(2,080)
Corporate acquisition income, net of costs	-	(890)	-	(457)
Depletion, depreciation and amortization	12,077	8,155	31,215	25,636
Contribution to reclamation fund	(1,894)	(241)	(2,581)	(646)
Non-cash general and administrative	2,201	291	6,713	327
Management fees paid in trust units	219	115	497	299
	<u>8,271</u>	<u>8,179</u>	<u>16,262</u>	<u>23,079</u>
CASH AVAILABLE FOR DISTRIBUTION	<u>22,931</u>	<u>11,365</u>	<u>49,034</u>	<u>25,054</u>
Cash available to trust unitholders (99 percent)	<u>22,702</u>	<u>11,250</u>	<u>48,544</u>	<u>24,803</u>
Cash available for distribution per trust unit	<u>0.48</u>	<u>0.34</u>	<u>1.17</u>	<u>0.75</u>
Net income (loss) per trust unit	<u>0.31</u>	<u>0.10</u>	<u>0.77</u>	<u>0.06</u>
Fully diluted net income (loss) per trust unit	<u>0.30</u>	<u>0.10</u>	<u>0.48</u>	<u>0.06</u>
Trust units issued and outstanding	50,605,482	33,100,345	50,605,482	33,100,345
Weighted average trust units outstanding	47,296,165	33,084,123	41,490,922	33,065,558
Exchangeable shares outstanding	1,286,999	-	1,286,999	-
Exchange ratio (as at October 15, 2000)	1.0708			

Notes to Consolidated Financial Statements

For the Three Months Ended September 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 October 15, 2000, is 1.0708:1 and as at September 30, 2000 there were 1.29 million exchangeable shares outstanding.

(3) Acquisition of Reserve Royalty Corporation

On July 27, 2000, PrimeWest Royalty Corp., a subsidiary of PrimeWest Energy Inc., completed the acquisition of all of the issued and outstanding shares of Reserve Royalty Corporation on a unit for share exchange. PrimeWest issued 0.657 trust units for each Reserve Royalty share. In aggregate, 6.67 million trust units were issued for total consideration, including debt assumed, of \$83.7 million. Subsequent to the transaction, Reserve Royalty was amalgamated into PrimeWest Royalty Corp. and the majority of the assets transferred to the Trust. The purchase method was used to account for the transaction.

Trading performance

	For the quarter ended				
	Sept. 30/00	Jun. 30/00	Mar. 31/00	Dec. 31/99	Sept. 30/99
Unit prices (dollars per trust unit)					
High	8.50	8.10	7.40	7.10	7.70
Low	8.35	6.30	6.30	6.15	6.65
Close	8.40	8.05	6.40	6.65	7.10
Volume traded (millions of units)	9.58	7.96	4.64	3.24	3.22
Number of units outstanding (millions of units)	50.61	38.80	35.85	35.77	33.10
Distribution paid per trust unit	\$0.48	\$0.39	\$0.30	\$0.35	\$0.34

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 crude oil quality 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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