



PRIMEWEST

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FOR IMMEDIATE RELEASE

PRIMEWEST ENERGY TRUST INFORMS UNITHOLDERS OF GOVERNMENT OF CANADA TAXATION ANNOUNCEMENT

CALGARY (TSX: PWI.UN; PWX; PWI.DB.A; PWI.DB.B; NYSE: PWI)– PrimeWest Energy Trust (PrimeWest or the Trust) wishes to inform its unitholders of an announcement made by the Honourable Jim Flaherty, Canadian Minister of Finance late yesterday detailing proposed changes to the taxation of Canadian income trusts.

The relevant measures announced include a proposed tax on distributions paid by publicly traded income trusts and limited partnerships, and will result in less after-tax cash being available for payment to all unitholders. As an existing income trust it is important to note that these measures will not apply to PrimeWest until January 2011. Under the Government's proposal the existing tax treatment of distributions will remain in effect during the four-year grace period to 2011.

PrimeWest is a Calgary-based conventional oil and gas royalty trust that actively acquires, develops, produces and sells natural gas, crude oil and natural gas liquids for the generation of monthly cash distributions to Unitholders. Trust Units of PrimeWest are traded on the Toronto Stock Exchange (TSX) under the symbol "PWI.UN" and on the New York Stock Exchange under the symbol "PWI". Exchangeable Shares of PrimeWest Energy Inc. are listed on the TSX under the symbol "PWX". Five-year Convertible Debentures of PrimeWest trade on the TSX under the symbol "PWI.DB.A" and the Seven-year Convertible Debentures trade under the symbol "PWI.DB.B".

To learn more about PrimeWest, please visit our website at www.primewestenergy.com.

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