

QUARTERLY REPORT

FOURTH QUARTER 2000

PrimeWest Energy Trust posts best-ever year, expects to pay record distributions in 2001

Calgary, April 11, 2001 (TSE: PWL.UN) -- PrimeWest Energy Trust (PrimeWest) today announced operating and financial results for the fourth quarter and year ended December 31, 2000. Fourth-quarter cash flow from operations was \$0.80 per trust unit, (\$0.77 per trust unit fully diluted) of which \$0.60 per trust unit was distributed. Full-year cash flow was \$2.51 per trust unit (\$2.44 fully diluted) of which \$1.77 was paid (a record, up 61% from 1999).

Fourth-quarter cash flow of \$40.9 million was a record for the Trust, up from \$29.2 million in the third quarter of 2000 and \$13.3 million over the comparative period in 1999. Full-year cash flow of \$112.1 million also was a record, climbing by 173% over 1999.

2000 highlights

Other full-year highlights include:

- Record average daily production of 16,237 BOE, up 8% from 1999.
- Record operating netback of \$21.27 per BOE, up 116% over 1999.
- Operating expenses of \$5.08 per BOE, down 3% from 1999.
- Cash G&A expenses of \$0.70 per BOE, down 28% over 1999.
- Distributions represented 71% of available cash flow, a conservative payout ratio, relative to our peers.
- Net debt of \$1.52 per trust unit, down 37% over 1999.
- Total unitholder return of 67.8% per trust unit, up from 56.3% in 1999.

Distribution declaration, extension and increase

The May payment, totalling \$0.22 per trust unit (\$0.10 regular plus \$0.12 special), will be made on May 15, 2001, to all unitholders of record on April 30, 2001. PrimeWest expects to pay a total of \$0.22 per trust unit per month at least through January 2002, bringing expected full-year 2001 distributions to \$2.58 per trust unit, a 45% increase over 2000 distribution levels.

Beginning with this quarterly report, we are using a 6:1 ratio for converting natural gas (Mcf) to barrels of oil equivalent (BOE). In prior years, PrimeWest was using 10:1 ratio.



PrimeWest
Energy Trust
TSE TRADING SYMBOL PWL.UN

FOURTH QUARTER 2000

Operating highlights

	Three months ended December 31			Year ended December 31		
	2000	1999	Change	2000	1999	Change
Daily sales volumes						
Crude oil (barrels)	7,422	5,919	25%	6,582	5,958	10%
Natural gas liquids (barrels)	1,610	1,360	18%	1,483	1,293	15%
Natural gas (thousand cubic feet)	47,491	48,365	(2%)	49,032	46,457	6%
Total (barrels of oil equivalent)	16,949	15,346	10%	16,237	14,995	8%
Average selling prices						
Crude oil (\$/bbl)	38.13	25.79	48%	36.67	21.69	69%
Natural gas liquids (\$/bbl)	39.80	26.13	52%	34.42	19.09	80%
Natural gas (\$/Mcf)	7.43	2.90	156%	4.65	2.51	85%
Operating netback (\$/BOE)						
Revenues	41.36	20.99	97%	32.36	18.20	78%
Royalties, net of ARTC	(7.37)	(4.19)	76%	(5.92)	(3.14)	88%
Operating expenses	(5.20)	(5.19)	-	(5.08)	(5.23)	(3%)
Operating netback	28.79	11.62	148%	21.27	9.83	116%

⁽¹⁾ Gas converted to a barrel of oil equivalent at a 6:1 conversion factor

Financial highlights

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

	Three months ended December 31			Year ended December 31		
	2000	1999	Change	2000	1999	Change
Operating revenues, net of royalties	52,999	23,716	123%	156,561	81,282	93%
per BOE	33.99	16.81	102%	26.34	14.85	77%
per trust unit	1.04	0.66	58%	3.51	2.39	47%
Operating expenses	8,106	7,325	11%	30,175	28,609	5%
per BOE	5.20	5.19	-	5.08	5.23	(3%)
per trust unit	0.16	0.20	(20%)	0.68	0.84	(19%)
Cash G&A expenses	1,060	1,415	(25%)	4,140	5,321	(22%)
per BOE	0.68	1.00	(32%)	0.70	0.97	(28%)
per trust unit	0.02	0.04	(50%)	0.09	0.16	(44%)
Cash management fees	1,165	427	173%	3,277	1,386	136%
per BOE	0.75	0.30	150%	0.55	0.25	120%
per trust unit	0.02	0.01	100%	0.07	0.04	75%
Financing costs	1,667	1,244	34%	6,359	4,885	30%
per BOE	1.07	0.88	23%	1.07	0.89	20%
per trust unit	0.03	0.03	-	0.14	0.14	-
Cash flow from operations	40,862	13,306	207%	112,062	41,081	173%
per BOE	26.21	9.42	178%	18.86	7.51	151%
per trust unit	0.80	0.37	116%	2.51	1.21	107%
Cash distributed to unitholders	30,489	12,547	143%	79,033	37,351	112%
per trust unit	0.60	0.35	71%	1.77	1.10	61%
payout ratio	75%	94%	(20%)	71%	91%	(22%)

(thousands of dollars)

	December 31, 2000	December 31, 1999	Change
Net debt (long-term debt net of working capital)	79,194	85,856	(8%)
per trust unit (fully diluted)	1.52	2.40	(37%)
Debt-to-current-cash flow (annualized)	0.48	1.61	(70%)

Management's Discussion and Analysis (MD&A)

The following discussion is management's discussion and analysis about PrimeWest's operating and financial results for the fourth quarter of 2000 and previous periods, and the Trust's future outlook based on currently available information.

Beginning with this quarterly report, we are using a 6:1 ratio for converting natural gas (Mcf) to barrels of oil equivalent (BOE). In prior years, PrimeWest was using a 10:1 ratio.

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 16,949 barrels of oil equivalent (BOE) per day, down slightly from 17,291 BOE in the third quarter of 2000 due to some downtime at the Crossfield gas plant. Production volumes are up from 15,346 BOE in the fourth quarter of 1999 due to new volumes from the Trust's two acquisitions earlier in the year as well as production additions from the capital development program. Our exit rate was over 17,500 BOE per day.

During the quarter, 1,981 BOE per day or 12% of total daily production came from Gross Overriding Royalty (GORR) interests (mostly from former Reserve Royalty lands). Of this total, 1,083 BOE per day was crude oil production, 815 BOE per day was natural gas production, and 83 BOE per day was natural gas liquids production.

- We participated in 26 separate development projects during the quarter, as part of an operating strategy that is focussed on project diversification and an increased emphasis on technology and stewardship. Our fourth-quarter projects included: the drilling and completion of four wells at Laprise and Grand Forks; the re-completion and/or work-over of 22 wells. We also abandoned and/or reclaimed two wells. The Crossfield natural gas plant was down for 10 days in the fourth quarter to complete a plant automation and de-bottlenecking project to expand plant capacity and processing efficiency.

The combined result of these development activities was the addition of approximately 842 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\$31.86 per barrel compared with US\$31.58 in the third quarter of

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.

2000 and US\$24.51 per barrel for the fourth quarter of 1999. North American natural gas prices rose sharply again, both on the New York Mercantile Exchange (NYMEX) and in the Alberta markets compared with the third quarter of 2000 and the same period in 1999.

The average AECO price was \$7.43 per thousand cubic feet (Mcf) compared with \$5.26 for the third quarter of 2000 and \$3.56 for the same quarter in 1999.

- The average selling price PrimeWest received in the fourth quarter for all products combined increased to \$41.36 per BOE compared with \$31.95 per BOE in the third quarter of 2000 and \$20.99 per BOE in the fourth quarter of 1999.

Risk management

Our risk management strategy is designed to not speculate on future commodity price performance. Rather, our objectives are to support the distribution rate expectations that we set forth to the market; lock in transaction economics associated with material acquisitions; and protect our capital structure should commodity prices cycle downwards.

PrimeWest uses a number of hedging structures in its program, many of which are ‘option’- or ‘put’-based. These have the advantage of mitigating downside exposure while providing substantial upside participation in commodity prices. In essence, they provide a form of insurance.

As at April 10, 2001, hedging structures for the nine-month period ending December 31, 2001 represented about 80% of total anticipated full-year crude oil production after royalties and approximately 42% of total anticipated full-year natural gas production.

PrimeWest continually monitors the markets for both crude oil and natural gas and makes considered risk-management decisions regularly. The effect of these hedging transactions will continue to be reported quarterly.

The following tables of blended prices show the expected effect of hedging transactions for 2001.

Crude oil (as at April 10, 2001)

<i>(as an approximate percentage of total anticipated crude oil production after royalties)</i>	Quarter ending Mar. 31, 2001	Quarter ending Jun. 30, 2001	Quarter ending Sep. 30, 2001	Quarter ending Dec. 31, 2001
Volume hedged, fixed price	0%	45%	45%	45%
Volume hedged, insured	58%	51%	51%	51%

<i>(U.S. dollars per barrel)</i>	If WTI is:	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives
	30.00	30.00	28.54	28.57	28.72
	28.00	28.26	27.64	27.65	27.69
	26.00	27.12	26.57	26.55	26.55
	24.00	26.33	25.95	25.90	25.84
	22.00	25.53	25.83	25.74	25.55
	20.00	24.05	25.71	25.57	25.27

- (1) The blended prices PrimeWest would expect to receive. These prices are a weighted average blend of prices received on hedged volumes and prevailing market prices received for unhedged sales.
(2) Fixed price (swap) is for a specified term. Insured volumes include puts and put swaptions.

Natural gas (as April 10, 2001)

Approximately 44% of 2001 gas volumes is marketed through aggregators, with the remaining 56% marketed directly by PrimeWest in the Alberta short- and long-term markets. Volumes sold through aggregators receive prices that are derived from a number of markets across North America. The following table refers only to the production that PrimeWest sells directly.

<i>(as an approximate percentage of direct marketed volumes)</i>	Quarter ending Mar. 31, 2001	Quarter ending Jun. 30, 2001	Quarter ending Sep. 30, 2001	Quarter ending Dec. 31, 2001
Volumes hedged, fixed price	9%	22%	22%	11%
Volumes hedged, insured	69%	51%	39%	43%

<i>(Canadian dollars per Mcf)</i>	If AECO is:	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾	PrimeWest receives⁽¹⁾
	8.50	8.26	8.26	8.27	8.40
	8.00	7.89	7.88	7.88	7.95
	7.50	7.51	7.49	7.49	7.51
	7.00	7.14	7.10	7.10	7.10
	6.50	6.77	6.82	6.74	6.82
	6.00	6.40	6.65	6.50	6.58

- (1) The blended prices PrimeWest would expect to receive on gas it markets directly. These prices are a weighted average blend of prices received on hedged volumes and prevailing market prices received for unhedged sales.
(2) Fixed price (swap) is for a specified term. Insured volumes include puts and put swaptions.

- 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 fourth quarter were \$64.4 million, up 100% over the same period in 1999 due to higher commodity prices and higher production volumes. Opportunity losses from hedging activities for the period were \$2.7 million or \$0.05 per trust unit.
- **Cash flow** – Cash flow from operations was \$40.9 million (\$0.80 per trust unit) for the quarter compared with \$29.2 million (\$0.62 per trust unit) in the third quarter of 2000 and \$13.3 million (\$0.37 per trust unit) posted in the fourth quarter of 1999. These increases are due to higher commodity prices, higher production volumes and lower costs.
 - **Royalties** – Crown and other royalties, net of ARTC, were \$11.5 million during the fourth quarter, up from \$9.7 million in the third quarter of 2000, and up from \$5.9 million in the fourth quarter of 1999 reflecting the effect of higher commodity prices. The average royalty rate for the quarter was 17.8%, down from 19.1% in the third quarter due to the booking of gas cost allowance credits. Year over year, the royalty rate has increased from 17.5% for 1999 to 18.4% for 2000 due to higher commodity prices offset by the fact that the Reserve Royalty GORR volumes do not attract royalties.
 - **Operating expenses** – Operating expenses were \$8.1 million for the fourth quarter or \$5.20 per BOE, down slightly in aggregate from \$8.2 million in the third quarter. Compared with the corresponding period in 1999, fourth quarter operating expenses were up 11% in aggregate but unchanged on a BOE basis. Power costs, a large component of operating expenses, rose by 9.3% in aggregate and 12% per BOE from the third quarter.
 - **Operating netback** – PrimeWest’s fourth-quarter operating netback (before G&A, management fees and interest expense) was \$28.79 per BOE, up from \$20.70 per BOE in the third quarter of 2000 and \$11.62 per BOE in the corresponding period in 1999. These increases were due 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 \$1.1 million or \$0.68 per BOE for the quarter, up \$0.4 million from the third quarter of 2000 and down \$0.4 million from the same period in 1999. The reduction of cash G&A is mainly due to higher overhead recoveries and lower costs.

- **Non-cash general and administrative expenses** – Non-cash G&A expenses, representing the cost associated with the Trust’s long-term incentive program, were \$3.6 million in the fourth quarter, up from \$2.2 million in the third quarter of 2000 and up from \$0.3 million for the corresponding period in 1999. The expense represents the change in the liability for vested and ‘in the money’ awards as at the end of the period. Awards under the program are a function of total unitholder return (unit price plus reinvested distributions) and are subject to a 5% per annum 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 \$1.4 million for the quarter as compared with \$1.1 million in the third quarter of 2000 and \$0.5 million for the corresponding period in 1999. Management fees are mainly based on net production revenue, which itself is highly dependent on volumes produced and commodity prices received.
- **Interest expense** – Interest expense was \$1.7 million in the fourth quarter compared with \$1.8 million in the third quarter of 2000 and \$1.2 million in the corresponding period of 1999.
- **Depletion, Depreciation and Amortization (DD&A)** – The fourth-quarter 2000 DD&A rate was \$7.47 per BOE compared with a third-quarter rate of \$7.59 per BOE and with a 1999 rate of \$6.34 per BOE. DD&A expense has increased commensurate with the higher value of the Reserve Royalty GORR reserves compared with reserves that are burdened with royalties and operating expenses as well as reserve revisions booked at the end of 1999.
- **Liquidity and capital resources** – Capital expenditures, excluding acquisitions, totalled \$11.2 million during the quarter, compared with third-quarter 2000 capital expenditures, of \$6.2 million, and \$16.5 million during the corresponding period in 1999.

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.

Net debt (long-term debt net of working capital) at December 31, 2000 was \$79.2 million or \$1.52 per trust unit. This compares with \$77.5 million or \$1.53 per trust unit at September 30, 2000 and \$85.9 million or \$2.40 per trust unit at year-end 1999.

During 2000, PrimeWest executed on all four of its strategies – financial prudence, risk management, operating excellence and asset growth.

Reserves summary

Based on an independent reserves evaluation by the firm of Gilbert Laustsen Jung Associates Ltd. (GLJ), PrimeWest's total proved reserves were 57.1 million BOE at January 1, 2001. During the year, 13.0 million BOE were added to proven reserves through acquisitions and development work. Offsetting this increase, proved reserves were reduced by 2000 production of 5.9 million BOE resulting in a net increase in proved reserves of 6.1 million BOE year over year. Development drilling, coupled with net acquisitions, replaced produced reserves by 220%. Established reserves rose by 9% to 69.6 million BOE.

The following is a summary of PrimeWest's reserves at January 1, 2001:

	Crude oil (Mbbbl)	Natural gas (MMcf)	Natural gas liquids (Mbbbl)	January 1, 2001 total reserves (MBOE)	January 1, 2000 total reserve (MBOE)
Proved producing	17,804	162,133	4,074	48,900	45,326
Total proved	20,166	192,590	4,885	57,149	50,963
Probable	8,405	80,286	3,072	24,855	25,350
Total proved plus probable	28,571	272,846	7,957	82,004	76,313
Established	24,369	232,725	6,421	69,577	63,638

Total proved reserves as a percentage of established reserves increased from 80% at January 1, 2000 to 82% at January 1, 2001.

Net asset value – Net asset value is a measure of the net value of PrimeWest's underlying assets – crude oil, natural gas and natural gas liquids reserves. Reserve value is based on consultant average escalating commodity price forecasts, prior to provision for income taxes, interest costs, general and administrative costs and management fees, but after providing for estimated royalties, operating costs, other income, capital costs and abandonment costs. The net asset value includes the value of unproved lands, working capital, funds held for reclamation, and it deducts debt outstanding.

Based on the GLJ evaluation of PrimeWest's established reserves, discounted at 10%, PrimeWest's net asset value was \$10.55 per trust unit at January 1, 2001, up 49% from the prior year.

Present value of reserves

January 1, 2001 <i>(millions of dollars)</i>	Discounted @ 0%	Discounted @ 10%	Discounted at 12%	Discounted @ 15%
Proved producing	784.0	484.7	453.7	415.5
Total proved	907.7	549.6	512.4	466.6
Probable	401.6	147.9	129.0	107.4
Total proved and probable	1,309.3	697.5	614.3	574.0
Established	1,108.5	623.5	576.8	520.3
Established January 1, 2000	624.1	327.6	299.4	265.4

Net asset value

	January 1, 2001	January 1, 2000	January 1, 1999
<i>(millions of dollars, except per-trust-unit)</i>			
Established reserves (discounted @ 10%)	623.0	328.0	313.0
Unproved lands	17.2	10.2	10.6
Other assets	0.1	6.9	4.2
Long-term debt	(78.9)	(92.2)	(73.0)
Total net asset value	561.4	252.9	254.8
Per trust unit	\$10.55	\$7.07	\$7.72

Developments

Summary of operations – During 2000, PrimeWest executed on all four of its strategies – financial prudence, risk management, operating excellence and asset growth.

Financial prudence – At year-end, PrimeWest had a debt-to-trailing—12-month-cash-flow ratio of 0.7:1, and a trailing-debt-to-current-cash-flow ratio of 0.5:1. These ratios provide substantial financial flexibility. We paid a record level of distributions, and also have built an undistributed distribution reserve of \$29.3 million (\$0.56 per trust unit), which we have used to manage our debt prudently and to provide future distribution stability.

Risk management – PrimeWest layered in a series of forward-market sales contracts to protect the 10-cent base distribution rate during 2000, and provide support to the special distribution rate, which, commencing May 15, 2001, is at 12 cents per trust unit per month for a total distribution of \$0.22 monthly.

Operating excellence – We reduced operating costs and worked steadily to temper the natural rate of production decline. For 2000, base production (not including acquired volumes) was held to 97% of 1999 production levels.

Asset growth – We had two successful acquisitions this year – Venator Petroleum and Reserve Royalty Corporation.

2000 distribution summary and taxability – Full-year distributions declared in 2000 were \$1.77 per trust unit, and calendar year payments were \$1.67 per trust unit. Forty-seven percent of distributions received by unitholders in 2000 was a tax-deferred return of capital and 53% was taxable as other income.

Cypress Energy acquisition successfully closed – On March 29, 2001, PrimeWest announced the successful completion of the acquisition of Cypress Energy Inc., whereby approximately 97% of the outstanding Cypress shares were tendered to the offer. PrimeWest acquired the remaining shares under the compulsory acquisition provisions of Canadian corporate law. Accordingly, PrimeWest issued 50.2 million trust units, 5.44 million exchangeable shares (which are convertible into trust units) and paid \$58.4 million in cash in exchange for all the issued and outstanding Cypress shares. In addition, the debt of Cypress was assumed.

PrimeWest/Cypress Energy integration update – The integration of Cypress Energy's operations into those of PrimeWest is moving forward according to plan. In advance of the expiry of the offer for Cypress, PrimeWest retained an external project management team to assist in the management of transition and integration processes. A transition team has been assembled, consisting of employees from both companies. The physical integration is expected to be completed by May 30, 2001.

Head office space for the combined organization has been secured and the conversion of Cypress systems into those of PrimeWest is well advanced. Of a total of 60 Cypress and Rancho employees, 29 have agreed to join PrimeWest. Unitholders will benefit from the resulting economies of scale in general and administrative expenses, expected to be in the order of \$3 million annually.

A detailed review of the combined PrimeWest and Cypress asset base is currently being conducted to develop an enhanced 2001 capital development and property rationalization programs. This review is scheduled to be completed by May 31, 2001.

2001 distribution outlook – As previously announced, PrimeWest's special distribution rate has been increased by 20%, from 10 cents to 12 cents per month, as a result of the cash flow and net asset value accretion attributed to the Cypress Energy Transaction.

Accordingly, the May cash distribution payment, totalling \$0.22 per trust unit (\$0.10 regular plus \$0.12 special), will be made on May 15, 2001, to all unitholders of record on April 30, 2001. With the regular and special distributions in April, PrimeWest will have paid a total of \$2.19 per trust unit during the previous 12-month period (June 2000 through May 2001), and \$6.29 per trust unit since inception. The ex-distribution date for the May payment is April 26, 2001.

PrimeWest expects to continue its \$0.22 distribution rate until at least the December 2001 declared distribution for payment in January 2002. This would result in a record \$2.56 per trust unit distribution for 2001.

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 5% 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, Computershare Trust Company of Canada, at 1-800-564-6253. 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.

On behalf of the Board of Directors:

April 10, 2001

Kent J. MacIntyre
Vice-chairman and
Chief Executive Officer

FOURTH QUARTER 2000

PRIMEWEST ENERGY TRUST
CONSOLIDATED BALANCE SHEETS

<i>(thousands of dollars)</i>	December 31, 2000	December 31, 1999
Assets		
Current assets		
Cash and short-term investments	-	5,504
Accounts receivable	35,064	21,810
Portfolio investments	-	174
Prepaid expenses	3,400	2,452
	<u>38,464</u>	<u>29,940</u>
Cash reserved for site restoration and reclamation	398	1,060
Capital assets	395,376	289,210
	<u>434,238</u>	<u>320,210</u>
Liabilities and unitholders' equity		
Current liabilities		
Bank overdraft	834	-
Accounts payable and accrued liabilities	25,781	18,675
Accrued distributions to unitholders	9,961	3,555
Due to related company	2,052	1,280
Current portion of long-term debt	106	106
	<u>38,734</u>	<u>23,616</u>
Long-term debt	78,940	92,180
Long-term incentive liability	8,930	475
Future income taxes	16,596	-
Site restoration and reclamation provision	1,958	3,899
	<u>145,158</u>	<u>120,170</u>
Unitholders' equity		
Net capital contributions	435,342	311,049
Accumulated income (loss)	43,014	(2,379)
Accumulated cash distributions	(186,518)	(107,485)
Accumulated dividends	(2,758)	(1,145)
	<u>289,080</u>	<u>200,040</u>
	<u>434,238</u>	<u>320,210</u>

PRIMEWEST ENERGY TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

<i>(thousands of dollars)</i>	December 31, 2000	December 31, 1999
Unitholders' equity, beginning of the period, as previously reported	200,040	213,214
Adjustment to unitholders' equity at beginning of period to adopt new future income tax standard	(10,218)	-
Net income for the period	55,612	5,985
Net capital contributions	124,291	18,598
Cash distributions	(79,033)	(37,351)
Dividends	(1,612)	(406)
Unitholders' equity, end of the period	<u>289,080</u>	<u>200,040</u>

PRIMEWEST ENERGY TRUST
CONSOLIDATED STATEMENTS OF CASH FLOW

(thousands of dollars)

	Three months ended December 31		Year ended December 31	
	2000	1999	2000	1999
OPERATING ACTIVITIES				
Net income for the period	22,839	4,017	55,612	5,985
Add: Items not involving cash from operations				
Depletion, depreciation and amortization	11,649	9,063	42,865	34,699
Attempted acquisition costs expensed	-	7	-	1,145
Investment income	-	(187)	-	(1,780)
Non-cash general and administrative	3,583	287	10,296	586
Non-cash management fees	234	119	731	446
Future income taxes	2,558	-	2,558	-
Cash flow from operations	40,863	13,306	112,062	41,081
Change in non-cash working capital	(7,423)	(2,861)	(7,599)	(7,457)
	33,440	10,445	104,463	33,624
FINANCING ACTIVITIES				
Proceeds from issue of trust units (net of costs)	900	18,265	39,896	18,830
Acquisition of trust units pursuant to normal course issuer bid	-	-	(926)	(755)
Cash distributions to unitholders	(30,489)	(12,547)	(79,033)	(37,351)
Dividends	(760)	(108)	(1,612)	(406)
Increase (decrease) in long-term debt	(5,334)	6,495	(41,449)	19,173
Change in non-cash working capital	1,747	211	6,291	1,540
	(33,936)	12,316	(76,833)	1,031
INVESTING ACTIVITIES				
Expenditures on capital assets	(11,250)	(16,496)	(25,791)	(14,170)
Acquisition of capital assets	(330)	(1,166)	(6,306)	(24,648)
Proceeds on disposal of capital assets	5	698	855	5,909
Decrease (increase) in cash reserved for future site restoration and reclamation	1,339	1,454	661	721
Expenditures on site restoration and reclamation	(1,727)	(1,291)	(3,561)	(1,835)
Proceeds on disposition of short-term investments	-	17	174	4,818
Attempted acquisition costs	-	(7)	-	(1,145)
	(11,963)	(16,791)	(33,968)	(30,350)
Increase (decrease) in cash for the period	(12,459)	5,970	(6,338)	4,305
Cash, (bank overdraft) beginning of the period	11,625	(466)	5,504	1,199
Cash, (bank overdraft) end of the period	(834)	5,504	(834)	5,504
Cash interest paid	1,858	1,597	6,872	4,867
Cash taxes paid	38	-	453	-

FOURTH QUARTER 2000

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

	Three months ended December 31		Year ended December 31	
	2000	1999	2000	1999
<i>(thousands of dollars, except for per-trust-unit and number of units)</i>				
REVENUES				
Sales of crude oil, natural gas and natural gas liquids	64,367	29,569	191,339	98,247
Crown and other royalties, net of ARTC	(11,489)	(5,907)	(35,157)	(17,182)
Other income	121	242	379	1,998
	<u>52,999</u>	<u>23,904</u>	<u>156,561</u>	<u>83,063</u>
EXPENSES				
Operating	8,106	7,325	30,175	28,609
Cash general and administrative	1,060	1,415	4,140	5,321
Non-cash general and administrative	3,583	287	10,295	586
Interest	1,667	1,244	6,359	4,885
Attempted takeover costs	-	7	-	1,146
Cash management fees	1,165	427	3,277	1,386
Non-cash management fees	234	119	731	446
Depletion, depreciation and amortization	11,649	9,063	42,865	34,699
	<u>27,464</u>	<u>19,887</u>	<u>97,842</u>	<u>77,078</u>
Net income before taxes for the period	<u>25,535</u>	<u>4,017</u>	<u>58,719</u>	<u>5,985</u>
Capital taxes	138	-	549	-
Future income taxes	2,558	-	2,558	-
	<u>2,696</u>	<u>-</u>	<u>3,107</u>	<u>-</u>
Net income for the period	<u>22,839</u>	<u>4,017</u>	<u>55,612</u>	<u>5,985</u>
Add back (deduct) amounts to reconcile to distribution:				
Undistributed reserve	(9,674)	(393)	(29,266)	(2,485)
Attempted takeover costs, net of income	-	(180)	-	(635)
Depletion, depreciation and amortization	11,649	9,063	42,865	34,699
Contribution to reclamation fund	(392)	(239)	(2,964)	(868)
Non-cash general and administrative	3,583	287	10,295	586
Management fees paid in trust units	234	119	731	446
Future income taxes	2,558	-	2,558	-
	<u>7,958</u>	<u>8,657</u>	<u>24,219</u>	<u>31,743</u>
CASH AVAILABLE FOR DISTRIBUTION	<u>30,797</u>	<u>12,674</u>	<u>79,831</u>	<u>37,728</u>
Cash available to trust unitholders (99%)	<u>30,489</u>	<u>12,547</u>	<u>79,033</u>	<u>37,351</u>
Cash available for distribution per trust unit	<u>0.60</u>	<u>0.35</u>	<u>1.77</u>	<u>1.10</u>
Net income per trust unit	<u>0.45</u>	<u>0.11</u>	<u>1.25</u>	<u>0.18</u>
Fully diluted net income per trust unit	<u>0.43</u>	<u>0.11</u>	<u>1.21</u>	<u>0.18</u>
Trust units issued and outstanding	50,982,093	35,768,801	50,982,093	35,768,801
Weighted average trust units outstanding	50,814,922	35,849,989	44,651,600	33,965,152

Trading performance

	For the quarter ended				
	Dec. 31/00	Sept. 30/00	Jun. 30/00	Mar. 31/00	Dec. 31/99
Trust unit prices <i>(dollars per trust unit)</i>					
High	9.30	8.50	8.10	7.40	7.10
Low	8.45	8.35	6.30	6.30	6.15
Close	8.95	8.40	8.05	6.40	6.65
Volume traded <i>(millions of units)</i>	7.73	9.58	7.96	4.64	3.24
Number of trust units outstanding <i>(millions of units)</i>	51.0	50.6	38.8	35.9	35.8
Including exchangeable shares <i>(issued in respect of Venator acquisition)</i>	52.2	52.0	40.2	35.9	35.8
Distribution paid per trust unit	\$0.60	\$0.48	\$0.39	\$0.30	\$0.35
Exchange ratio for exchangeable shares	1.0933	1.0708	1.0352	-	-

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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