PowerShares Capital Management Set to Launch Industry's First Listed Private Equity ETF

Chicago, Illinois – October 17, 2006 – PowerShares Capital Management LLC continues to "Lead the Intelligent ETF Revolution" and today announced that it is preparing to launch the industry's first Listed Private Equity^{SM} (LPE^{SM}) exchange-traded fund (ETF).

The PowerShares Listed Private Equity Portfolio is based on the Red Rocks Listed Private Equity Index^{SM} (LPE Index^{SM}). The LPE Index is comprised of publicly listed US securities whose principal business is to invest in and lend capital to privately held companies. The LPE Index was created and is managed by Red Rocks Capital Partners of Denver, Colorado.

Companies that qualify for the Listed Private Equity Index^{SM} have a majority of assets invested in privately held companies or have the stated intention to have a majority of assets invested in private companies. The firms must have a minimum market capitalization of $50 million and a closing price above $1.00 per share. The Listed Private Equity Index is diversified from three perspectives: stage of investment, capitalization structure and industry focus. Consideration is given to valuation metrics, financial data, historical performance and the need for diversification within the portfolio. The Listed Private Equity Index uses a modified equal dollar weighting and is rebalanced quarterly.

"Providing investors with direct, diversified and liquid access to the world of private equity is consistent with PowerShares' goals as an asset manager. I believe this product will be a very useful asset management tool for institutional investors and investment professionals alike." said Bruce Bond, President of PowerShares Capital Management. "The LPE Index is both unique and innovative, and it is a great fit for our growing portfolio of exchange-traded funds."

"Private equity investing is an *Asset Class* that has historically been the domain of institutional investors, endowment funds and ultra wealthy investors," said Mark Sunderhuse, co-founder of Red Rocks Capital Partners. "With the Listed Private Equity Index we have created a means to track the performance of private equity firms, which historically have a lower correlation coefficient and above average yield compared to the S&P 500.*"

PowerShares Capital Management LLC is passionate about its goal of efficiently delivering the highest quality institutional investment management available. PowerShares is "Leading the Intelligent ETF Revolution," providing investment advisors with institutional caliber asset management that seeks to replicate enhanced indexes in one of the more benefit rich investment vehicles available in the marketplace today, the exchange-traded fund. The firm is committed to theoretically sound portfolio construction and empirically verifiable investment management approaches. PowerShares' asset management philosophy and investment discipline are deeply rooted in the application of intuitive factor analysis and model implementation to enhance investment decisions.

Red Rocks Capital Partners (RRCP) is a Denver, Colorado based investment management firm. RRCP focuses on, develops and manages unique and proprietary investment products that complement core institutional portfolios. These products include domestic and international Listed Private Equity in both active & passive approaches. RRCP principals have over 40 years of combined investment experience in both public and private equity having managed in excess of $4 billion.

** The Listed Private Equity Index has had a correlation coefficient of 0.703 to the S&P 500 Index over the past 10 years. The S&P 500 Index is an unmanaged index used as a measurement of change in stock market conditions based on the average performance of approximately 500 common stocks. The dividend yield of the Listed Private Equity Index was 5.15% for the trailing 12 months ending September 30, 2006; this yield included regular and special dividends. Due to the nature of the underlying index companies, the dividend yield may vary widely. By comparison the average yield of the S&P 500 index over the same* *period was 1.86%. Past performance is no guarantee of future results. The LPE Index return does not represent fund return. You cannot invest directly in the LPE index.*

Risks of Owning PowerShares

PowerShares Funds are made up of publicly traded securities that can and will move higher and lower with market movements. You should anticipate that the value of the shares of each fund will advance or decline more or less in correlation with the advance or decline in value of the applicable index. The Funds are not actively managed, and shares of the Funds may trade at or below the Funds' NAV. Exchange-traded funds are subject to risks similar to those of stocks, including risks associated with short-selling and margin account maintenance.

A I M Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust.

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For this and more complete information about the Fund, call 800.983.0903 or visit the website www.powershares.com for a prospectus. Please read the prospectus carefully before investing.

The information in this prospectus is not complete and may be changed. The portfolio may not sell its shares until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell the portfolio shares, nor is the portfolio soliciting an offer to buy its shares in any jurisdiction where the offer or sale is not permitted.

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