CANADIAN HYDRO DEVELOPERS, INC.

PRESS RELEASE

CANADIAN HYDRO ANNOUNCES YEAR END AND FOURTH QUARTER 2006 RESULTS

Calgary, Canada – February 15, 2007 (TSX: KHD): Canadian Hydro Developers, Inc. (the "Company" or "CHD") reported audited financial results for the year ended December 31, 2006, and unaudited financial results for the three months ended December 31, 2006 ("Q4 2006"). Cash flow from operations[1] for the year ended December 31, 2006 was $22,808,000 ($0.19 per share, diluted[2]) on record generation of 707 million kWh, compared to $9,901,000 ($0.12 per share, diluted[2]) in 2005 on generation of 465 million kWh. The Company reported net earnings for the year of $8,896,000 ($0.07 per share, diluted), compared to $820,000 ($0.01 per share, diluted) in the previous year.

Cash flow from operations[1] was $8,867,000 ($0.07 per share, diluted[2]) for Q4 2006 on generation of 181 million kWh, compared to $3,301,000 ($0.04 per share, diluted[2]) for Q4 2005 on generation of 141 million kWh. The Company reported Q4 2006 net earnings of $3,328,000 ($0.03 per share, diluted), compared to $276,000 ($nil per share, diluted) in Q4 2005.

2006 ACHIEVEMENTS:

Financial

- Achieved record financial results over any previous year in CHD history;
- Closed on the issuance of $148 million in senior unsecured debentures for which DBRS confirmed its investment grade credit rating of BBB with a Stable trend for the Company; and
- Signed one 20-year and three 40-year Electricity Purchase Agreements ("EPAs") with BC Hydro for the supply of electricity from 44.5 MW of hydroelectric projects;

Operating and Construction

- Increased electricity production by 52% to a record 707 million kWh;
- Achieved commercial operations at the $124 million, 67.5 MW Melancthon I Wind Plant ("Melancthon I");
- Continued to work diligently on obtaining the necessary permits and approvals for the Ontario projects including the 132 MW Melancthon II Wind Project ("Melancthon II"), the 197.8 MW Wolfe Island Wind Project ("Wolfe Island"), the 20 MW (10 MW net to CHD's interest) Island Falls Hydroelectric Project ("Island Falls"), and the 44.5 MW of hydroelectric projects awarded EPAs from BC Hydro in 2006.

  The anticipated commercial operations dates and capital expenditure budgets remain unchanged for the Wolfe Island and B.C. projects.

  The Company will be assessing the impact, if any, of the Ontario Municipal Board ("OMB") hearing dates of July 30 and September 11, 2007, on the construction schedule and capital costs of Melancthon II in the coming months. The purpose of the OMB hearings is to decide on amendments to the Official Plans, re-zoning bylaws and site plan agreements in the two local townships in which Melancthon II will be situated.

  CHD currently anticipates a change to the in-service date for Island Falls by up to 12 months to October 2009 and an increase of up to $3.5 million for a capital cost of $35.5 million (net to CHD's interest) for the project due to a longer than expected approvals process;
- Improved operating results at the Grande Prairie EcoPower® Centre ("GPEC") as the Company is working through the commissioning issues focused on improving operational efficiencies; and
- Susbequent to year end, CHD entered into a pre-acquisition agreement with GW Power Corporation ("GWP") for the acquisition of all of the issued and outstanding shares of GWP. GWP owns a 50% interest in the 70.5 MW Soderglen Wind Plant located in southern Alberta.

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[1] Cash flow from operations is defined as cash from operating activities before changes in non-cash working capital.

[2] Cash flow from operations[1] per share (diluted) is provided to assist management and investors in determining the Company's cash flow from operations[1] on a per share basis and does not have any meaning prescribed in Canadian generally accepted accounting principles ("GAAP") and may not be comparable to similar measures presented by other companies.

Development

- Completed and submitted the joint application to the Alberta Energy and Utilities Board and Natural Resources Conservation Board for the Company's 100 MW Dunvegan Hydroelectric Prospect ("Dunvegan") in Alberta. CHD anticipates a hearing and regulatory decision for approval of construction and operation by the end of 2007; and
- Strategically positioned the Company for wind development opportunities in Manitoba through the acquisition on December 21, 2006 of all of the issued and outstanding common shares of Vector Wind Energy Inc. ("Vector") for a cash cost of approximately $5.5 million. Vector has over 1,000 MW of optioned land for wind prospects located primarily throughout Manitoba and Ontario.

The audited consolidated financial statements as at and for the years ended December 31, 2006 and 2005 are currently posted on the Company's website (www.canhydro.com) until the Annual Report is mailed to registered shareholders in mid-March 2007. The unaudited consolidated statements of earnings and of cash flows for the three months ended December 31, 2006 and 2005 are currently posted on the Company's website as supplemental information.

FINANCIAL AND OPERATIONAL HIGHLIGHTS:

	3 Months Ended December 31 (unaudited),		Year Ended December 31 (unaudited),	
	2006	2005	**2006**	2005
Financial Results *(in thousands of dollars except per share amounts)*				
Revenue	**13,060**	9,792	**48,188**	28,899
EBITDA[3]	**9,152**	5,773	**29,639**	17,709
Cash flow from operations[1]	**8,867**	3,301	**22,808**	9,901
Per share (diluted)[2]	**0.07**	0.04	**0.19**	0.12
Net earnings	**3,328**	276	**8,896**	820
Per share (diluted)	**0.03**	-	**0.07**	0.01
Capital asset additions	**11,448**	29,683	**193,141**	129,144
Prospect development cost additions	**12,266**	6,099	**28,942**	8,160
Working capital[4]			**66,556**	177,891
Assets			**687,042**	583,349
Unused & available long-term debt & construction lines of credit			**-**	19,000
Long-term debt & construction lines of credit (including current portion)			**316,327**	226,765
Shareholders' equity			**338,926**	326,578
Asset Value[5]			**1,091,400**	847,300
Operating Results				
Installed capacity – MW (net)			**229.5**	162.0
Electricity generation – MWh (net)	**181,029**	140,710	**706,881**	464,607
Average price received per MWh ($)	**72**	70	**68**	62
Power generation under contract (%)	**88**	85	**89**	85

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[3] EBITDA is provided to assist management and investors in determining the ability of the Company to generate cash flow from operations[1]. EBITDA as presented is defined as cash flow from operations[1], plus interest on debt (net of interest income) and current tax expense. This measure does not have any meaning prescribed in GAAP and may not be comparable to similar measures presented by other companies.
[4] Excludes current portion of long-term debt and construction lines of credit.
[5] Based on McDaniel & Associates Consultants Ltd. independent evaluation of the pre-tax future cash flows of the Company's assets, including operating plants, projects under or nearing construction and Dunvegan, discounted at 8%.

RESULTS OF OPERATIONS

Gross Revenue

2006

Revenue in 2006 increased 67% to $48,188,000 compared to $28,899,000 in 2005 on generation of 706,881 MWh in 2006 compared to 464,607 MWh in 2005. The increase in revenue was primarily due to:

- The addition of Melancthon I on March 4, 2006, which generated 120,919 MWh in 2006;
- Higher hydroelectric generation in Ontario (2006 – 85,859 MWh; 2005 – 74,295 MWh) and Alberta (2006 – 62,917; 2005 – 57,592) due to higher water flows in those provinces;

- Higher wind generation in Alberta (2006 – 130,893 MWh; 2005 – 125,014 MWh) resulting from higher wind conditions in the first half of the year compared to the prior year;
- Higher biomass generation due to a full year of operations at GPEC, which became operational on June 21, 2005 (2006 – 105,092 MWh; 2005 – 32,226 MWh);
- Higher hydroelectric generation in B.C. due to one full year of operations at Mamquam, which became operational on July 23, 2005, (2006 – 201,201 MWh; 2005 – 175,481 MWh). On a same plant basis, hydroelectric generation in B.C. decreased from the prior year (2006 – 124,319 MWh; 2005 – 138,937 MWh) due to higher than average water flows in B.C. in the prior year; and
- 8% higher average prices received by the Company for electricity from all operations in 2006 compared to 2005 (2006 - $68/MWh; 2005 - $62/MWh) as a result of the addition of new plants with higher contract prices as well as higher average Pool prices received by the Company (2006 - $71/MWh; 2005 - $66/MWh).

The Company sold 89% of its generation under long-term sales contracts in 2006 (2005 – 85%), which exceeds CHD's minimum stated target of 75% of generation under long-term contracts.

Q4 2006

- Revenue in Q4 2006 increased 33% to $13,060,000 compared to $9,792,000 in Q4 2005 on improved generation of 181,096 MWh in Q4 2006 compared to 140,710 MWh in Q4 2005. The increase was due to the addition of Melancthon I, as discussed above, which generated 44,386 MWh in Q4 2006, in addition to higher hydroelectric generation in Ontario (Q4 2006 – 27,937 MWh; Q4 2005 – 23,356 MWh) due to higher water flows compared to the prior year and higher generation at GPEC (Q4 2006 – 31,019 MWh; Q4 2005 – 17,108 MWh). These results were partially offset by lower wind generation (Q4 2006 – 44,190 MWh; Q4 2005 – 45,810 MWh) and lower hydroelectric generation in Alberta (Q4 2006 – 7,440 MWh; Q4 2005 – 10,892 MWh) and B.C. (Q4 2006 – 26,124 MWh; Q4 2005 – 43,544 MWh), respectively, due to lower water flows during the quarter in comparison to the same quarter of the prior year.

The Company sold 88% of its generation under long-term sales contracts in Q4 2006 (Q4 2005 – 85%). The average price received by the Company for electricity from all operations for Q4 2006 was $72/MWh compared to $70/MWh in Q4 2005.

Net Earnings and Cash Flow From Operations[1]

2006

Net earnings were $8,896,000 in 2006 ($0.07 per share, diluted) compared to $820,000 ($0.01 per share, diluted) in 2005. The increase was due to higher gross margins, interest income on cash invested in term deposits, gain on foreign exchange, no unwind costs on interest rate swap and lower current and future taxes; offset partially by higher interest on debt, operating costs, amortization, administration, and loss on development prospects written off. Similarly, excluding non-cash items, cash flow from operations[1] in 2006 increased 130% to $22,808,000 from $9,901,000 in 2005.

Q4 2006

Net earnings in Q4 2006 increased to $3,328,000 ($0.03 per share, diluted) from $276,000 ($nil per share, diluted) in Q4 2005. Cash flow from operations[1] in Q4 2006 increased to $8,867,000 from $3,301,000 in Q4 2005. Financial results for Q4 2006 improved over Q4 2005 primarily due to new plant additions, improved operations at GPEC, higher water levels in Ontario, interest income earned on cash invested in term deposits, gain on foreign exchange, lower future taxes and higher average price received on all generation; offset partially by lower water levels in B.C. and Alberta, a less windy season in Alberta, higher operating costs as a result of the addition of Melancthon I, interest on debt, amortization, higher future taxes, and loss on development prospects written off.

Capital Asset Additions and Prospect Development Costs

Capital asset additions were $193,141,000 in 2005 (2005 – $129,144,000), resulting in a 51% increase in the net book value of capital assets. These significant investment activities relate to construction costs and equipment

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purchases incurred for Melancthon I, which achieved commercial operations on March 4, 2006, and Melancthon II, which is currently in the approvals process for commencement of construction. Additions of prospect development costs were $28,942,000 in 2006 (2005 – $8,160,000), relating primarily to wind turbine equipment deposits for Wolfe Island, the acquisition of Vector, and the development of the B.C. projects and Dunvegan.

Capital Resources and Liquidity

The Company's current capital expenditure plans total approximately $820,500,000 for the construction of three projects in Ontario and four projects in B.C. from 2007 to 2009. Up to $188,000,000 of the capital costs are being financed from proceeds of the public offering completed in 2005, a further $93,850,000 from expected future cash flow to be generated by the Company and potential future equity offerings, and the remaining $538,650,000 through completed and anticipated debt financings.

In 2006, the Company issued 1,428,150 common shares (2005 – 741,750) through the exercise of stock options at an average exercise price of $1.41 per share (2005 – $0.81 per share) for gross and net proceeds of $2,012,000 (2005 – $599,000).

Independent Asset Evaluation

McDaniel & Associates Consultants Ltd. ("McDaniels") has evaluated the Company's plants as of January 1, 2007. The purpose in engaging McDaniels is to provide investors and shareholders with third party confirmation of future cash flow estimates. Using McDaniel & Associates' evaluation, the Asset Value was $1,091.4 million as of January 1, 2007, compared to $847.3 million as of January 1, 2006. Providing the acquisition of GWP closes in March 2007, the Asset Value will increase to $1,106.0 million. The increase in the Asset Value is due primarily to the inclusion of the Bone Creek Hydroelectric Project ("Bone Creek"), the Clemina Creek Hydroelectric Project ("Clemina Creek"), the Serpentine Creek Hydroelectric Project ("Serpentine") and the English Creek Hydroelectric Project ("English Creek"); offset partially by a decrease due to the delays on Melancthon II and Island Falls as compared to the prior year.

McDaniels' made the following assumptions in preparing its evaluation:

- Electricity prices were determined using either a contractually-determined price specific to each plant or a forecast of the average electricity spot price specific to each of the three provinces in which the Company operates where no contracts are in place or expire;
- The forecast of the average electricity spot price was based on McDaniels' opinion on future natural gas and electricity prices at January 1, 2007;
- Electricity generation from each operating plant was primarily based on historical annual averages. For plants without sufficient operating history, generation was based on data provided by the Company, which, in turn, was derived from independent studies;
- Estimates of applicable operating costs were primarily based on historical annual average costs;
- Estimates of sustaining capital were based on historical annual average costs and estimates provided by the Company;
- Overriding royalties, water rentals, property taxes and lease rentals were estimated based on the applicable contracted or legislated rates;
- Capital costs related to planned acquisition and projects either under construction, nearing construction or under development were provided by management;
- Applicable electricity prices, operating costs, sustaining capital, water rentals and property taxes were escalated at 2% per annum, unless otherwise prescribed by contract or legislation; and
- Discounted cash flows for plants, projects and prospects assume $nil terminal value.

Outlook

In November 2006, the Ontario Government announced a Standard Offer Contract ("SOCs"). The price under the SOCs is expected to be $110 per MWh for 20 years for projects 10 MW in size or less. The Company anticipates applying to obtain an SOC for Misema in 2007.

Reservoir levels and snow accumulations in the mountains that surround the Company's Alberta hydroelectric plants are currently at normal levels for this time of year. However, warm and wet weather in these mountains during

January 2007 has reduced snow packs in the mountains further, but has increased reservoir levels. As a result, the Company expects average to above average hydroelectric generation for the year.

Snowpacks in the mountains surrounding CHD's B.C. hydroelectric plants are currently at record high levels. Provided that temperatures remain warm, stream flows should be average to above average this spring. In January 2007, hydroelectric generation in B.C. was at normal levels. Hydroelectric generation for the year is expected to be average to above average.

Precipitation in Ontario is normal for this time of year with normal precipitation forecast for the spring. As a result, the Company expects average hydroelectric generation in Ontario in 2007.

Pool prices in 2006 ($80/MWh) were higher than 2005 ($70/MWh) due to high natural gas prices and a tightening of the supply and demand for electricity in Alberta, which impact power prices. The average Pool price for January 2007 was $61/MWh, compared to $71/MWh for December 2006, and $72/MWh for the month of January 2006.

With GPEC operating at full capacity, the quarterly fluctuations in financial results will be reduced as power is generated from a constant source. While geographical and technological diversification results in smaller quarterly fluctuations in financial results, management expects financial results from the second and fourth quarters to be higher than those from the first and third quarters of 2007, assuming the offer to purchase GWP closes in March 2007.

The Manitoba Government pronounced a new energy policy in 2002 to reduce greenhouse gas emissions, develop export opportunities, and develop wind energy and small hydro developments. As a result, Manitoba Hydro plans to solicit proposals in early 2007 for up to 300 MW of wind-powered generation for facilities 20 MW or greater in size, with plans for a further 600 MW in subsequent years. The Vector acquisition strategically positions the Corporation to participate in upcoming calls for power. Canadian Hydro is planning to bid one or more of these development prospects into the upcoming call for power in 2007.

In January 2007, the Federal Government announced the "ecoEnergy Renewable Intiative", which will provide an incentive of $10 per MWh for up to 10 years to eligible renewable energy projects constructed over the next four years. The Company expects to qualify for this initiative for Melancthon II, Wolfe Island, Island Falls, Bone Creek, Clemina Creek, Serpentine Creek, English Creek and Dunvegan.

Canadian Hydro is passionate about meeting the goals of investors and the needs of the environment. As industry leaders, Canadian Hydro is focused on building a sustainable future for Canada and with over 16 years experience, Canadian Hydro is a working model for the unlimited development potential of low-impact renewable energy.

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Certain statements contained in this press release constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect, "may", "will", "potential", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.