



## CANADIAN HYDRO UPDATES MELANCTHON II WIND PROJECT

**Calgary, Canada – January 18, 2008 (TSX:KHD):** Canadian Hydro Developers, Inc. ("Canadian Hydro" or the "Company") announced today that it anticipates the 132 MW, Melancthon II Wind Project ("Melancthon II") will be in-service by November 30, 2008 (previously – June 30, 2008), at a total expected capital cost of \$285 million (previously – \$275 million). These changes are the result of the Company's assessment of the impact on Melancthon II from the Ontario Municipal Board ("OMB") hearings to approve amendments to the Official Plans and zoning bylaws in the Melancthon and Amaranth Townships. The new in-service date for Melancthon II has no impact on the Company's 20 year Renewable Energy Supply II Contract with the Ontario Power Authority.

On July 31, 2007, the OMB approved the Melancthon Township portion of Melancthon II. Since then, Canadian Hydro commenced site servicing and select construction in that Township, completing the installation of all 66 wind turbine foundations and expansion of the operations and maintenance building prior to the end of 2007. The Company continues to await the final Order from the OMB approving the Amaranth Township portion of Melancthon II (22 wind turbines), and expects that such an order will be issued prior to construction re-commencing in the spring of 2008.

Canadian Hydro is committed to *Building a Sustainable Future*<sup>®</sup>. The Company is a developer, owner, and operator of 20 power generation facilities totalling net 364 MW of capacity in operation and has an additional 473 MW nearing construction. The renewable generation portfolio is diversified across three technologies (water, wind, and biomass) in the provinces of British Columbia, Alberta, Québec and Ontario. This portfolio is unique in Canada as all facilities are certified, or slated for certification, under Environment Canada's EcoLogo<sup>M</sup> Program.

The Toronto Stock Exchange has neither reviewed nor approved this press release.

**For further information, please contact Canadian Hydro at:**

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**Common shares outstanding: 143,271,223**

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*Advisory Respecting Forward-Looking Statements:*

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "confident", "might" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: (i) the in-service date and capital cost of Melancthon II; (ii) the ability to obtain OMB approval and the timing of that approval for the Amaranth Township portion of Melancthon II; and (iii) other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance.*

*Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release.*

*The forward-looking information and statements contained in this news release reflect several material factors, expectations and assumptions including, without limitation: (i) commodity prices, foreign currency exchange rates and interest rates; (ii) supply and demand for electricity; (iii) schedules and timing of certain projects and the Company's strategy for growth; (iv) the Company's future operating and financial results; (v) treatment under governmental regulatory regimes and tax, environmental and other laws; (vi) the timing of the delivery of power generation assets under construction contracts; and (vii) Melancthon II.*

*The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. Such information and 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 information or statements.*

*The Company cautions that the foregoing list of assumptions, risks and uncertainties is not exhaustive. The forward-looking information and statements contained in this news release speak only as of the date of this news release, and the Company assumes no obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.*