



PRESS RELEASE

CANADIAN HYDRO'S UPPER MAMQUAM HYDROELECTRIC PLANT ACHIEVES COMMERCIAL OPERATIONS

Calgary, Canada – August 2, 2005 (TSX:KHD): Canadian Hydro Developers, Inc. ("Canadian Hydro" or the "Company") announced today that commercial operations have been achieved at the 25 MW Upper Mamquam Hydroelectric Plant. The Upper Mamquam Hydroelectric Plant is located near Squamish, B.C. and is 100% owned and operated by Canadian Hydro. All of the electricity and RECs are sold to BC Hydro under a 20-year power purchase agreement ("PPA"). During the remainder of 2005, the plant is expected to generate approximately 32.9 GWh of electricity. Annual average long-term generation of the plant is expected to be 98.2 GWh.

"We are very proud of this accomplishment. The start-up of Upper Mamquam represents the culmination of the Company's 53 MW growth target for 2005," said John Keating, Chief Executive Officer. "Upon completion of our Melancthon Grey Wind Project by the end of the first quarter of 2006, the Company will have total net installed capacity of 230 MW, providing stable, predictable, long-term cash flow from renewable energy power plants across Alberta, Ontario, and B.C."

BC Hydro has advised the Company that, although there is one technical requirement outstanding before the Canadian Hydro can formally declare commercial operations to have begun under the PPA, BC Hydro will consider the plant to have been operational for purposes of payments under the PPA on July 23, 2005. The technical requirement relates to a leased communications line with the plant that the Company expects may not be addressed until a labour dispute involving employees of Telus Communications Inc. has been settled.

Canadian Hydro is a developer, owner and operator of 17 low impact renewable energy power plants, representing 162 MW of net installed capacity, which are all certified, or slated for certification, under the EcoLogo^M program. Canadian Hydro's Melancthon Grey Wind Project, which is currently under construction, is slated for certification under this program upon completion.

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. With over 15 years experience, Canadian Hydro is a working model for the unlimited development potential of low-impact renewable energy.

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