

WaterFurnace Renewable Energy, Inc.

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For Immediate Release

**WaterFurnace Renewable Energy, Inc.
 Announces Third Quarter Results:
 (U.S.\$)**

Fort Wayne, Indiana—WaterFurnace Renewable Energy, Inc. [WFI:TSX] announced third quarter results today. Tom Huntington, President and CEO stated, “Sales for the third quarter of 2009 were 9% lower as compared to record third quarter 2008 sales. We are pleased that we were able to maintain an earnings level in line with these lower sales. We continue to make strategic investments in technology, product development and expansion of our sales channels. As we enter the fourth quarter, we are seeing an uptick in sales orders, but do not expect to meet the record sales pace set last year.”

Chairman of the Board Tim Shields added, “While every business is feeling the effects of a slow economy and tighter credit markets, the Board is pleased with the Company’s overall performance and supports continued investment in expanding the Company’s business base and infrastructure. Both the Board and management are excited about the future and continue to ensure that WaterFurnace is well positioned to continue its leadership role as the premiere geothermal manufacturer.”

The Board of Directors approved a dividend of \$0.19 per share to be paid December 1, 2009, to shareholders of record at the market close of November 18, 2009. The complete quarterly report is posted on the Company’s website: www.waterfurnace.com. Management will conduct a webcast covering the results of the quarter at 11:00 am Eastern Daylight Time on Friday, November 6th. Interested parties can listen live or to the recorded version at www.newswire.ca/en/webcast/viewEvent.cgi?eventID=2855380 or at the Company’s website: www.waterfurnace.com.

WaterFurnace Renewable Energy, Inc.				
Consolidated Statements of Income				
Prepared using Canadian generally accepted accounting principles (Unaudited—Thousands of U.S.\$ except per share data)				
	Three months ended September 30,		Nine Months ended September 30,	
	2009	2008	2009	2008
Sales	\$ 36,209	\$ 39,964	\$ 89,655	\$ 95,107
Cost of sales	22,962	25,230	58,416	62,544
Gross profit	13,247	14,734	31,239	32,563
Operating expenses	4,865	5,741	15,115	15,249
Research and development expenses	507	490	1,722	1,434
Income before interest and income taxes	7,875	8,503	14,402	15,880
Interest income	29	35	37	128
Interest expense	(7)	(12)	(15)	(30)
Income before income taxes	7,897	8,526	14,424	15,978
Income taxes	2,950	3,278	4,999	5,723
Net income	<u>\$ 4,947</u>	<u>\$ 5,248</u>	<u>\$ 9,425</u>	<u>\$ 10,255</u>
Basic and diluted earnings per share U.S.\$	<u>\$ 0.41</u>	<u>\$ 0.43</u>	<u>\$ 0.78</u>	<u>\$ 0.85</u>

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WaterFurnace Renewable Energy, Inc.
Consolidated Balance Sheets

Prepared using Canadian Generally Accepted Accounting Principles
(Unaudited—Thousands of U.S.\$)

Assets	September 30, 2009	December 31, 2008
Current assets		
Cash and cash equivalents	\$ 3,761	\$ 6,029
Short-term investments	10,368	5,316
Receivables	16,823	18,797
Inventory	6,360	8,714
Other current assets	2,709	2,433
Total current assets	40,021	41,289
Capital assets	4,854	4,643
Other assets	2,727	2,080
Total Assets	\$ 47,602	\$ 48,012
Liabilities		
Current liabilities		
Payables and accruals	\$ 8,178	\$ 10,542
Income taxes payable	272	2,027
Provision for warranty claims - current portion	2,138	1,824
Total current liabilities	10,588	14,393
Capital leases	150	—
Deferred compensation	261	1,085
Provision for warranty claims	7,599	5,827
Total Liabilities	18,598	21,305
Shareholders' Equity		
Share capital	14,865	14,865
Retained earnings	14,139	11,842
Total Shareholders' Equity	29,004	26,707
Total Liabilities & Shareholders' Equity	\$ 47,602	\$ 48,012

More Information: Additional information is available on the Company's website: www.waterfurnace.com. WaterFurnace Renewable Energy, Inc. is traded in both Canadian dollars and U.S. dollars on the Toronto Stock Exchange under the symbol WFI for Canadian dollars and WFI.U for U.S. dollars.

Risk and Uncertainties: This news release contains certain forward-looking statements that may or may not be realized. Investors should not rely solely on this information to make investment decisions. The Company's sales are related to the cost and stability of electricity, fuel oil, propane and natural gas. Federal, state and provincial building codes and energy incentives can also impact sales. The Company is subject to standard risks associated with most companies, such as normal competitive pressures.

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