

NEWS RELEASE

For Immediate Release

Harvest Canadian Income & Growth Fund (TSX: HCF.UN / HCF.WT) raises an additional \$1,339,860 for total gross proceeds of \$36,339,864 as the Over-Allotment Option is exercised by the Agents

Toronto, July 20, 2010 – Harvest Portfolios Group Inc. (“Harvest”) is pleased to announce that today, the Harvest Canadian Income & Growth Fund (the “Fund”) successfully issued an additional 111,655 Trust Units and 111,655 Warrants pursuant to the exercise by the Agents of their Over-Allotment Option. Total gross proceeds raised by the Fund were \$36,339,864. The Units have separated into Trust Units and Warrants which now trade on the Toronto Stock Exchange independently under the symbols: HCF.UN and HCF.WT.

The initial monthly cash distribution of \$0.07 per Trust Unit is payable on August 15, 2010 to Unitholders of record on July 30, 2010. Additionally, each Warrant entitles the holder to purchase one Trust Unit at the subscription price of \$12.00 per Trust Unit during the period between the first business day and 5:00 p.m. (Toronto time) on the tenth business day of any calendar month (up to and including November 2011) (the “Warrant Notice Period”) and before 5:00 p.m. (Toronto time) on November 30, 2011. Such Warrants will be exercised, in the case of Warrants exercised during a Warrant Notice Period, at 5:00 p.m. (Toronto time) on the tenth business day of the applicable month and, in the case of Warrants that are exercised on November 30, 2011, 5:00 p.m. (Toronto time) on November 30, 2011 (the “Warrant Expiry Date”). Warrants not exercised by 5:00 p.m. (Toronto time) on the Warrant Expiry Date will be void and of no value.

The Fund’s investment objectives are:

- (i) to provide Unitholders with monthly distributions (initially targeted to be \$0.07 per Trust Unit (\$0.84 per annum) representing an annual cash distribution of 7.0% based on the \$12.00 per Unit issue price); and
- (ii) to maximize long-term total return for Unitholders while reducing volatility.

The initial targeted monthly distributions for the 12 months ended June 2011 are \$0.07 per Trust Unit.

The net proceeds of the Offering will be invested in an actively managed portfolio comprised primarily of dividend-paying securities and income trust units of publicly-traded utilities, industrial, communications, real estate and retail issuers domiciled in Canada.

Avenue Investment Management Inc. (the “Investment Manager”) will be responsible for the execution of the Fund’s overall investment strategy, including managing the composition of the portfolio of the Fund.

The syndicate of agents is being co-led by BMO Capital Markets, CIBC World Markets Inc. and RBC Capital Markets and includes Scotia Capital Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Dundee Securities Corporation, Raymond James Ltd., Canaccord Genuity Corp., Macquarie Capital Markets (Canada) Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Industrial Alliance Securities Inc. (collectively, the “Agents”).

Harvest and the Fund were represented by Borden Ladner Gervais LLP. The syndicate of Agents was represented by Blake, Cassels & Graydon LLP.

Certain statements included in this news release constitute forward-looking statements, including, but not limited to, those identified by the expressions "expect", "intend", "will" and similar expressions to the extent they relate to the Fund, Harvest and/or the Investment Manager. The forward-looking statements are not historical facts but reflect the Fund’s, Harvest and/or Investment Manager's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although the Fund, Harvest and/or the Investment Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. The Fund, Harvest and/or the Investment Manager undertakes no obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

All capitalized terms noted herein but not defined are as per the prospectus dated May 31, 2010.

For media inquiries or additional information: please contact Michael Kovacs at Harvest Portfolios Group Inc. at mkovacs@harvestportfolios.com or at 1-866-998-8298.