

Readers are referred to the cautionary note regarding Forward-Looking Information at the end of this release.

**Great-West Lifeco Preferred Share Issue and
Redemption of Series D Preferred Shares**

WINNIPEG, February 23, 2010. . . Great-West Lifeco Inc. ("Lifeco" or the "Company") has today entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets, RBC Capital Markets and Scotia Capital under which the underwriters have agreed to buy, on a bought deal basis, 6,000,000 Non-Cumulative First Preferred Shares, Series M (the "Series M Shares") from Lifeco for sale to the public at a price of \$25.00 per Series M Share, representing aggregate gross proceeds of \$150 million.

Lifeco has granted the underwriters an underwriters' option to purchase an additional 2,000,000 Series M Shares at the same offering price. Should the underwriters' option be fully exercised, the total gross proceeds of the Series M Shares offering will be \$200 million.

The Series M Shares will yield 5.80% per annum, payable quarterly, as and when declared by the Board of Directors of the Company. The Series M Shares will not be redeemable prior to March 31, 2015. On or after March 31, 2015, the Company may, on not less than 30 nor more than 60 days' notice, redeem the Series M Shares in whole or in part, at the Company's option, by the payment in cash of \$26.00 per Series M Share if redeemed prior to March 31, 2016, of \$25.75 per Series M Share if redeemed on or after March 31, 2016 but prior to March 31, 2017, of \$25.50 per Series M Share if redeemed on or after March 31, 2017 but prior to March 31, 2018, of \$25.25 per Series M Share if redeemed on or after March 31, 2018 but prior to March 31, 2019 and of \$25.00 per Series M Share if redeemed on or after March 31, 2019, in each case together with all declared and unpaid dividends up to but excluding the date fixed for redemption.

Lifeco also announced today that it intends to redeem all 7,938,500 of its outstanding 4.70% Non-Cumulative First Preferred Shares, Series D (the "Series D Shares") on March 31, 2010. The redemption price will be \$25.25 for each Series D Share plus an amount equal to all declared and unpaid dividends, net of any tax required to be withheld by the Company. A notice of redemption of the Series D Shares will be sent in accordance with the rights, privileges, restrictions and conditions attached to the Series D Shares.

The Series M Shares offering is expected to close on March 4, 2010. The net proceeds of the offering will be used to fund the redemption of the Series D Shares.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Great-West Lifeco Inc. (TSX:GWO) is a financial services holding company with interests in the life insurance, health insurance, retirement savings, investment management and reinsurance businesses. The Company has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Great-West Life & Annuity Insurance Company and Putnam Investments, LLC. Lifeco and its companies have approximately \$459 billion in assets under administration and are members of the Power Financial Corporation group of companies.

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Cautionary note regarding Forward-Looking Information

This release contains some forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, possible future Company action including statements made by the Company with respect to the expected benefits of acquisitions or divestitures are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates and taxes, as well as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors, including factors set out under “Risk Management and Control Practices” in the Company's 2008 Annual Management's Discussion and Analysis and any listed in other filings with securities regulators, which are available for review at www.sedar.com. The reader is also cautioned to consider these and other factors carefully and to not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

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For more information contact:

Marlene Klassen, APR
Assistant Vice-President, Communication Services
(204) 946-7705