



**ALASKA HYDRO CORPORATION**  
Suite 503 – 675 W. Hastings Street  
Vancouver, BC V6B 1N2  
TSX Venture Exchange: AKH

**NEWS RELEASE  
NOT FOR DISSEMINATION IN THE UNITED STATES**

**UPDATE ON LICENSING THE CASCADE CREEK HYDROPOWER PROJECT**

**February 3, 2011 – Vancouver, British Columbia – Alaska Hydro Corporation** (the “Company”) is pleased to announce that Cascade Creek, LLC (“Cascade”), its wholly owned subsidiary, has issued its awaited Draft License Application (“DLA”) for the proposed 70MW Cascade Creek Hydroelectric Project at Thomas Bay, Alaska. Issuance of the DLA initiates the 90-day review period as required by the Federal Energy Regulatory Commission (“FERC”) licensing process, whereby resource agencies, tribes, and other interested parties have an opportunity to review and comment on the application.

In addition, Cascade also released today several environmental study reports resulting from a very active 2010 field season in support of the license application. Results of the study efforts are being referenced in development of the Preliminary Draft Environmental Assessment (“PDEA”). The PDEA is anticipated to be distributed to project stakeholders on, or about, February 11, 2011.

Under advisement from our legal counsel, Cascade has also filed with FERC a subsequent third preliminary permit application to further protect the Company’s status with respect to the FERC process between now and issuance of a FERC license for the project.

Interested persons may visit the project’s licensing website at [www.thomasbayhydro.com](http://www.thomasbayhydro.com) to view the newly released licensing documents and various environmental study reports.

For further information, please contact:

Thom Fischer, President and CEO  
(360) 738-9999

**About Alaska Hydro Corporation**

The Company is engaged in the acquisition and development of renewable energy projects, focused primarily on hydropower projects in northern climates. The Company owns Cascade Creek, LLC which is developing the Cascade Creek project located in Thomas Bay near Petersburg, Alaska. The Cascade Creek project is a 70 MW lake syphon hydropower project, the largest private hydropower project being developed in Alaska. The Cascade Creek project would bring additional energy and capacity to the Southeast Alaskan region, with opportunity to export and import excess energy and capacity to and from the Pacific Northwest and Southwest States through a proposed transmission interconnection in British Columbia. Further information regarding the business of the Company and Cascade can be found in the Company’s filing statement which is available at [www.sedar.com](http://www.sedar.com).

*Certain statements contained in this release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”,*

*“believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company’s current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the business of the Company and the Cascade Creek Project. The forward-looking information contained in this release is made as of the date hereof and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

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