



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

(Canadian unless stated otherwise)

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

**ALASKA HYDRO ANNOUNCES COMPLETION OF FIRST TRANCHE OF
CONVERTIBLE DEBENTURE PRIVATE PLACEMENT**

January 27, 2010 – Vancouver, British Columbia – Alaska Hydro Corporation (the “Company”) is pleased to announce the completion of a first tranche totalling \$89,000 of its previously announced \$500,000 non-brokered private placement of convertible debentures (the “Convertible Debentures”).

These Convertible Debentures will mature on January 21, 2014 and bear interest at 12% per annum, payable semi-annually. The principal amount of the Convertible Debentures is convertible into common shares of the Company, at any time from the date of issuance until the maturity date, at a price equal to \$0.16 per common share. The Company may elect to pay accrued interest by the issuance of common shares, at a price per share equal to the market price of the common shares at the date of issuance. In addition, the Company may elect to redeem the Convertible Debentures at any time prior to the Maturity Date.

The Company paid finder’s fees and commissions in connection with this first tranche private placement of \$3,700 and 23,125 warrants with a two year term exercisable at \$0.16 in accordance with the policies of the TSX Venture Exchange.

The Company announces the resignation of Dr. Stephen Kulin, a Company director who has stepped down to further pursue other interests. The Company gratefully thanks Dr. Kulin for his contribution and wishes him much success in future endeavours.

For further information, please contact:

Cliff Grandison, Chairman
(604) 929-3961

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 <http://www.sedar.com>. Interested persons may visit the project’s

licensing website at <http://www.thomasbayhydro.com/> to view project details and licensing documents.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.