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**NEWS RELEASE**  
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**MORE CREEK HYDRO ELECTRIC PROJECT TO CREATE POTENTIAL GREEN HOUSE GAS OFFSETS.**

**October 6, 2016 - Vancouver, British Columbia** – Alaska Hydro Corporation (“the Company”) updates the More Creek Hydro Electric Project potential for the creation of Green House Gas (“GHG”) emission offsets.

Climate change, one of the biggest environmental challenges, may provide a significant opportunity to enhance the economics of the More Creek Hydroelectric project through the demand for green energy and the marketing of GHG emission offsets. The concept of carbon pricing will encourage the use of non-carbon producing energy and/or the purchase of offsetting GHG emission credits in manufacturing, liquefied natural gas compression, transportation and heating to name but a few of the major emitters of Green House Gases.

Green House Gases are produced from a number of sources, one of the most important being the burning of fossil fuels. There is a growing demand for the elimination of fossil fuels in the generation of electrical energy and automotive fuels, among other uses. The Alberta government has recently announced a plan to shut down all of its coal fired electrical generation plants and replace them with low or no GHG emission electrical generation facilities. This plan opens up a marketing opportunity outside of BC for the Company, which will be pursued.

Further, the construction of proposed LNG plants in BC and gas and oil pipelines that will require electricity for their operation creates an opportunity for the Company to provide a source of clean green energy which could materially reduce the carbon footprint of such operations.

The More Creek project has the potential to provide some of this electricity directly to LNG plants and/or to pipeline operators or sell GHG emission offsets to minimize or neutralize the carbon balance created by their operations.

The operation of the More Creek Hydroelectric plant will produce carbon offsets that can be sold to carbon emitters. Based on industry standards the More Creek project has the potential to create 336,986 tonnes of GHG emission offsets from coal fired electricity generation or 192,577 tonnes of GHG emissions from natural gas generation which can be sold. The price for GHG emission offsets depends on the producers of carbon and their carbon footprint. While prices vary widely, a price in the range of \$10 to \$15 per tonne would be in line with carbon pricing estimates. These prices of \$10 to \$15 per tonne are currently below the BC Carbon tax of \$30.00 per tonne. At \$30.00 per tonne, the BC Carbon tax rate, More Creek carbon offsets are valued at \$10,109,580 and \$5,777,310 respectively,

As the discussion of climate change moves toward the creation of a carbon neutral world, and the means of creating it, the market for GHG offsets could be very large.

For further information, please contact:

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