



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

(Canadian unless stated otherwise)

**NOT FOR DISSEMINATION IN THE UNITED STATES**

**ALASKA HYDRO ANNOUNCES CONVERTIBLE DEBENTURE PRIVATE PLACEMENT**

**February 23, 2011 – Vancouver, British Columbia – Alaska Hydro Corporation** (the “Company”) is pleased to announce a non-brokered private placement of an aggregate of up to \$300,000 principal amount of convertible debentures (the “Convertible Debentures”). The Convertible Debentures will mature on the date that is three years from the date of issuance 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 private placement of Convertible Debentures will be conducted in reliance upon certain prospectus and registration exemptions. The Convertible Debentures will be subject to a hold period of four months in compliance with applicable securities laws and the rules of the TSX Venture Exchange. The net proceeds from the private placement will be used for concluding environmental study results, drafting an environmental impact assessment, preparation of the final licence application, and for general working capital requirements.

The Company may pay finder’s fees and commissions in connection with the private placement in accordance with the policies of the TSX Venture Exchange.

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 [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.*

*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.*