



ALASKA HYDRO CORPORATION
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TSX Venture Exchange: AKH
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(\$US Funds unless stated otherwise)

NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

ALASKA HYDRO ANNOUNCES FERC DENIAL ORDER

January 31, 2012 – Vancouver, British Columbia –Alaska Hydro Corporation (the “Company”) announces that its wholly owned subsidiary, Cascade Creek, LLC (“Cascade Creek”) was advised January 30, 2012 by the United States Federal Energy Regulatory Commission that it has issued an Order denying the successive preliminary permit application filed February 1, 2011 by Cascade Creek for the Cascade Creek Hydroelectric Project No. 12495-003.

The Company is reviewing the appeal process for making application for a rehearing of the Order as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2006), and section 385.713 of the Commission’s regulations, 18 C.F.R. § 385.713 (2011). The company has a period of 30 days in which to file an appeal and plans to proceed accordingly.

The Company believes that the Cascade Creek Hydro Electric Project can be a commercially viable project which will provide significant benefit to Southeast Alaska. In order to further the project the Company is seeking partners and investigating restructuring alternatives to facilitate the filing of a new preliminary permit application.

For further information, please contact:

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Or

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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 has been 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. Interested persons may visit the project’s website at www.alaskahydro.com to view project details and licensing documents. All project documents may be viewed on the Cascade website www.thomasbayhydro.com at this time, or on the FERC website www.ferc.gov.

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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