



ALASKA HYDRO CORPORATION
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(\$US Funds unless stated otherwise)

NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

CASCADE CREEK PROJECT PERMIT REHEARING DENIED

September 21, 2012 – Vancouver, British Columbia – Alaska Hydro Corporation (the “Company”) through its 100% owned subsidiary, Cascade Creek LLC (“Cascade”) reports the US Federal Energy Regulatory Commission (“FERC”) has issued an order denying rehearing of Cascade’s Preliminary Permit Application for development of the Cascade Creek Hydroelectric Project (“the Project”). However, there is a provision in the Order that would allow the company to continue to pursue the FERC pre-filing requirements to prepare a license application. The Company believes it will be able to meet these conditions and will be able to comply with these provisions of the Order but will further consult with counsel and regulatory authorities to assess the risks before embarking on a programme.

For further information, please contact:

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Or

Doug Bishop, President and CEO
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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 Offering, 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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