

ALASKA HYDRO CORPORATION
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NEWS RELEASE
TSX Venture Exchange
Trading Symbol: AKH

(SUS unless stated otherwise)

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ALASKA HYDRO REPORTS THIRD QUARTER FINANCIAL RESULTS

December 3, 2010 – Vancouver, British Columbia – Alaska Hydro Corporation (the “Company”) today reported third quarter financial results. The net loss for the three quarters ended September 30, 2010 was \$631,982 compared with a \$103,402 net loss for the same period in 2009. Total expenditures on the Company’s Cascade Creek hydroelectric projects in southern Alaska were \$420,263 for the first nine months of the year compared to \$113,705 for the same period in 2009. The company is debt free and has a working capital surplus of \$769,749 at September 30, 2010. The Company’s Consolidated Interim Financial Statements and Management’s Discussion and Analysis are available at <http://www.sedar.com>.

Quarter Highlights

- Alaska Hydro and Cascade Creek complete business combination
- Cascade Creek hydroelectric project on track for the Federal Energy Regulatory Commission (“FERC”) licence application
- New board and executive management team
- Equity financing of \$1,304,129 net

“Alaska is continuing its focus toward submitting the FERC licence application on time at the end of January 2011.” said Thom Fischer, Alaska Hydro President and CEO “The successful combination of these companies has allowed us to assemble a very experienced and professional project team going forward.”

Pursuant to its Incentive Stock Option Plan the Company advises that certain directors, officers, employees and consultants of the Company have been granted a total of 2,125,000 options to purchase the company’s common shares at a price of C\$0.16 for a term of 5 years.

For further information, please contact:

Thom Fischer, 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 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 excess energy and capacity to the Southeast Alaskan region, with opportunity to export excess energy and capacity to the Pacific Northwest 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.

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