

PROJECT FINANCE CORP.
2633 Carnation Street
North Vancouver, BC V7H 1H6

NEWS RELEASE
TSX Venture Exchange
Trading Symbol: PF.P

NOT FOR DISSEMINATION IN THE UNITED STATES

PROJECT FINANCE CORP.
Announces Conditional Approval of Qualifying Transaction, the Filing of Filing Statement and the Terms of Offering

July 22, 2010 - North Vancouver, British Columbia: Project Finance Corp. (“**Corporation**”) is pleased to announce that further to its news releases dated December 8, 2009, February 23, 2010, March 31, 2010, May 13, 2010 and May 27, 2010, the TSX Venture Exchange (the “**Exchange**”) has, subject to the satisfaction of certain conditions, conditionally approved the acquisition (the “**Acquisition**”) by the Corporation of all of the issued and outstanding units of Cascade Creek, LLC (“**Cascade**”), the owner of the Cascade Creek Project, a lake-tap hydroelectric project on Swan Lake in the Thomas Bay area of Alaska (the “**Acquisition**”).

The filing statement of the Corporation dated July 22, 2010, which describes the terms of the Acquisition, has been filed with the Exchange and applicable securities commissions and is available on SEDAR under the Corporation’s profile at www.sedar.com.

Concurrent with the closing of the Acquisition, the Corporation intends to complete a short form offering of Units of the Corporation (“**Units**”) in the Provinces of British Columbia and Alberta in accordance with the policies of the Exchange (the “**Financing**”) by way of Exchange short form offering document. Raymond James Ltd. (the “**Agent**”) will act as agent for the Financing on a commercially reasonable efforts basis.

The Financing shall consist of the issuance of a minimum of 8,500,000 Units and up to a maximum of 9,375,000 Units at a price of \$0.16 per Unit for aggregate proceeds of a minimum of \$1,360,000 and a maximum of up to \$1,500,000. Each Unit is comprised of one common share of the Corporation (a “**Share**”) and one Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder, on exercise, to acquire one Share at a price of \$0.32 per Share for a period of 5 years following the closing of the Financing.

The Agent shall receive a cash commission of 8% of the gross proceeds derived from the sale of Units by the Agent, provided that the Agent will only receive a cash commission of 5% of the gross proceeds for any Units sold to investors introduced by Project to the Agent. The Agent will also be granted non-transferable warrants (“**Agent’s Warrants**”) entitling it to purchase Shares in the amount of 8% of the total number of Units sold in the Financing, provided that the Agent will only receive Agent’s Warrants entitling it to purchase Shares in the amount of 5% of the total number of Units sold to investors introduced by Project to the Agent. The Agent’s Warrants will be exercisable at \$0.16 per Share for a period of two years following the closing of the Financing. The Agent will also be reimbursed for its reasonable legal and out-of-pocket expenses. In addition, the Agent will receive a corporate finance fee of \$18,000 plus applicable taxes, of which 50% has been paid to the Agent and is non-refundable. The Financing will be conducted by way of an Exchange Short Form Offering Document.

The Shares are currently halted from trading in accordance with the policies of the Exchange.

For further information, please contact Cliff Grandison, President, at:

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Cautionary Statements

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 Corporation'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 closing of the Acquisition and the terms and conditions of the Financing. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Corporation. The material factors and assumptions in which the forward-looking information is based include: the parties to the Acquisition being able to obtain the necessary director, shareholder, third-party and regulatory approvals and no significant decline in markets. Risk Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: the parties will not proceed with the Acquisition and associated transactions and that the proposed Qualifying Transaction and associated transactions will not be successfully completed for any reason including the failure to obtain the necessary director, shareholder, third-party and regulatory approvals to the Acquisition; changes in tax laws, general economic and business conditions; the inability of the Agent to complete the Financing; changes in the regulatory regulation. The Corporation cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Corporation 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, Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of Acquisition, Financing and associated transactions and neither of the foregoing entities has in any way approved or disapproved of the contents of this press release.