



ALASKA HYDRO CORPORATION
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NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

**ALASKA HYDRO UPDATE ON LICENSING THE
CASCADE CREEK HYDROPOWER PROJECT**

May 31, 2011 – Vancouver, British Columbia – Alaska Hydro Corporation (the “Company”) is pleased to announce that Cascade Creek, LLC (“Cascade”), its wholly owned subsidiary, has recently received timely comments from regulatory agencies including the United States Federal Energy Regulatory Commission (“FERC”) regarding the Draft License Application (“DLA”), and the Preliminary Draft Environmental Assessment (“PDEA”), both submitted last February.

The comments received provide clear direction for remaining study requirements. Cascade will be meeting with agencies in mid-June and thereafter to develop and implement remaining field studies, and complete environmental investigations necessary for the final license application preparation.

The issues and extent of studies requested are typical of those required for projects in southeast Alaska and do not reflect any surprises or special circumstance that may negatively affect the Cascade Creek project.

Concurrently, the public comment period closed May 15, 2011 on the company’s third Preliminary Permit application to FERC with no competitive application filed by any other entity.

All documents may be viewed on the Cascade website www.thomasbayhydro.com at this time, or on the FERC website www.ferc.gov.

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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 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 <http://www.sedar.com>. Interested persons may visit the project's website at <http://www.alaskahydro.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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