



**ALASKA HYDRO CORPORATION**  
Suite 503 – 675 W. Hastings Street  
Vancouver, BC V6B 1N2  
TSX Venture Exchange: AKH  
www.alaskahydro.com

(\$US Funds unless stated otherwise)

**NEWS RELEASE**  
**NOT FOR DISSEMINATION IN THE UNITED STATES**

**Alaska Hydro Announces Shares for Debt Settlements**

**September 30, 2011 – Vancouver, British Columbia – Alaska Hydro Corporation** (the “Company”) today advises that it has entered into agreements, subject to the acceptance of the TSX Venture Exchange, to settle \$59,900 of debts by the issuance of 374,375 common shares at a deemed price of \$0.16 per share with a director and an officer of the Company. All common shares issued will be subject to a four-month hold period from the date of issuance.

The Company has issued an aggregate of 275,000 incentive share options to a company director and officer in recognition of a change in responsibilities and a new appointment.

For further information, please contact:

Cliff Grandison, Co-Chairman  
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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 [www.sedar.com](http://www.sedar.com). Interested persons may visit the project’s website at [www.alaskahydro.com](http://www.alaskahydro.com) to view project details and licensing documents. All project documents may be viewed on the Cascade website [www.thomasbayhydro.com](http://www.thomasbayhydro.com) at this time, or on the FERC website [www.ferc.gov](http://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.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*