

ALASKA HYDRO CORPORATION
2633 Carnation Street
North Vancouver, BC V7H 1H6

NEWS RELEASE
TSX Venture Exchange
Trading Symbol: AKH

**PROJECT FINANCE CORP. ANNOUNCES COMPLETION OF QUALIFYING
TRANSACTION
AND CHANGES NAME TO ALASKA HYDRO CORPORATION**

September 7, 2010 – Vancouver, British Columbia – Alaska Hydro Corporation (the “**Company**”) is pleased to announce that effective September 3, 2010 it completed its previously announced qualifying transaction (the “**Qualifying Transaction**”). The Company acquired all of the issued and outstanding units of Cascade Creek, LLC (“**Cascade**”). The Company issued an aggregate of 22,636,458 common shares and 6,238,542 special warrants to the unitholders of Cascade (the “**Vendors**”) at a deemed price of \$0.08 per common share or special warrant, as the case may be. Each special warrant is convertible into one common for no additional consideration. The Vendors and the Company are at arm’s length, accordingly the Qualifying Transaction is not a “Non-Arm’s Length Qualifying Transaction”. Upon completion of the Qualifying Transaction, the Company changed its name to “Alaska Hydro Corporation”.

Of the 22,636,458 common shares and 6,238,542 special warrants issued to the Vendors, an aggregate of 28,875,000 common shares and special warrants are held in value escrow pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”). 10% of the common shares subject to escrow will be released upon the issuance of the final Exchange bulletin in connection with the Qualifying Transaction. The remaining common shares subject to escrow will be released in 15% tranches in 6 month intervals thereafter. Of these securities, 6,000,000 special warrants issued to certain of the Vendors are also subject to a performance escrow agreement.

Cascade is a private Alaskan limited liability company which owns the Cascade Creek Project, a proposed lake-tap hydroelectric project on Swan Lake in the Thomas Bay area of Alaska. The installed plant capacity for the Cascade Creek Project is anticipated to be 70 MW. Upon completion of the Qualifying Transaction, Cascade became a wholly-owned subsidiary of the Company, and the Company will carry on the business of Cascade. Further information regarding the business of Cascade can be found in the Company’s filing statement which is available at www.sedar.com.

Financing

Concurrently with the closing of the Qualifying Transaction, the Company completed a financing (the “**Brokered Financing**”) of 6,983,500 units (“**Units**”) of the Company at a price of \$0.16 per Unit for aggregate proceeds of \$1,117,360. Each Unit is comprised of one common share of the Company and one common share purchase warrant (a “**Warrant**”). Each Warrant entitles to holder, on exercise, to acquire one common share at a price of \$0.32 per common share until September 3, 2015. The Brokered Financing was conducted by way of Exchange Short Form Offering Document. Raymond James Ltd. (the “**Agent**”) acted as Agent for the Brokered Financing. In consideration for its services, the Agent, and members of its selling group, received commission equal to 8% of the gross proceeds of the Brokered Financing. In addition, the Company issued an aggregate of 555,080 common share purchase warrants (“**Agent’s**”).

Warrants”) to the Agent and members of its selling group. Each Agent’s Warrant entitles the holder, on exercise, to acquire one common share at a price of \$0.16 per common share until September 3, 2012. In addition, the Agent receive a cash corporate finance fee and 93,750 corporate finance warrants, such warrants having the same terms as the Agent’s Warrants. All of the Agent’s Warrants, the corporate finance warrants and an aggregate of 930,000 common shares and Warrants issued under the Brokered Financing are subject to a 4-month hold period expiring on January 4, 2011.

In addition, concurrently with closing of the Qualifying Transaction, the Company completed a non-brokered private placement (the “**Non-Brokered Financing**”) of 2,500,000 Units for aggregate proceeds of \$400,000. No finder’s fees or commissions were paid in connection with the Non-Brokered Financing. All of the common shares and Warrants issued under the Non-Brokered Financing are subject to a 4-month hold period expiring on January 4, 2011.

TSX Venture Exchange – Final Approval

Effective September 3, 2010, Project Finance Corp. changed its name to “Alaska Hydro Corporation”. The Company anticipates the commencement of trading on the Exchange as a Tier 2 Cleantech Issuer on September 8, 2010 under its new name and trading symbol “AKH”. The Company expects to receive final approval of the Qualifying Transaction on September 7, 2010.

Directors and Management

Upon completion of the Qualifying Transaction, Terry Martinich and Rany Ratushny resigned as directors of the Company. Thom Fischer, Steve Marmon, Stephen Kulin and Matthew Bell were appointed as directors of the Company. In addition, Cliff Grandison resigned as President and Chief Executive Officer and Rany Ratushny resigned as Chief Financial Officer. Thom Fischer was appointed as President and Chief Executive Officer, Len Schmidt was appointed as Chief Financial Officer, Michael Hoole as Corporate Secretary, Cliff Grandison as Chairman of the Board, Duff Mitchell as VP Business Development and Steve Marmon as VP Operations.

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

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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.