

PROJECT FINANCE ANNOUNCES EXTENSION OF QUALIFYING TRANSACTION

VANCOUVER, May 13, 2010.

Project Finance Corp (TSX:PF.P) (Project Finance) is announcing a further extension to the scheduled closing date for it's Qualifying Transaction. Project Finance previously announced an extension to the Letter Of Intent dated December 7, 2009 to close April 30, 2010. The additional time was required to complete a technical Due Diligence Review, prepare a Valuation Report, complete an audit of Financial Statements and prepare filing documents. This work has been completed as planned but additional time is required for the TSX review and completion of a financing Agency Agreement.

Project Finance and Cascade Creek LLC agreed to extend the closing to May 30, 2010. The terms of the LOI were amended to reduce the number of shares to be issued to the unit holders of Cascade Creek LLC from 40 million shares to 30 million shares. The LOI was also amended to include a performance clause requiring 6 million of the 30 million shares to be with held pending receipt of the FERC licence. Changes to the terms and conditions of the RTO are a consequence of the Valuation of Cascade Creek LLC prepared for Project Finance.

Project Finance has submitted a filing statement with the TSX and is waiting comments. Project Finance has also engaged Raymond James as it's Agent to arrange a brokered offering by way of a short form prospectus.

About Cascade Creek and the Thomas Bay Hydroelectric Project

Cascade's hydroelectric project (the "Project"), located in Thomas Bay near Petersburg in southeast Alaska, is designed as a Lake Tap hydroelectric generating facility and is engineered to generate 190,000 GWh of energy per year; enough to meet the needs of about 19,000 homes. In a Lake Tap hydroelectric facility, the lake becomes a reservoir of water which is drawn upon by way of either a siphon or drain, then delivered by penstock and tunnel to the turbines in the generating station, which will be located near sea level. Swan Lake, the primary source of water, is a naturally formed lake at an elevation of 1,515 feet above sea level and located approximately three miles from tide water. The Project has the ability to store water in the lake and deliver energy to the markets during periods when energy prices are high. The ability to operate the facility in this manner makes energy from this project more valuable than traditional Run-of-River projects typically found in B.C.

In addition to supplying electricity to the local Alaskan markets, Cascade's primary focus is the sale of electricity to the lower 48 states. In order to access the lower 48, Cascade will require interconnection with BCTC's proposed Northwest Transmission Line at Bob Quinn Lake on Highway 37 in B.C. The B.C. Government and the Canadian Federal Government have both made financial commitments to the construction of this line, which is currently in the first stage of development.

SOURCE: Project Finance Corp.

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