



ALASKA HYDRO CORPORATION
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TSX Venture Exchange: AKH
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(\$US Funds unless stated otherwise)

NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

Alaska Hydro Completes Shares for Debt Settlement

October 19, 2011 – Vancouver, British Columbia – Alaska Hydro Corporation (the “Company”) today advises that it has completed a Shares for Debt Settlement to extinguish \$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. This settlement has been accepted for filing by the TSX Venture Exchange. These agreements were completed as previously announced on September 30, 2011. All common shares issued pursuant to the Shares for Debt Settlement will be subject to a four-month hold period from the date of issuance.

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. Interested persons may visit the project’s website at www.alaskahydro.com to view project details and licensing documents. All project documents may be viewed on the Cascade website www.thomasbayhydro.com at this time, or on the FERC website 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.