



ALASKA HYDRO CORPORATION
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(\$US Funds unless stated otherwise)

NEWS RELEASE
NOT FOR DISSEMINATION IN THE UNITED STATES

ALASKA HYDRO REPORTS CANCELLATION OF WARRANTS

July 29, 2013 – Vancouver, British Columbia – Cliff Grandison, Co-Chairman and Interim CEO of **Alaska Hydro Corporation** (the “Company”) announced that the Board of Directors of the Company has cancelled six million Performance Exchangeable Share Purchase Warrants (the “Exchangeable Warrants”). The Exchangeable Warrants were issued in escrow to certain holders of Units of Cascade Creek, LLC upon the Company completing its Qualifying Transaction and acquiring Cascade Creek, LLC and the Cascade Creek hydroelectric project (the “Project”). The Exchangeable Warrants were to be released and exercisable upon the U.S. Federal Energy Regulatory Commission (“FERC”) issuing a FERC licence for the development of the Project or a similar sized hydroelectric project agreeable to the Company. FERC denied the application for a third preliminary permit for the Project and as a result the Company has abandoned the Project and will not pursue any other similar sized hydroelectric project requiring a FERC licence. Accordingly, the condition necessary for the release of the Exchangeable Warrants and the exchange into common shares cannot be met and therefore the Exchangeable Warrants have been cancelled.

As previously announced the Board of Directors of the Company has decided to amend its goals and restructure the Company. The cancellation of the Exchangeable Warrants is in recognition this fact and the first step in the restructuring of the Company.

For further information, please contact:

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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, Cascade Creek LLC, and the Company’s future structure and operations. 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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