



OUR SEALASKA



2007 – A VOTE FOR OUR FUTURE

Community Meeting Highlights

In 2007 shareholders will vote on three important resolutions about descendants, Elders, and Leftouts. The Sealaska Board of Directors recently held community meetings to discuss these issues, and to answer questions and listen to shareholders' opinions. The Board deeply appreciates all those who took the time to participate in the meetings.

Sealaska is dedicated to providing balanced, accurate information regarding the descendants, Elders and Leftouts resolutions in preparation for our 2007 vote. In an effort to reach shareholders who were unable to attend a community meeting, this informational mailing is intended to provide some highlights for you and your family. We hope it proves helpful in your consideration of these important shareholder resolutions.

Meetings were held in: San Francisco on November 10, Portland on November 11, Seattle on November 12, Anchorage on November 17, Yakutat on November 18, Sitka on November 30, Juneau on December 4 and Ketchikan on December 7.

PARTICIPANT QUESTIONS

The photos, as well as the shareholder questions and comments, are from the Fall community meetings.

Q: "If we voted yes and my son is now only six years old, is there a possibility the enrollment could be closed? Can the Board decide to close enrollment?"

A: Enrollment is perpetual unless shareholders vote later to close it. Only shareholders can vote to close the enrollment, not the Board.

Q: "Why are the other two [resolutions] tied to descendants?"

A: The purpose of the Elders resolution is to protect the Elders from the economic loss from issuing new shares to descendants. We found that Elders were conflicted – they wanted to do what's right by enrolling their children, but they were concerned about dilution. We wanted to address this concern by minimizing the dilution impact on Elders. There would be no need to have a resolution for Elders if descendants didn't pass. The Board chose to tie the Leftouts resolution to descendants because the last time Sealaska proposed this, it was voted down by shareholders.

We felt it was time to bring it up again in a positive way.



A healthy crowd attended the Anchorage Community Meeting.

Q: "Will discretionary votes be applied to these resolutions?"

A: No. Discretionary votes will not be applied to resolutions.

Q: "It seems really unfair that by chance, those people were Leftouts to begin with. Why is it only life estate stock if there are so few of them? Why not give them the full membership?"

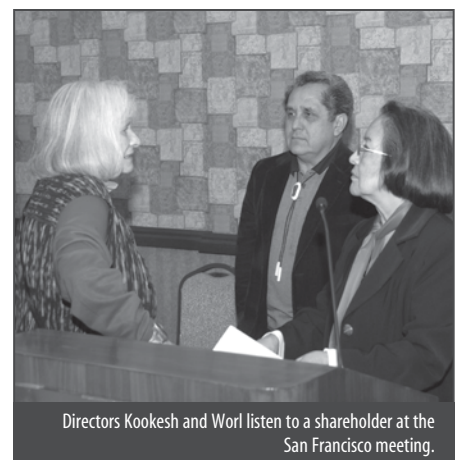
A: When this issue was voted on as an advisory vote several years ago, it did not pass. Based upon meetings and shareholder comments inside and outside Alaska, Leftouts should be granted something. So the Board has proposed life estate stock as a compromise.

Q: "If [the resolutions] pass in June, when will they go into effect?"

A: The date of the annual meeting: June 23, 2007.



A Portland shareholder addresses the Board.



Directors Kookesh and Worl listen to a shareholder at the San Francisco meeting.

COMMUNITY MEETING HIGHLIGHTS

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Questions and Answers



Sitka shareholders share a laugh after the meeting.

Q: "Did you put a number on how many Leftouts there are? Two hundred is nothing."

A: When we asked potential Leftouts to contact us in 1995, when this last came to a vote, less than 200 did. If there are more than 200 they are welcome to join. We believe 200 is a reasonable estimate, but there is no way to know with certainty until enrollment occurs.

Q: "If I gift my stock to descendants who don't have 1/4 blood quantum, can they join that way?"

A: Yes. They will continue to have voting shares in the corporation as long as they are descen-



A shareholder addresses the Board at the Seattle meeting.

dants of an original shareholder, even if they don't have the required blood quantum for the new descendants life estate shares.

Q: "My daughter already has inherited shares, can she still get descendant shares?"

A: Yes, if she is eligible she will still get her shares, even if she already owns some shares.

Q: "If my kids inherit my Village shares, can they still own descendant shares?"

A: Yes. The descendant shares would be their own class, not considered Village or Urban or At-Large.

Q: "Will descendants be able to vote?"

A: Yes. They will be issued voting stock. It is life estate stock that will be cancelled upon the death of the shareholder, but you can vote with this stock.

Q: "We'll see a decrease in our dividends if these pass. Will we ever see an increase in our dividends?"

A: The past few years reflect that we have been increasing our distributions. The Permanent Fund has been increasing, as have revenues from Section 7(i). Our goal is definitely to see your dividends increase through greater profits, but the new shares will dilute future distributions at whatever level they are paid.

Q: "I gifted shares to my son and he'll be 18 next year. Will he still be eligible to apply as a descendant?"

A: Yes. The gifted shares don't make them ineligible.

Q: "If this vote passes and there is a dilution of voting power, would you increase the number of scholarships or increase the eligibility requirements?"

A: Descendants are already eligible to get scholarships now, so that won't change the scholarship program much.

Q: "I support all these resolutions, but I have some concerns. We have a non-Native, non-descendant in our family who owns 100 shares. Will her children get those shares?"

A: Her shares will go to whomever she specifically states in her will, or if she doesn't have a will, the shares will follow probate rules. As a non-Native shareholder she is not eligible to vote, because her shares became non-voting when they came into her possession. But if her shares are inherited by Natives or descendants of Natives, those shares become voting shares again.



Some lucky participants won door prizes.

Q: "Are Leftout descendants eligible to enroll under this resolution?"

A: Not as Leftouts. But they may be eligible as descendants if they were born after December 18, 1971, and if they have another ancestor through whom they would qualify. They would have to meet all the eligibility requirements of a shareholder descendant.

PARTICIPANT COMMENTS



Seattle Community Meeting

"I want to say *gunalch'eesh* to the board for all they are doing. Our elders never said it was for ME, they said it was for our children and grandchildren. If we don't vote for these resolutions, we aren't voting for what our grandparents fought for."

"I've always voted against diluting the stock by giving out stock to people who become of age. I believe in passing the stock on and I think that's a good way... I was against it, but after seeing this here I have to support this now. I can see the dilution is not as much..."

"I am totally in favor of all three resolutions. I have two children born after 1971 and I am willing to give up a portion of my dividend to get them enrolled. We don't know what the future holds

and our grandfathers looked out for us, and I want to look out for my children and grandchildren... I am in favor of Leftouts, 200 is not very many when we have 17,000 shareholders."

"Why can't Leftouts get the same shares we have? Many worked hard to get their application information up to Juneau but it just didn't get into the right hands. I do appreciate the additional 100 shares, but it is my concern that Leftouts aren't getting the same thing that we have."

"The Indian people take care of their families, of their children...thank you for taking care of our babies and our Elders."

"I fully support all resolutions and commend the board for putting these resolutions on the floor. I believe our ancestors did not intend for this benefit to end in 1971."

"I can remember when I was small and my mother took us to enroll. I remember my mother saying it isn't about the money; it's about the land...We are voting to give our descendants life estate stock. What does this say to our descendants and the Leftouts? They're no less than we are...If this is the only way to get them in, vote for it, but push for something other than shares that die when they do."

"A lot of what made this corporation is what our ancestors have gone through. We were given stock as reparations for what happened to our ancestors...Anybody after 1971 should be able

to enroll as long as they're ¼ Native. The Leftouts should have the same type of stock as we had, and be able to pass the stock along to their descendants."

"I want to speak for Elders. I have to bring out my will and redo it to make sure my grandchildren get their shares. I understand that few shares are being gifted to children, but that's because you aren't reminding us to do this. Do more education with the older age group and give us the responsibility to take care of our families. I also worry about the time Sealaska is putting into this issue and not others, like land. We lost some of our land and we're told to get off land that used to belong to us. We need Sealaska to help with those areas of land..."

All of us at Sealaska would like to thank everyone who participated in this fall's community meetings and urge you to learn more at www.oursealaska.com. Watch for information about next spring's community meetings.

"We talk about additional stock to Elders and they will only go to this one special group of people. I respect my Elders but I will vote against this because it creates a special group...The descendant part is way more important for me, we're doing this for our children, we don't want to tell them they aren't Indian because they aren't shareholders...We need to think about our children, and I hope everybody votes to enroll them...I would urge everybody to vote for the descendants, and for the Leftouts..."

"I know there are strong feelings on both sides. With corporations they're made for individuals and they make you think like an individual...but as Natives we think as a people and what's best for all of us...I am going to vote to bring in our descendants, and that will make us different and unique. Sealaska needs to mean more to us than just dividends. The company needs to make it so when we think of Sealaska... we think of our children and grandchildren..."



Director London talking with a shareholder at the Portland Community meeting.

Learn More. Go to
www.OurSealaska.com

- View the community meeting photo gallery
- Read the full text of the shareholder resolutions
- Tell us what you think by taking an online survey



Directors Worl and Kookesh talk with participants at the Sitka Community Meeting.

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For this special mailing, the Board of Directors felt it important that each shareholder receive his or her own copy. Please help us by making sure all shareholders in your household receive one.