

Shareholder

A bimonthly newsletter from Sealaska Corporation

Welcome New Shareholders

Sealaska Corporation welcomes these new shareholders to the Sealaska family:

Verla R. Santana, Klawock, AK
 Steven K. Juneau, Surprise, AZ
 Edmond L. Juneau, Missoula, MT
 Robert C. Juneau, Missoula, MT
 Sampson G. Juneau, Browning, MT
 Jerelyn Glatzmaier, Browning, MT
 Jared H. Williams, Klawock, AK
 William A. Borgman, Jr., Marysville, WA
 Crystal Dawn Crayne, Trail, OR
 Cecilia P. Felipe, Juneau, AK
 Melisa M. Castaneda, Juneau, AK
 Analicia C. Felipe, Juneau, AK
 Claudio Morato, Juneau, AK
 Jose L. Morato Felipe, Juneau, AK
 Jorge A. Pacheco, Jr., Juneau, AK

For more information and forms for gifting stock, please contact Sealaska Shareholder Records, (907) 586-1512 or toll free (800) 848-5921. Download forms from www.sealaska.com.

Shareholders Attend 31st Sealaska Annual Meeting

Sealaska shareholders gathered in Sitka, Alaska, on June 12 for the 31st annual meeting. At the meeting, Sealaska reported on its 2003 financial performance, future business direction and the shareholder descendants education campaign. Sealaska Heritage Institute gave a report on its programs and the successful conclusion of Celebration 2004.

Approximately 227 Sealaska shareholders attended the meeting in person and about 100 households joined the proceedings via Sealaska's second live Webcast. The Webcast is part of the corporation's continuing effort to improve

communications and allow shareholders to participate in our annual meetings.

Shareholders re-elected Patrick M. Anderson, Joseph Demmert, Jr., Clarence Jackson, Sr., and Jacqueline L. Johnson to Sealaska's Board of Directors.

The daylong event began with a shareholder fair featuring Native artists and organizations hosting booths. Candidate speeches and a luncheon followed, with a dynamic performance by the Naa Kahídi Dancers of Sitka, who graciously invited the audience, board members and management to join them in traditional dance. The South-

east Alaska Native Veterans and the Alaska Native Brotherhood Veterans Committee opened the formal start of the meeting by presentation of the Colors. Orié Williams, the president and CEO of Doyon Incorporated, provided a thought-provoking description of Doyons enrollment of shareholder descendants, why and how they put forth a vote to shareholders, and the impacts to the corporation since the descendant enrollment passed. A dance performance by Gájaa Héen Dancers of Sitka, a question and answer session, and a report of the election results closed the day.



OUR SHAREHOLDERS
 DESCENDANTS
 SEALASKA
 DECIDING OUR FUTURE TOGETHER.

INSIDE—special descendants insert that includes:

- Comments from shareholders and descendants
- Survey results
- Answers to questions shareholders and descendants have asked
- Web site information



CEO's Business Update

On June 12 Sealaska held its 31st annual meeting in Sitka, Alaska. About 290 shareholders attended or viewed the meeting in person or by live Webcast. I would like to thank all the shareholders who attended this year's meeting

and everyone involved in the planning and execution of this successful event.

The meeting focused on 2003's theme to transform – to continue to improve as we continue to adapt. From our business diversity solutions to our growth in the Sealaska Heritage Institute, Sealaska continues to adapt by

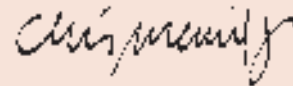
reflecting on our past to strengthen for the future. In addition to strong profitability, we had some important accomplishments and mile-

stones throughout the year, but I am most proud of our SHI scholarship program which is a partnership between Sealaska and Sealaska Timber Corporation who provide the funds, and Sealaska Heritage Institutes administration and granting of annual scholarships. The program supported 352 shareholders and descendants pursuing educational opportunities during the 2004-2005 school year. Another 110 students will be funded through a combination of Sealaska funds and grants to study Tlingit and Haida languages, an exciting step for our next generation to carry on our Native traditions.

The McDowell Group affirmed our economic contribution to the southeast region through our employment and business opportunities. We are

in a strong position to continue to build our businesses and build our culture, evident in our 2003 financials and growing number of Celebration attendees each year. I would like to thank all the shareholders who have been actively involved with Sealaska and hope that others will be involved as we progress. We will continue to transform, balance our business and strengthen our culture, and I look forward to seeing what the future may hold.

Sincerely,



Chris E. McNeil, Jr.
President and CEO



Chris E. McNeil, Jr.
President and CEO

McDowell Group Reports Sealaska is the Largest Private, For-Profit Economic Contributor to Southeast Alaska

According to the McDowell Group, a research and consulting firm located in Juneau, Sealaska Corporation, Sealaska Timber Corporation, Sealaska Heritage Institute and their contractors employed 695 full and part-time workers and paid over \$20 million in payroll in 2002 (the most recent year with available data). Including indirect employment and payroll, Sealaska-related employment totaled approximately 1,000 workers and \$29 million in payroll in the southeast region. That makes Sealaska the largest private for-profit employer in Southeast Alaska.

In addition, over 360 businesses and nonprofits in 16 southeast communities received Sealaska-related spending totaling more than \$45.6 million for payroll and the purchase of goods and services, according to the report. Sealaska alone spent \$7.5 million in the southeast in

2002 – \$6 million in Juneau and \$1.5 million in other communities.

“Sealaska’s economic contributions to Southeast Alaska communities are vitally important, especially to the smaller communities where there is minimal alternative employment and activity,” stated Jim Calvin of the McDowell Group.

Other important Sealaska contributions not included in this report were shareholder dividends, scholarships and cultural preservation.

“Sealaska’s primary focus is profitability which leads to shareholder employment opportunities and dividends. However, our mission is broader. The education of our people, preservation of our languages and cultures and responsible management of our natural resources are vital to the corporation’s ongoing success,” said Board Chair Albert Kookesh.

SEARHC Donation

The Sealaska Board of Directors has awarded a \$25,000 direct grant to The SEARHC Foundation in Juneau. Ken Fowler, president and CEO of SEARHC, and Cheryl Eldemar, executive director of The SEARHC Foundation, made a presentation to Sealaska at the May 2004 Board of Directors meeting where they discussed the mission and objectives of The SEARHC Foundation. The foundation is a vehicle to provide for basic health care-related services that are not provided through The SEARHC Indian Health Services contracts, such as urgent travel costs for patients or accompaniment. “We are very proud to let our Southeast Alaska tribal community know that Sealaska Corporation joins us in upholding the traditional value of healthy individuals and communities,” stated Joseph E. Kahklen, president of the Board of The SEARHC Foundation.

OUR SHAREHOLDERS DESCENDANTS SEALASKA

DECIDING OUR FUTURE TOGETHER

OUR SHAREHOLDERS, OUR DESCENDANTS, OUR SEALASKA

The response by shareholders and descendants to the launch of our education campaign has been great. The issue of enrolling

shareholder descendants in Sealaska is large and complex. We appreciate the interest, questions and your willingness to learn about all sides of this issue.

Realonda Thorson of Seattle, WA Wins Trip on Alaska Airlines!

At Sealaska's 31st annual meeting on June 12, raffle winners Realonda Thorson, Jonathan Carle and Amaleta Boyle were announced. Grand prize winner Realonda Thorson won a free roundtrip ticket on Alaska Airlines, Jonathan Carle

won a Sealaska logo blanket and Amaleta Boyle won a Sealaska jacket. Their names were drawn from the 2,141 shareholder and descendant email addresses submitted to Sealaska before June 11.

Answers to New Questions

We have received a number of good questions from shareholders. Below are answers to three new frequently asked questions.

Question: What about those born before December 18, 1971 with 1/8 blood quantum? Will they be eligible to be enrolled under this proposal?

Answer: No. The provisions of ANCSA do not allow Sealaska Corporation to enroll persons with less than 1/4 blood quantum if they were born before December 18, 1971. Under current law, Sealaska Corporation can decide by shareholder vote to include lineal shareholder descendants with less than 1/4 blood quantum, only if they were born after December 18, 1971. It would take a congressional amendment to allow Native corporation shareholders to vote on enrolling those with less than 1/4 blood quantum, born before the effective date of ANCSA.

Question: What does it mean that descendants would be granted "life estate shares" in Sealaska Corporation?

Answer: Life estate shares would be a new class of shares, 100 of which would be granted to each qualified shareholder descendant at the age of 18 for his or her lifetime. Life estate shares cease to exist upon the death of the owner and could not be gifted or inherited. Voting and dividend rights would be the same as with current shares.

Question: If a shareholder descendant already owns shares through gifting or inheritance, would that descendant receive 100 new shares of Sealaska stock?

Answer: Yes, as long as the shareholder descendant is qualified he or she would receive 100 life estate shares. The original shares received through gifting or inheritance could be passed on by gift or inheritance, but the life estate shares could not.

Sealaska would like to thank you for your input and encourage you to stay involved as our education campaign progresses. We will be updating the OurSealaska Web site with new frequently asked questions, shareholder comments and other useful information. We encourage you to visit the site periodically for the most up-to-date information.

HAA SHUKA

our ancestors

Shareholders and Descendants Share Their Opinions About the Descendants Issue

At Celebration 2004, we asked shareholders and descendants to share their opinions about the proposal to enroll descendants in Sealaska Corporation. Here are a few of their comments. For additional comments from shareholders and descendants, and to view the short video shown at this year's annual meeting, please visit our Web site at www.OurSealaska.com.

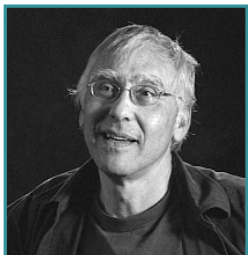


Cynthia Llanos
Ketchikan, AK

"I have seven kids, three are shareholders and four are not...I think a lot of people feel that if they (Sealaska) include descendants, the value of your stock goes down. But I personally think they'd be gaining an ownership in their heritage."

Mark "Hans" Chester, Jr.
Juneau, AK

"I am not a shareholder. I think it would be extremely beneficial to our youth to have something else, another part of our identity and our culture that we can hold on to. I think it would give us even more a sense of pride of who we are, because being able to make claims to ownership, or being able to own something, it just lifts our spirits up."



Gary Waid
Juneau, AK

"It's not about the blood quantity, it's about what spirit moves. That's a part I've always been uncomfortable with, what blood quantum is...and it's going to be a tough one. Myself, I haven't formed a solid opinion on that one yet."

Ross Sobelev
Juneau, AK

"I think it (the descendants issue), because it's been talked about for a long time but there hasn't been action, that makes the hill steeper to climb. But, on the other hand, I think it's a real simple issue. We complicate things in our lives unnecessarily sometimes, and it just comes down to making a decision to take care of your family..."



Janet Peele
Shoreline, WA

"I have four children, three boys and a girl. Two of them are (shareholders) and two aren't. I believe they should be enrolled...having a cut-off date made my daughter feel like she wasn't a part of us...it should have been their birthright..."

Mike Hoyt
Gladstone, OR

"I think that it's pretty important that young generations feel included as well with this (Sealaska shareholders)."



Cultural Corner

Highlights From SHI

Sealaska Awards Over \$1 Million in Scholarships

Sealaska Heritage Institute will award \$1,023,437 in scholarships to 352 Sealaska shareholders and descendants. The awards, funded by Sealaska Corporation and by grants, will go to Southeast Alaska Natives pursuing educational opportunities during the 2004-2005 school year. Another 110 students will be funded through a combination of Sealaska funds and grants to study Tlingit and Haida languages.

"I consider scholarships to be one of Sealaska's most important investments," said Chris McNeil, Jr., president and

CEO of Sealaska Corporation. "The over \$8 million in scholarships we have awarded to date have provided opportunities for our shareholders and descendants to further their education and have helped to perpetuate the Tlingit, Haida and Tsimshian cultures."

The awards will also fund language and culture camps in Hoonah, Kake, Klukwan and Yakutat to perpetuate Native languages and cultures.

It is anticipated that approximately \$650,000 will be available for scholarships for the 2005-2006 school year.

Celebration 2004

Celebration Draws Record Crowd

Celebration has grown so huge in popularity that Sealaska Heritage Institute is exploring ways to expand the festival to accommodate more dance groups. The institute had to turn away nine dance groups from the Lower 48 and outside southeast that applied to participate in Celebration 2004, held June 3-5 in Juneau.



Photo: Bill Hess

"Celebration is growing beyond the region and beyond Alaska," said Rosita Worl, president of the Institute. "We will be looking at ways to accommodate the groups in the future by expanding Celebration, perhaps increasing the number of days."

The Institute booked 47 dance groups to perform at the festival – five more groups than in 2002. The event drew thousands of people from Alaska, the

Lower 48 and Canada to Celebration festivities at Centennial Hall, Alaska Native Brotherhood Hall, Sealaska Plaza, Mt. Roberts Tram and Marine Park. To see photos, video and more information about Celebration 2004 visit www.sealaskaheritage.org

Six Artists Take Top Prizes in Juried Art Competition

Six artists took top awards at the second Sealaska Juried Art Competition in Juneau for best contemporary and traditional Native art. The winners, chosen by internationally renowned artist Robert Davidson and Northwest Coast art scholar and Museum Director Aldona Jonaitis, were:

- **Best of Show:** Wolf and eagle telescoping chest by David Boxley
- **First Place, Traditional:** Sleeper-style Tsimshian articulating mask by David Boxley
- **Second Place, Traditional:** *Daajang* red and yellow cedar Haida hat by Della Cheney
- **Third Place, Traditional:** *Raven's Dream* silver spoon by William Pfeifer
- **First Place, Contemporary:** *Naatsilanéi* blown and sand-carved glass by Preston Singletary
- **Second Place, Contemporary:** *Black Seaweed* beaded necklace by Chloe French

In Memory

Sealaska pays tribute to shareholders who have recently passed on:

| | |
|---------------------------------|--------------------------------|
| Ronald Eugene Abarca (49) | George Paul Johnson (64) |
| William Doyle Abbott, Sr. (61) | Joseph Dick Judson (70) |
| Drena Ann Austin (47) | Tom Daniel Katzeek (81) |
| Richard Blasé Barros (77) | Walter Gregory McKinnon (48) |
| Charles Warren Beasley (72) | Aileen Meissner (65) |
| Gregory G. Burgess (47) | Florence Meilke (92) |
| Robert R. Burns (85) | Raynette Lynn Morris (51) |
| Helen Irene Crooks (63) | Warren G. Price, Sr. (75) |
| Richard Lee Cruzan (55) | Mary Ann Quick (81) |
| Paula Dee Davis (35) | Kevin William Riffe (49) |
| Thomas Paul Durand (69) | Katherine Nora Rude (78) |
| Charles Frank Fawcett, Sr. (61) | Bertha S. Selfors (60) |
| Robert Allen Hammer, Sr. (70) | Thorvald A. Skulstad (77) |
| Samuel Jackson, Sr. (41) | Amos Louis Wallace (83) |
| Kelly James (96) | Calvin Robert Watson, Sr. (80) |
| Maggie James (86) | Diana Ruth Wright (42) |

- **Third Place, Contemporary:** *Blind Uncle Bear Learns to See* blanket by Clarissa Hudson

Jurors also selected an additional 21 pieces for inclusion in the show, displayed from 8 a.m. – 4:30 p.m., Monday-Friday, through July 2 at the Sealaska lobby in Juneau. To see photos and video of the pieces visit www.sealaskaheritage.org.

Winners of the Black Seaweed Contest

- First Place:** Marian Adams, Kake
- Second Place:** Arne James, Kake
- Third Place:** Roberta George, Klawock

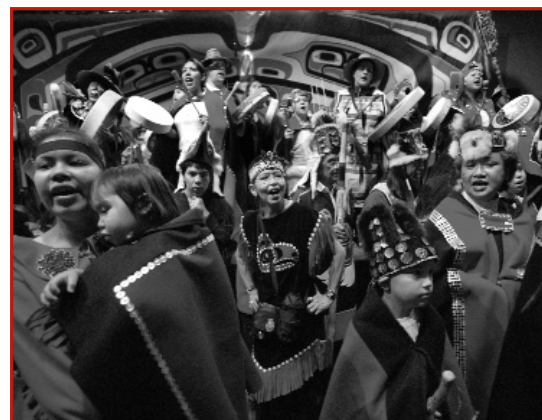


Photo: Bill Hess

Calendar

July

- 4 Independence Day
- 7 **July 7-10.** NATHPO 6th Annual Meeting, Washington, D.C.
- 18 **July 18-22.** NTCSA 4th Annual Tribal Child Support Enforcement Conference, Albuquerque, NM
- 22 **July 23-24.** Kake Dog Salmon Festival, Kake, AK

August

- 4 **August 4-8.** Unity 2004 Convention, Washington, D.C.
- 17 **August 17-22.** The Gathering of Totem Pole Carvers 2004, Ketchikan, AK
- 20 **August 20-22.** Golden North Salmon Derby, Juneau, AK



Multiethnic Career Panel
Derek Frederiksen, middle back row

Sealaska Corporation
One Sealaska Plaza, Suite 400
Juneau, AK 99801-1276



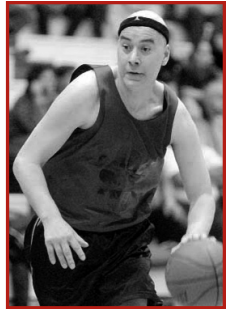
Corporate Headquarters
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(800) 848-5921
Fax: (907) 586-8191
www.sealaska.com

In Memory – Native Leader Sam Jackson

Sam Jackson, a prominent Native leader and Kake resident, died after a four-month battle with cancer. Known for his influential voice on Native issues, Jackson progressively served terms as 2nd and 1st grand vice president for ANB and was in his second term as grand president at the time of his death. Jackson was also president/CEO of the Kake Tribal Corporation. During his

tenure, the company earned many awards and reached milestones, including securing the final appropriations for the Kake Land Exchange. Jackson also very much believed in community service and served as president of Kake's federally recognized tribe, the Organized Village of Kake. He also loved basketball and was a longtime participant in the Gold Medal basketball tournament. A 19-

year Gold Medal veteran, Jackson happily played his last game in March. Memorial services were held in



Juneau on May 25, and Jackson was buried in Kake. He leaves behind a wife and four children. He was 41 years old.

Derik Frederiksen Speaks on Yale Panel

Derik Frederiksen, general manager of Sealaska Environmental Services, participated in "Minority Experiences as Environmental Professionals," a career panel held in March. The panel featured several multiethnic Yale alumni who shared their experiences as students and professionals in the environmental field. One of 10 panelists, Frederiksen spoke about the difficulties of being Native American in the environmental community as well as the awkwardness he felt

in school. "The lack of realization by the environmental community that economic development is not only needed, but should be encouraged by Indian Country, helped contribute to my awkwardness while in graduate school," stated Frederiksen. "Many areas in Indian Country have conditions on par with developing countries, hence economic development in Indian Country is paramount for the survival of our people and the sustainable development of our natural resources." The focus of the panel was to strengthen networks that can be used to further diversify the environmental profession.

Internal Auditor Job Opening

Located at the corporate headquarters in Juneau, Alaska the Internal Auditor is responsible for developing and implementing an adequate system to review and evaluate the design and operating effectiveness of internal controls on a corporate-wide basis. Bachelor's degree in accounting *and* four years of experience in audit, accounting or related field required. CPA or CIA preferred. For more information and how to apply please go to www.sealaska.com.

Visit the Sealaska Web Site:

www.sealaska.com

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