ADDRESS CORRECTION REQUESTED

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99615

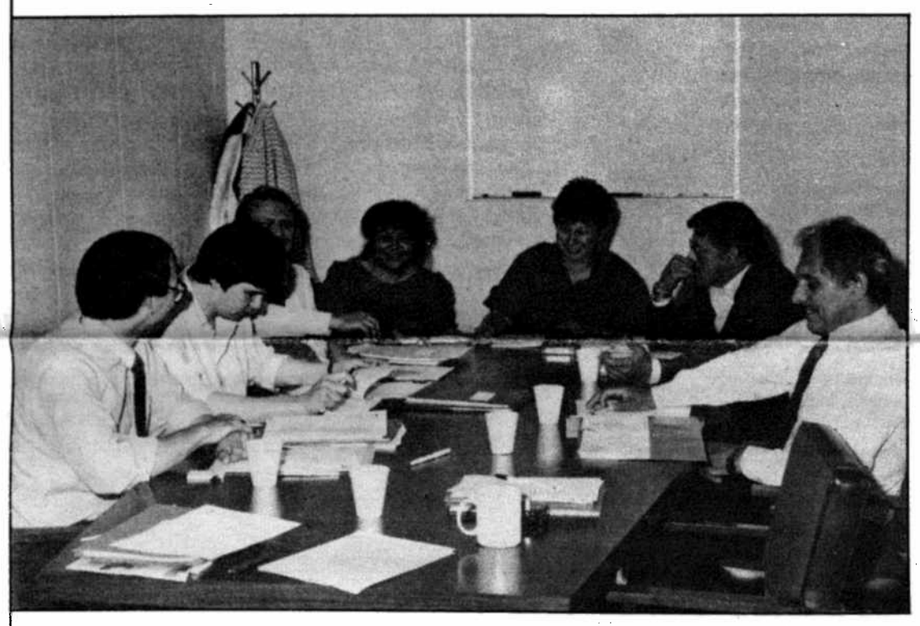
SHAREHOLDER NEWS

KONIAG NATION

203 Marine Way, Suite #7, Kodiak, Alaska 99615

July, 1987 NEWSLETTER

ANNUAL MEETING SET FOR DEC. 5



The Koniag, Inc. Board of Directors at their regular meeting on July 16 and 17, 1987, set the 1987 Annual Meeting for Saturday, December 5, 1987, at 10:00 a.m. The meeting will be held in the Conference Room of the Buskin River Inn in Kodiak.

Normally, the annual meeting is held the first Saturday of October. However, due to the schedule change in the land exchange negotiations (as reported in previous newsletters) the annual meeting is being held at a later date in order that the land exchange issue can be brought before you at this year's annual meeting.

Your next newsletter, which we anticipate will be mailed to you in mid-September, will provide you with more specific information on the annual meeting.

Members of the Board met recently in Anchorage for their quarterly Board meeting. Pictured from left to right: Peter Olsen, Tom Panamaroff, Uwe Gross (CEO), Evelyn Mullan, Judy Meidinger, William Hartman and Frank Pagano.

Board of Directors Nominations Requested

A shareholder who desires to be considered for the Board of Directors may have his name placed in contention by submitting to the Nominating Committee, a petition containing twenty-five (25) shareholder signatures. The petition form is available at both Koniag offices listed below. To be valid a nomination must include a candidate's completed Director's Nominee Information Form which can be obtained from Koniag, Inc. at either of the addresses listed below:

Business Office:
Koniag, Inc.
4300 B St.
Suite 407
Anchorage, Alaska 99503
(907) 561-2668

Shareholder Relations Office:
Koniag, Inc.
203 Marine Way
Suite 7
Kodiak, Alaska 99615
(907) 486-4147

Anyone wishing to be considered by the nominating committee for the position of director of Koniag, Inc. should have his or her petition form and Director's Nominee Information Form completed and returned to either of the two offices listed above *no later than 5:00 p.m. August 21, 1987*. Nominations received after this date will be considered invalid.

Merger Litigation Settlement Reached

On July 17, 1987, a "Notice of Proposed Final Settlement and Dismissal" regarding the protracted merger litigation was sent out for shareholder comment. Koniag, Inc. as well as all other parties to this litigation strongly endorse this settlement agreement and, it is hoped, that on August 31, 1987, the court will put this matter to rest forever.

It has been a long and costly battle. Unfortunately, there are no winners. Koniag, Inc. hopes that if nothing else comes out of this litigation, at least maybe it will have been an educational experience in how not to conduct your corporation's affairs.

The details of the settlement, spelled out in the July 17, 1987 notice, are fair and equitable to all parties. We hope that the shareholders will feel the same and strongly support the corporation's efforts to put this matter to rest.

Within This Issue

Page 2 Shareholder's Corner...
Page 3 Scholarship Winners
Page 3 Swiftsure Plant Sold
Page 3 Land Exchange Update
Page 4 Koniag Assets
— Land and Resources