



OLGOONIK
shareholder
NEWS

Message from your Chairman and CEO

Joseph Ahmaogak, Chairman of the Board of Directors with Hugh Patkotak, Sr., President and CEO



The announcement of a shareholder dividend is exciting news to deliver and to receive! Your corporation's ability to deliver this benefit is a reflection of the health of our current and projected operations. To determine the amount of a dividend, the Board of Directors carefully examines what is needed to fuel and maintain our operating companies in the coming years. For example, the

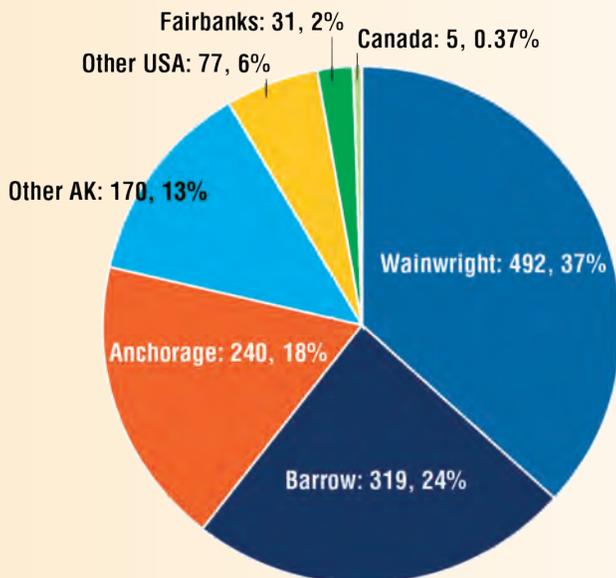
sluggish Alaska economy and fiercely competitive federal contracting markets affect investment decisions of every kind. We were pleased to be able to distribute a total of \$2.74 million in shareholder dividends in 2016. The amount of dividends released in any year is based off our previous year's earnings, which highlights the need to always plan ahead for tomorrow's benefit.

The Annual Shareholder Report for 2015 that you received in the mail with your proxy packet provides a look back at your corporation's activities, operations, and financial results of the past year. We will review those facts again at our Annual Shareholder Meeting in Wainwright on June

18. A new addition to our Annual Meeting, a Business Forum will be held prior to the start of our meeting. We invited company department and operations personnel to attend the Forum to provide information and answer shareholder questions. Another new and fun event will be the Wainwright Open House hosted by our Shareholder Services Department a few days before the meeting on June 15. Information on both our Annual Meeting and the Open House are listed on the back page.

Nearing the midpoint of 2016, this busy year shows no sign of slowing down. Our operations and the development of new work are at an all-time high

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Every Shareholder Matters!

When Olgoonik Corporation organized in May 1973 under terms of the Alaska Native Claims Settlement Act, 372 Natives of Iñupiat heritage were enrolled as owners of corporation stock, or Class A shares. In 2008 and 2013, Olgoonik shareholders voted to temporarily extend stock ownership (Class B shares) to those born after the 1971 Settlement Act. Today, all of Olgoonik's 1,334 living shareholders with ¼ or more Native blood quantum hold the same right to vote in corporation elections.

Although each shareholder has ancestral ties to the Wainwright area, many live elsewhere. Please ensure your contact information is up-to-date with our Stock Department so we know where to deliver important shareholder news!

■ Shareholder location chart for 1,334 individuals current as of May 2016.

Message from the Chairman and CEO - continued from page 1

to counter business challenges across our commercial and government markets. Our workforce (1,000+ employees and growing) continues to earn our positive reputation and our financial strength in spite of tough conditions.

Thanking and getting to know our worldwide team is important. Earlier this year, Vice President Oliver Peetook joined us on a project site visit to our Abu Dhabi office in the United Arab Emirates. The multinational team at this office has managed a profitable contract for us for several years. Site visits help build employee morale and give us the chance to see firsthand what happens on the ground in Olgoonik's name. We also make time during these visits to share our history and values as an Alaska Native-owned company, something our team and clients appreciate. From Wainwright to Mexico to Afghanistan, we could not be more proud of the hardworking people of Olgoonik.

Travel in 2016 also includes international events focused on Arctic resource protection and development. Regardless of the delay in Arctic drilling, the global community is still sharply focused on developing the infrastructure and

policies to support future development throughout the region. It remains very important that Olgoonik keep its seat at that planning table.

A major springtime event was the conclusion of our Wainwright DEW Line site property purchase. Persistence and planning paid off as the process to buy this land from the government took many years, nearly \$3 million dollars, and an act of congress! An article in your annual report described this historic purchase in detail and our land manager summarizes its conclusion below.

Using this newsletter to keep you informed throughout the year is important to us. If there is a particular subject you would like us to expand on, please share your suggestions with us by writing communications@olgoonik.com. As always, you can send questions and comments anytime to our Shareholder Services Department at shareholderservices@olgoonik.com.

Quyanaq! We hope to see as many of you as possible in Wainwright at our Annual Meeting.

Olgoonik Acquires DEW Line Land!

By Theresa Clark, Vice President - Lands and Shareholder Services Department

On March 16, 2016, CEO Hugh Patkotak, Sr. accepted the quitclaim deed from Bureau of Land Management (BLM) National Director Neil Kornze during a signing ceremony in Wainwright's Robert James Community Center. Olgoonik Corporation now owns the 1,518 acres located approximately five miles south of Wainwright.

Olgoonik Corporation, with the support of the Wainwright City Council and Wainwright Traditional Council, was able to purchase the former U.S. Air Force radar station land at fair market value after many years of effort and negotiation.

"I will be forever grateful for the support from Wainwright's City and Tribal governments, the BLM, Senators Murkowski and Begich, Congressman Young, our staff and our partners," Hugh said during the ceremony.

It literally took an act of the U.S. Congress to accomplish the purchase as the BLM did not have the authority to dispose of land within the National Petroleum Reserve-Alaska, where the DEW Line property is located. Our congressional delegation was able to introduce, support and get this needed legislation passed in order for BLM to sell to, and only to, Olgoonik.

This is a first for a village corporation in terms of a land purchase of this magnitude within its Alaska Native Claims Settlement Act lands. It is also a first in terms of subsurface ownership by a village corporation. Olgoonik will not only have surface rights on this land but all subsurface ownership. The Corporation will include the new acreage in its land management policies and plans to utilize the land for future industrial development in order to bring new economic opportunities closer to Wainwright.



During a business trip to the East Coast, Olgoonik management made time to thank several congressional representatives for their critical support of the Corporation's purchase of the DEW Line land.

Top: The remaining radar station on the old DEW Line property. Olgoonik earned several government contracts to clean-up the land.

Bottom, L-R: Vice President Theresa Clark, Congressman Don Young, CEO Hugh Patkotak, Sr., and COO Mike Mora.

Shareholder Spotlight

Steve Segevan | Olgoonik Corporation Board Member

By Moire Duggan, Marketing and Communications Specialist

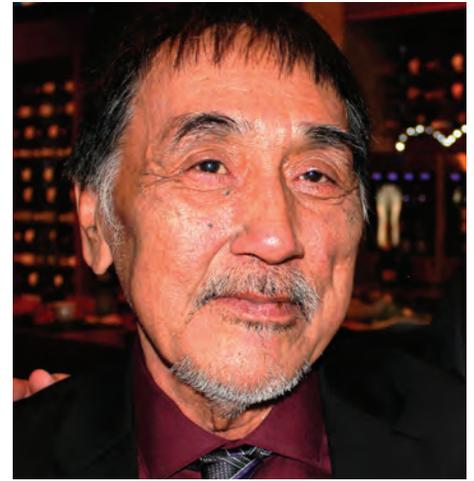
Steve Segevan is a familiar name in Wainwright. Born to parents Sheldon and Susie (Okomailak) Segevan, Steve has called the village home for more than 60 years. Growing up, Steve's mother sewed and traded goods while his father worked for the state government. His father and oldest brother were also skilled hunters. Steve helped support his family by raising dog teams that transported coal for heating and cooking and carried heavy loads of food such as caribou and fish.

As many of his generation did, Steve witnessed major changes taking place on the North Slope. Particularly impactful was the discovery of oil in Prudhoe Bay where Steve worked for BP in 1974 after attending college and receiving technical training. When work became hard to come by, Steve returned to Wainwright where he was elected to the Olgoonik Corporation Board of Directors in June 1988 at age 36. "I was nervous when I first joined the board. Not only was I the youngest member, I was the chairman! Working with our elders was such a big responsibility," Steve said. "I knew I had a lot to learn, so I read a lot and educated myself."

From the beginning, the Board ensured Olgoonik was grounded in Iñupiat traditions as Wainwright's village corporation. "It was important to keep our native identity when forming our corporation."

After establishing core corporation principles, the Board concentrated on strengthening business operations. Steve remembers: "Working alongside June Childress, Lucille Mayer, and Billy Nashoalook, we focused on making the company more self-sufficient. We wanted to move away from only local, seasonal work and take advantage of our government contracting preferences, which eventually helped us diversify and build a profitable corporation. We had to learn to trust each other and the people working for us."

After raising three children with his late wife Elizabeth (Panik), and serving on the board of directors for more than 35 years, Steve has a special perspective on the community and its corporation. "I am happy with where our corporation is today. We are Native-managed with an Iñupiaq-speaking shareholder CEO. Our community is strong and our future is bright."



Steve's message for younger shareholders who he hopes will take on the responsibility of corporation leadership roles:

"This is your company so be aware and educate yourself on how it runs. There is still a lot of work to be done. We still have problems with shareholder hire, not enough continuity in local Wainwright work, and issues with alcohol and drug abuse. Remember, you are not working for yourself when you work for your corporation, you are working for everyone. Be honest, humble, and speak simply. You are here to help everyone."

Our Board of Directors

Olgoonik Corporation is governed by a board of directors that provides operations oversight and develops corporate strategy, ensuring the mission of the corporation is fulfilled. The board strives to choose profitable investments, conduct business in a responsible manner, and use our Iñupiat cultural values as guidelines for economic and resource development. Directors serve a three-year term and are elected by shareholders.



Joseph Ahmaogak
Chairman
2017



Howard Patkotak
Vice Chairman
2016



Hugh Patkotak, Sr.
President
2017



Oliver Peetook
Vice President
2018



Veronica Morales
Secretary
2016



Edgar Kagak
Treasurer
2017



Steve Segevan
Member
2018



Jack Panik
Member
2016



Ben Ahmaogak, Jr.
Member
2018

Untangling Financial Statements

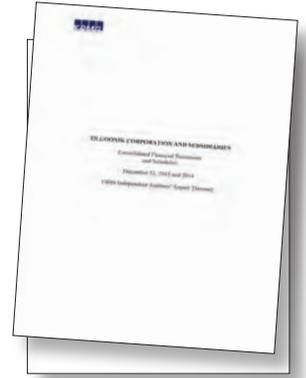
By Dixie Retherford, Chief Financial Officer

The booklet you receive in your Annual Shareholder Meeting package contains your corporation's audited financial statements, in this case they were for 2015. These documents can be challenging to read because of the high level of detail, but these statements are important to review because they show you where a company's money came from, where it was spent, and what the company currently owns. Olgoonik Corporation's financial statements are broken down into the five main statements listed below. The page numbers correspond to our 2015 audited statements.

- ▶ **Balance Sheets** (page 3)
Balance sheets show what a company owns and what it owes at year-end
- ▶ **Statements of Income** (page 4)
Income statements show how much money a company made and spent during the year
- ▶ **Statements of Comprehensive Income** (page 5)
Comprehensive income is a statement showing the change in Equity of the company from net income and other non-owner sources

- ▶ **Statements of Changes in Stockholders' Equity** (page 6)
Stockholder (or Shareholder) Equity statements show changes, increases and decreases, in the value of the company's shares over time

- ▶ **Statements of Cash Flows** (page 7)
Cash flow statements show cash that is provided by operating activities of the company, cash used in both investing activities and financing activities



Financial statements contain helpful footnotes that expand on the descriptions above. You will also notice "schedules" in our financial statements that provide details on the assets and liabilities of the corporation and its subsidiaries.

Take time to read and understand your corporation's financial statements as they are a valuable reflection of the company's condition and performance!

Scholarship Funding Levels

By Emma Ahmaogak, Shareholder Services Administrator

Olgoonik Foundation, the non-profit arm of Olgoonik Corporation, manages funds for our shareholder scholarship program. Last year, 15 shareholders used the available program funds to continue their education. We hope to increase the number of program participants in 2016!

Scholarships are provided to students who seek college or university education, trade, or vocational training. Here is an answer to a question I received about the levels of funding for degree programs:

Funding Level 1: For scholarship recipients who are enrolled as full time students taking a minimum course load of 12 credits or the equivalent, a maximum funding level of \$6,000 is distributed throughout the year.

Funding Level 2: For recipients who are enrolled as part time students taking a minimum course load of 9 credits or the equivalent, a maximum funding level of \$4,000 is distributed throughout the year.

Funding Level 3: For scholarship recipients who are enrolled as part time students taking a minimum course load of 6 credits or the equivalent, a maximum funding level of \$3,000 distributed throughout the year.

Get started with the next phase of your education by contacting me to learn more about your scholarship options! Write emma.ahmaogak@olgoonik.com, shareholderservices@olgoonik.com or call 907.562.8728.

Congratulations 2016 Spring Graduates!



Left: Olgoonik shareholder scholarship recipient Heather Hopson graduated from the University of Alaska Fairbanks with a Bachelor's Degree in Rural Development and a minor in Alaska Native Studies.

Right: Shareholder scholarship recipient and Olgoonik Stock Administrator Stephanie Elaine Aguvluk graduated from Ilisagvik College with her Associate of Applied Science Degree in Accounting.

Subsidiary Operation Features:

2016 Wainwright Gravel Project Success!

By Weston Howe, Vice President - Oilfield and Wainwright Operations Division

The Olgoonik Oilfield Services team thanks the community of Wainwright for its support of the 2016 Gravel Project. By working 24-hour shifts, we safely and successfully surpassed the target amount of material needed to support upcoming village projects. Additionally, *more than one hundred truck loads* of gravel were set aside to be sold locally at a discounted price!

We sincerely appreciate all of the local participants who were able to take part in the project through the busy and fruitful spring whaling season. The safety and success of this project is a result of a team and community effort.



A big thank you also goes out to Fuel Station personnel for their support in making sure the gravel haul team had the fuel required for our nonstop heavy equipment operations.

L-R: Fuel Manager William Nashoalook, Fuel Laborer Jeffrey Aveoganna, Sr., and Asst. Fuel Manager Peter Chandler.



New Government Client in Colombia!

An Olgoonik Development subsidiary, Olgoonik Federal added another government agency to the corporation's list of clients with its recent win of new work for the U.S. Forestry Service (USFS) in Bogotá, Colombia.

The USFS leads natural resource management programs around the world. In Colombia, the agency works to assist the local government with fighting deforestation and mitigating climate change. Olgoonik supports the USFS

with labor, materials, supervision, and travel for its Office of International Programs in Bogotá. The new program is already off to a great start thanks to the experienced on-site team working for our corporation.

Olgoonik began working in Colombia in 2004. Today, we maintain a strong presence in Colombia with multiple government contracts and high levels of client satisfaction.

Olgoonik Inspection Services Change of Command

A familiar name on the Olgoonik operations team, Julie Dietz came on board in early 2007 as a project manager/inspector, eventually holding the position of general manager of Olgoonik Inspection Services (OIS). Working primarily in Alaska, Julie's hard work and expert-level qualifications helped establish Olgoonik's good standing as a nondestructive testing (NDT) and inspection contractor. Preparing for retirement this year, Julie is assisting OIS' new GM, Darrell Harris, during the leadership transition.

Darrell is an expert in his field with more than 30 years of experience within energy and power industries including oil, chemical, gas and nuclear power. His career includes assignments throughout the U.S. as well as in Europe, Asia, and Russia.

Given Alaska's unique environmental demands, the mechanical integrity of pressure vessels, tanks, pipelines and overall facility systems is critical. Darrell's expertise supports the expansion of Olgoonik's ability to

design effective compliance programs for customers in Alaska and beyond.



L-R: Chief Operating Officer Mike Mora, OIS GM Darrell Harris, CEO Hugh Patkotak, Sr., and former GM Julie Dietz at an Olgoonik Inspection Services marketing event.

All open jobs with every Olgoonik company are listed on the [Careers page](#) at [Olgoonik.com!](#)