



St. George Tanaq Corporation Consolidated 2010 Newsletter

June 2010

Letter from the President/CEO



Dear Shareholders,

Greetings to you all of you and welcome to our June 2010 newsletter, which accompanies your second quarterly distribution check for this year. The Board of Directors established the schedule in October 2009 to provide consistent quarterly distributions to be disbursed at the end of March, June, September and December. Please remember that your shareholder dividends are now taxable and the total dividend amount will be reflected on the 1099 form that you receive at the end of the year.

The most urgent item on Tanaq's agenda for 2010 is reducing the maintenance costs of our assets on St. George Island. As in 2009, the late winter ice lingered preventing the fuel barge from landing. Fuel for the City's generator and private use had to be flown in. This raised the cost of fuel and subsequently, the cost of electricity.

These costs not only impact you, our shareholders, but the corporation too. I have been working with the City of St. George to identify opportunities for grants to install renewable energy (wind turbines) on the Island. The IRA also has received some grants for wind turbines. Chadux employee, Kord Christianson, attended the Pribilof Island Energy Summit in April and is working with me to develop a comprehensive energy plan. The objective is to bring Tanaq, the City and the IRA to the table and

outline a 5-year plan to reduce the Island's dependency on fossil fuel.

Our subsidiaries continue to perform quality work and provide excellent services to their clients. We recently received the following recognitions and awards:

- Helios Resources LLC, our new 8 (a) subsidiary, was a key member of the team that acquired the LEED-EB 2.0 Gold rating for the Pennsylvania Governor's Residence. This is only the third Governor's residence in the country to achieve Gold status. Please send your congratulations to Andrew Holden, andrew@heliosltd.com.
- The ChaduxTt Joint Venture with TetraTech was an integral part of the Navy team which recently received the California Transportation Foundation's Environmental Enhancement Project of the Year for the remediation and restoration of Skaggs Island, California. This type of award proves that St. George Chadux Corporation has the ability to perform to the highest standards. Please send your congratulations to Terri Herson, therson@stgcx.com

Finally, we are making changes to both of the subsidiary websites so give them a look when you have time: www.heliosltd.com and www.stgcx.com.

I look forward to seeing you at the annual shareholders meeting in September. This year's meeting will be held at the Dimond Center Hotel, 700 E. Dimond Boulevard, on September 17, 2010. The announcement is on page 2.

Jaqualyn Forrest, President/CEO

Shareholder News:

PLEASE MARK YOUR CALENDARS
for the
Annual Shareholders Meeting
to be held
Friday, September 17, 2010
at the Dimond Center Hotel,
700 E. Dimond Boulevard, Anchorage.



Registration will begin at 5:00 pm and the meeting will commence at 6:00 pm. A reception will follow the meeting. There are three board positions up for election. We look forward to seeing you there.

Island News

There is a lot happening on the Island this summer. Here are just a few items of note:

- Dowland Construction continues to work on the fish plant. Their schedule was delayed by the ice and we project they will be on the Island well into August. The Dowland crew is staying in the Annex.
 - Tanaq is hosting the Science Camp again this year from July 6th through the 17th. The Dowland construction crew has graciously agreed to move to the Hotel while the science camp uses the Annex.
 - The cruise ship Clipper Odyssey will be back on St. George August 1. At the writing of this newsletter (June 25) guests from the ship are enjoying traditional foods and dances.
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St. George Tanaq Corporation Board of Directors

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Phil Lekanof, Vice Chairman
Flore Lekanof, Sr., Director
Barry P. Lestenkof, Director
Laurence Lestenkof, Director
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