

Bowhead Transport Reflects on a Successful Year



BTC's Marine Vessel Greta Secure in Barrow in 2011

Bowhead Transport Company (BTC) had another successful and diverse year in the Alaskan Arctic. We provided our scheduled 2011 voyage out of Seattle without a hitch. Receiving and loading was executed with precision, and to the level that virtually every piece of received freight had a place on the single scheduled northbound voyage. For the first time, Bowhead Transport, through UIC, offered shipping discounts to shareholders between all scheduled shipping points instead of just between Prudhoe Bay and Barrow as

was the case in years' past.

Also in 2011, BTC bid and was awarded a contract with Carlile Transportation to provide marine transportation and logistics support for the North Slope Borough Barrow Gas Field Expansion Project. Other 2011 highlights included a feasibility study for the backhaul and recycling of scrap metal in Barrow, as well as providing our transportation services to Northland for a backhaul of contaminated dirt from the former

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Congratulations to Zero Incidents Safety Award Winner William Pippy

On January 4 at a project site in Chefnak, Alaska, UIC Construction lead carpenter William Pippy quickly and safely extinguished a fire caused by a small indoor heater. William's swift action saved the fire from spreading within the building.

The village of Chefnak is remote and lacks fire and emergency services. Without William's quick response, the situation could have become catastrophic. UIC appreciates William's actions to keep his crew and others safe, and he was awarded the UIC "Zero Incidents" safety award for preventing an incident from



UICC Site Superintendent Walt Parrish presents Zero Incidents award to William

happening. Congratulations, William!

President's Message

Dear fellow UIC shareholders,

2011 was a triumphant year at UIC. We shared in many successes as a corporation, including the award of several sizeable new contracts, and we now have a full executive team in place here at the parent company, with the addition of Tyann Strawderman, Vice President of Support Services; Ryan Taylor, Director of Health, Safety, Environment, and Training; Erin Sedor, Director of Risk Management; Thomas Showalter, Director of Human Resources; and Stephen Shephard, Director of Information Technology. Forrest D. Olemaun has also returned to UIC, and is overseeing our Barrow Operations as General Manager of UIC Holdings.

The Board recently reviewed UIC's new Strategic Plan for 2012-2016, which was put together and presented to the Board by UIC and subsidiary leadership. The new strategic plan embodies the initiatives developed last August at the annual Board of Directors' strategic retreat, which are: subsidiary synergy, shareholder development, lands, and the Arctic.

With both the leadership of our Board of Directors and the demonstrated commitment of our entire staff team, we are poised for UIC to take its next

step by implementing the 2012-2016 Strategic Plan. Together we have made great strides in making UIC a first-rate Alaska Native Corporation. This plan, which will be fully integrated with our yearly business planning and budgeting processes, is designed to help UIC continue to grow and prosper in the near future.

We recognize the new hurdles we face with increased scrutiny of 8(a) contracting practices, and we have challenged our subsidiaries to diversify their operations to more evenly distribute revenue between our federal and non-federal sectors within five years.

The Strategic Plan will be evaluated and updated yearly to reflect the state of the company and economic and market environments at the time. It will take the combined effort of employees across our family of companies to get us to where we need to be in 2016, and this Strategic Plan is a big step forward in planning for our long-term success.

In reflecting upon UIC's recent accomplishments, we realize the important contributions of our leadership, both UIC Board members and management. There are three board seats coming up for election at this year's annual meeting on June

2, 2012. Serving on UIC's Board of Directors makes a difference in the future of the UIC Family of Companies and in the lives of our shareholders. You can find more information about running for these open seats on page 4 of this newsletter. I encourage interested shareholders to consider running, and I encourage all shareholders to cast your votes for board candidates featured in the annual meeting proxy statement, which will be mailed to you in your UIC annual meeting packet in May.

Tavra. Quyanaq.



A handwritten signature in black ink that reads "Anthony E. Edwardsen". The signature is fluid and cursive.

Anthony E. Edwardsen
UIC President and CEO

Employee of the Quarter: Araina Danner

Araina started working for UIC in 2005 as a Temporary Office Clerk while attending college. Afterward, she began working as an accounting intern in the accounts payable department and was later placed in a permanent position. In 2007, she transferred into the IT department as Business Systems Analyst and has been in that position ever since.

Araina is wonderful to

work with, and always ready to assist anyone when needed, even with things that are not related to IT, including the "big move" from the UIC office in Browerville to UIC's current headquarters, which was a large undertaking. She is a great photographer and often shares photos of activities and events in Barrow with the Anchorage staff.

Congratulations, Araina, on a job well done!



Board of Directors

Chairman



Raynita "Taquilik" Hepa

Vice Chairman



Price E. Brower

President



Anthony E. Edwardsen

Vice President



Herman L. Ahsoak

Treasurer



Forrest D. Olemaun

Secretary



Richard Aqviana
Ungarook, Sr.

Director



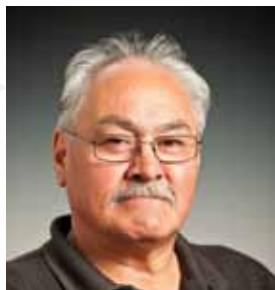
Grant B. Thompson, Jr.

Director



David Maasak Leavitt, Jr.

Director



Hubert Hopson

UMIAQ Staffer Willie Sakeagak Receives P.E.



You may remember Willie being featured in last quarter's newsletter. At that time, he was preparing to take the Professional Engineer (P.E.) Exam. We are proud to announce he has passed his P.E. Exam and is formally a registered Professional Engineer in the State of Alaska. Richard Reich, General Manager of UMIAQ and a mentor of Willie's, writes: "It is exciting to see him earn his credentials as a registered engineer. Willie is a UIC Shareholder from Barrow and I am proud to see him continue to build his engineering career that will ultimately benefit him and his Iñupiat community."

Congratulations Willie!

UIC Foundation Profile: Tennessee Judkins



Tennessee Judkins graduated from Barrow High School and is attending the University of Alaska Anchorage, studying Business Management with a minor in Real Estate and expects

to graduate in Fall 2012.

She was born and raised in Barrow, and her parents are James and Teresa Judkins. Her aapa and aaka were the late Harry Brower Sr. and Annie Hopson. She is the youngest of four children.

Tennessee first heard about the UIC Foundation in 2007, and applied for the scholarship when she decided to attend college.

"The UIC Foundation has helped me pay for me tuition, fees, and books. Without the Foundation's help, I don't think I would be as motivated to continue my education. It's amazing how a little help will make your decision to continue going to school that much more concrete."

When asked what motivates her to

seek higher education, Tennessee said, "I've always loved school and learning new things. I feel that the more I learn, the more I can teach and influence others. I feel continuing my education has helped me grow and mature as a person. The one thing I am most looking forward to is seeing the huge smile on my parents' faces when I walk across that stage with my diploma."

Tennessee's advice for future students is, "Try a harder class, climb a mountain, paint a picture. I think that everyone needs to push themselves to reach their full potential. I try to do that in my everyday life, and it's such a reward when you accomplish something you thought you couldn't."

Three UIC Board Seats Open in June 2012

Three UIC Board of Directors seats are expiring this year at the UIC Annual Meeting of Shareholders on June 2, 2012. If you are a UIC shareholder who wishes to become a candidate for a seat on the Board of Directors, you will need to apply to have your name included in the proxy statement of the UIC Board of Directors. This proxy statement will be mailed to UIC shareholders in preparation for the Annual Meeting.

UIC Shareholders may pick up an informational packet beginning February 24 at the UIC office which will assist those interested in submitting their names to be included in the Board's proxy statement as candidates for election to the Board at the upcoming

annual meeting. The packet contains the following documents:

- Candidate Agreement Form
- 2011 Candidate Disclosure Form
- 2011 Statement of Interest and Director Nominating Petition Form
- Copy of UIC Bylaws

The three forms in the packet must be submitted to Shelley Kaleak, UIC Stock Department, P.O. Box 890, Barrow, Alaska, 99723. All forms must be received by 5:00 p.m. March 16, 2012.

Employee News

Stephen Shephard, Director of Information



Technology, UIC: Stephen is responsible for defining and directing UIC's IT goals and implementation strategies, while ensuring their compliance with UIC's mission. He has more than 14 years of IT experience, including administration, development, project management, and

leadership. Stephen was most recently IT Manager of Infrastructure and Operations for Alaska Communications. He earned his associate's degree from Prince William Sound Community College and the University of Alaska, Anchorage.

the Building Owners and Managers Association, the International Facilities Management Association, and the Project Management Institute.



Margaret Nelson, Business Development Manager, UIC Construction Services (UICCS)

Margaret identifies new business opportunities for UICCS, focusing on commercial revenue generation in Alaska's private sector. Margaret has extensive business and management experience in Alaska, and served as Senior

Vice President of Corporate Development for Calista Corporation as well as President/CEO of the Alaska Native Heritage Center during its development and opening. Margaret is an Alaskan Native from Southeast Alaska and obtained a bachelor's degree from the University of Alaska, Fairbanks.



April Fischer, HR Program Administrator, UIC: April was born and raised in Barrow, and is the descendant of a UIC shareholder. April is responsible for employment programs throughout the corporation, including recruitment, orientation, shareholder

development and internship programs, and compliance coordination. April's HR experience includes government contracting and Alaska Native Corporation operations, and she comes to UIC from ASRC subsidiary Petro Star Inc.



Skip Bourgeois, Marketing Manager, UICCS

Skip has more than 7 years of experience in marketing and business development and will work to identify and develop marketing opportunities for the UICCS companies. He is the founding president of the Society for

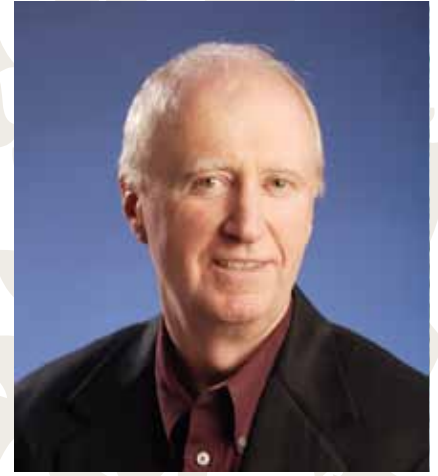
Marketing Professional Services, Alaska Chapter, and former president of the Architecture and Engineering Marketing Association of Alaska. The past three years he has been the Marketing Manager for Coffman Engineers.



Michael Campbell, General Manager, Siku Construction Michael has more than 25 years of experience in the construction industry. He has a robust portfolio of projects in technical construction and construction services. For the last two years, Michael has been in Saudi Arabia

and Qatar overseeing commissioning and building and energy management systems for multi-billion dollar projects. Michael is a long-standing member of

UIC Celebrates Employees' Years of Service: Christian Stein, Kathy Dionne, and Steve Chronic



From left to right: Christian Stein, Kathy Dionne, and Steve Chronic

This December, UIC presented longtime employees Christian Stein, Kathy Dionne and Steve Chronic with 30 Years of Service. These three individuals, who have worked for the UIC family of companies longer than any other employee, were honored at the UIC holiday parties in Anchorage and Barrow.

Christian (Chris) Stein, a UIC shareholder, is a survey crew chief for UMIAQ. Chris came to work for LCMF in the 1990s and has provided continuous surveying and management support from the Barrow office to all the North Slope Villages, as well as Prudhoe Bay, Kuparuk, and Alpine.

Chris has been a tremendous resource to our surveying department since he came aboard with UIC; he knows each North Slope village extremely well, and has friends and/or family in

every remote location UIC works on the North Slope, which has proven to be very helpful. Chris's sense of humor, dependability, work ethic, and honesty make him the kind of employee everyone likes to work with and companies are always searching for.

Kathy Dionne is the controller for UIC Construction Services. She joined UIC Construction in 1982 and has been a dedicated, hard-working employee ever since. Kathy has several long-time employees who have worked for her for 20 years or more, which is a testament to how fairly and respectfully she treats everyone.

Kathy has been working at UIC so long, that she has now hired the children of shareholders that she once bounced on her knees as babies. Kathy has always served with integrity while looking out for the interests of the corporation

and shareholders, and is a valuable asset and friend to UIC.

Steve Chronic was a founding principal of LCMF in 1982. Steve became a member of the UIC family when LCMF was purchased by UIC in 1996. Steve's respect and concern for every employee, from support staff to professionals, is obvious and has resulted in a high percentage of long-term employees. When LCMF and UMIAQ merged in 2010, Steve helped ease the transition.

Throughout the years, Steve has been an avid outdoorsman, and purchased an airplane shortly after coming to Alaska. Steve is also a dedicated golfer, playing in many charity tournaments over the years.

Quyanakpak, Christian, Kathy, and Steve, for the 30 years of success and memories you have shared with UIC.

News from the Stock Department - 2011 Dividends

The 2011 shareholder dividend distributions are taxable so please make sure to account for that when preparing your taxes this spring. If you need help preparing your tax return this year, volunteers from the Alaska Business Development Center (ABDC) will be in Barrow providing free tax preparation assistance at the Senior Center on Sunday, March 11 from 12:00 to 11:00 p.m. and Friday, March 16 from 5:00 p.m. to 11:00 p.m. To confirm these dates and times, or if you have further questions, you may contact the ABDC toll-free at 1-800-478-3474. Please

be sure to bring a picture ID, social security cards for all family members, and all income information, including W-2s and investment statements, and a copy of your 2010 tax return.

If you have questions related to your 2011 dividend or any other stock-related questions, please contact Shelley Kaleak, Vice President of Shareholder Relations, at skaleak@ukpik.com or 907-852-7436.

UICMM 2011 In Review



BMC Employee Johnny Hall works on pumps for the Army and Marine Corps



As written by Dave Otterson, President, UIC Maintenance & Manufacturing

It's always a good idea to reflect upon the past year's successes, failures, and challenges to better prepare

for the future.

Overall, 2011 was a successful year for UIC Maintenance and Manufacturing.

The Highlights:

Bowhead Support Group (BSG) was awarded the Mine Resistant Ambush Protected Mobile Training Team and Field Level Maintenance contract from TACOM. This is a three-year contract providing training in both CONUS and OCONUS locations.

BSG was awarded the Kansas Army National Guard Regional Training Institute dining facility contract, which is renewable for up to five years and provides both the management and operations for the dining facility.

Ukpiak was awarded the Base Telecommunications Services contract for the Goodfellow, Texas Air Force Base.

Larry Seger and Rickie Johanningsmeier of BMCLS at

Camp Atterbury, IN, were first responders to a logger in distress and in need of medical attention.

Congratulations to Bowhead Manufacturing Company (BMC) in Gatesville, TX for the on-time delivery of over three hundred 600 gallons-per-minute pumps for the U.S. Army and Marine Corps. In the absence of follow-on work, the facility has been idled.

We exceeded both our sales and net income targets for 2011, but 2012 will be a challenging year for all our businesses. The tightening of the defense budget will result in increased competition in all our market areas. The opportunities, in my opinion, will still be there; however, competition will be more aggressive. Our goal is always to improve a little each and every day, look for ways to be more cost efficient, and meet and exceed the customer's requirements. Our reputation rides on the shoulders of each and every Bowhead employee.

I want to personally thank each and every UICMM employee for allowing us to be successful in 2011. I welcome the challenges that 2012 will bring to our team.

Bowhead Transport

continued from front page

Northeast Cape Air Force Station at St. Lawrence Island to Seattle for disposal.

BTC's regularly scheduled barge service to the Arctic took us to Point Hope, Point Lay, Wainwright, Barrow, Prudhoe Bay and Kaktovik (Barter Island) during the 2011 open-water season. Other stops included Cape Lisburne, Tin City (located at the mouth of Cape Creek on the Bering Sea coast) and Nome to backhaul materials under contract.

BTC also participated in the North Slope Borough's Barrow Gas Fields critical upgrades and modernization project; lightering the line-haul barge at Barrow and 50,000+ sq. ft. of project equipment and components between Oliktok Point and Barrow within the project's critical weather window. The line-haul barge loaded materials in Seattle, including tubular goods and containers of drilling compounds, transported to Nikiski and loaded the Kuukpiak 5 Drilling Rig and support equipment for delivery to Barrow.

BTC has operated vessels in the Arctic since the early 1980s and has extensive experience and specialized lighterage and cargo handling equipment to safely and effectively transport construction materials, heavy equipment, and hazardous and general cargo throughout the waters of the Chukchi and Beaufort Seas. BTC continues to provide the only reliable and regularly scheduled common carrier marine transportation services to the Arctic coastal villages and remote sites within the North Slope Borough.

UIC Committed to Science Research in Barrow

UIC recently reinstated its management authority over the Barrow Environmental Observatory, as well as other Barrow-based scientific research properties it owns, including a number of facilities at the former Naval Arctic Research Laboratory. This action reflects UIC's commitment to encourage and support research activities in a manner that not only promotes an understanding of environmental changes, but also creates economic sustainability for the region. This support is consistent with UIC's mission and vision, which mandates responsible and strategic land use planning and management.

UMIAQ is a strategic partner in a team that also includes CH2M HILL Constructors Inc., Polar Field Services, and SRI International. This team, CH2M HILL Polar Services, provides logistical support for research activities in Barrow and was recently awarded an eight-year contract renewal in support of arctic research funded by the National Science Foundation. UMIAQ will continue to provide comprehensive support for traveling researchers by providing local labor, equipment and lodging.

The Iñupiat of the North Slope have a long history of providing support and knowledge to visiting arctic researchers. UMIAQ hires local Iñupiat staff members that are extremely knowledgeable about the arctic environment. This keen awareness of their environment is taught to them by their elders. UMIAQ shares this traditional knowledge with researchers through a range of support services, including Arctic orientation, ice and field guide support, polar bear guards, marine and terrestrial mammal observation, and communication with local elders. UIC is proud to support this vital research and looks forward to strengthening its partnership with the scientific community in Alaska and throughout the Arctic Circumpolar Region.

For more information regarding this announcement, please contact Shannon Blue, UIC Marketing Manager, at 907-677-8255 or shannon.blue@ukpik.com.

Ukpiks Spotted Across the Country in Large Numbers



This winter, snowy owls have been found coast to coast across the United States in much larger numbers than normal, with one lone owl even making it all the way to Hawaii.

Snowy owls have been known to fly south every few years, but experts do not know why so many more of them are turning up this year. There is some speculation that they are experiencing a shortage in food, but there is no evidence the birds are stressed. They appear to be in good physical condition.

Kids across the country are enjoying the owl sightings as many of them associate the snowy owls with the character Hedwig from the Harry Potter movie series, who is a snowy owl.

In Memoriam: Hazel Tiġuatchiaq Adams

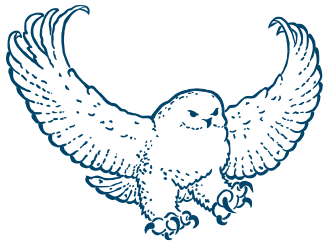


The UIC family lost a dear friend and colleague, Hazel Tiġuatchiaq Adams, who passed away December 12, 2011. Hazel was born in Barrow on March 12, 1952. Hired in 1998 and a receptionist for UIC for over 14 years, Hazel was the smiling face that greeted everyone who visited and worked at UIC's Arctic Spur campus.

Above all, Hazel was a proud mother to her daughter Erica Saechao, and aaka to grandsons Nehemiah, Zachariah, and Hezekiah. Hazel was often described as having a big heart, a kind soul and beautiful spirit.

Despite dealing with health problems throughout her life, Hazel approached every day with a good attitude and didn't take anything, or anyone, for granted.

Hazel was an active member of the First Presbyterian Church of Anchorage, and found much strength in her faith, always praying for anyone in need, be they family members, friends, coworkers or strangers. She was adored by all who had a chance to meet her, and will be sorely missed by her many relatives, friends, and coworkers.



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Attention UIC Shareholders:

Do you have a change of address? Want your dividend direct deposited? Want to give part of your stock to your children or grandchildren? Forms for these items can be found on the UIC website at: www.ukpik.com/stockforms.htm. For stock questions, email stock@ukpik.com.

Reminder: New UIC Foundation Scholarship Application Requirements

This is to remind you that effective August 1, 2011, two new requirements for UIC Foundation Scholarship Applications were put in place:

1. You must now submit a current resume with each new application.
2. You must now submit an updated personal statement with each renewal application.

Deadlines

Mar 1 – Spring Term

May 1 – Summer Term

Aug 1 – Fall Term/Semester

Dec 1 – Winter Term/Spring Semester

Scholarship applications are available online at www.ukpik.com. Click on “Shareholder Information” and then “UIC Foundation”. Incomplete applications will not be considered. To qualify for scholarship renewal, students must maintain a 2.0 grade point average. A current grade report must accompany all renewal applications. Per semester, scholarships are \$1000 for full-time and \$600 for part-time students. In 2010, \$115,125 in scholarships were distributed. Please email UICFoundation@ukpik.com or call (907) 852-4460 with questions.

Iñupiat Values

COMPASSION

AVOIDANCE OF CONFLICT

RESPECT FOR ELDER

RESPECT FOR OTHERS

COOPERATION

HUMOR

SHARING

FAMILY AND KINSHIP

KNOWLEDGE OF LANGUAGE

HUNTING TRADITIONS

RESPECT FOR NATURE

HUMILITY

SPIRITUALITY

Nasirvik Ukpeaġvik Iñupiat Corporation Shareholder Newsletter

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Comments or article suggestions can be emailed to: nasirvik@ukpik.com