



**ESOP Participant and Shareholders Announcement
Independent Fair Market Valuation of AP&T Stock as of December 31, 2008.**

May 15th, 2009

Pursuant to the ESOP Plan, an annual estimate of fair market valuation, prepared by an independent appraiser, is required to value the ESOP Plan assets. Willamette Management Associates (“WMA”) was chosen by the ESOP Plan sponsor to carry out this duty for the year ending December 31, 2008.

The Trustees of the Alaska Power & Telephone Company Employee Stock Ownership Plan and Trust (“ESOP”) and the AP&T Board of Directors have separately reviewed the independent valuation of AP&T Stock fair market value as prepared by Willamette Management Associates (“WMA”) at \$20.26 per share as of December 31, 2008.

Prior to the AP&T Board of Directors review and acceptance*, the ESOP Trustees at their May 14th meeting voted unanimously to accept the appraised valuation by Willamette Management Associates (“WMA”) of AP&T stock at \$20.26 per share as of December 31, 2008.

The decrease in share value from \$23.60 for sales in 2008 to \$20.26 per share value for sales that will take place in 2009 occurred for a number of reasons, all which are receiving our full attention and effort to realign with goals in the best interests of all Shareholders. All are aware of the global financial climate we faced in 2008, coupled with a general flattening of power sales and weather that denied our efforts to complete the SAMN (Southeast Alaska Mountaintop Network). Due to these factors we were unable for the 2nd consecutive year to meet our financial goals. It will take a redoubled effort of all employee owners working efficiently, being innovative, and remaining fiscally conscientious and prudent in providing quality service to our customers causing us to rebound in 2009.

Signed ESOP Trustees,

**Mickey Henton, Chairman
Greg Mickelson, Danny Gonce, Chad Haggar, & Tom Ervin**

Signed Board of Directors,
Mike Barry, Chair, Mark Foster, William Squires, Tom Ervin, Robert S. Grimm

**In reviewing and accepting the appraiser’s methodology and valuation as of December 31, 2008, the Board of Directors intends to sell company stock to the ESOP at the appraisal price during 2009. However, the Board of Directors reserves the right to discontinue sales at this price if the Board of Directors determines such action would be in the best interests of the Company and its shareholders.*