



Doyon, Limited

1 Doyon Place, Suite 300
Fairbanks, Alaska 99701-2941
(907) 459-2000
info@doyon.com

February 4, 2005

Dear Shareholder:

I am writing this letter to keep you informed about a project we have worked on at Doyon for several years, and to ask for your help. This project, if successful, could provide shareholders with much larger dividends, more training and jobs. Opportunities like this, which could lead to major growth for your company, come around very rarely.

This project is an exchange of lands in the Yukon Flats between Doyon and the US Fish and Wildlife Service (USFWS). Doyon's main purpose in the exchange is to acquire lands from USFWS with very good oil and gas potential. In return, the USFWS will acquire some Doyon lands with waterfowl habitat values. Less than 2% of Doyon's 12.5 million acre lands claim settlement is affected by the exchange. Actual development would likely disturb less than 2000 acres. Hunting, fishing, trapping and other traditional activities will be protected. For more information on the exchange, you can go to websites hosted by Doyon (www.doyonlands.com/yflandtrade.html) or USFWS (<http://alaska.fws.gov/media/doyon/index.html>).

If the exchange takes place later this year, we expect to find industry partners to help us explore for oil and gas. Government and industry studies, confirmed by independent Doyon review, show that the Doyon and USFWS lands in the Yukon Flats could hold significant oil and gas wealth.

I want you to know that the Doyon Board of Directors and staff have given this matter much thought and study. Staff has made many visits to Yukon Flats communities over the last two years, and shareholder comments from the area helped us put together an agreement in principle with USFWS reached in the fall of 2004. We have received very strong support for the project from the village council and village corporation for Birch Creek, which is the Yukon Flats community closest to the federal lands we want to acquire and explore for oil and gas. A major conservation group, The Conservation Fund, helped facilitate negotiations and supports the agreement in principle.

So here is how you can help. Public support for the exchange is needed. To express your support, you need to contact USFWS. They have begun a public comment period. Included are a round of public meetings in Yukon Flats communities, Anchorage (February 22) and Fairbanks (February 23). Comments can be submitted at the meetings or by toll free phone (1-800-531-0676), e-mail (YukonFlatsRefuge@fws.gov) and regular mail (Yukon Flats NWR, 101 12th Avenue, Box 14 Fairbanks, Alaska 99701). Comments will be accepted through April 1, 2005.

I need your help to grow Doyon. Please contact USFWS. Make sure they hear your voice.

Respectfully,

Orie Williams
President and CEO

Points to consider in your letter of support:

- The proposed land exchange is in the public's best interest as it would allow the FWS to achieve its conservation goals and consolidate land ownership. Should commercial quantities of oil and gas be discovered, local communities, the State of Alaska and the nation would benefit.
- The Yukon Flats could hold huge quantities of natural gas and significant volumes of oil. The U.S. Geological Survey offers a mean estimate of 5.5 trillion cubic feet of recoverable natural gas and as much as 592 million barrels of oil. The area is potentially another energy province on the scale of Cook Inlet.
- The land exchange would allow Doyon to consolidate its holdings within the refuge so it can improve the economics of drilling for oil and gas. The entire flats show favorable signs of oil and gas, but the highest petroleum potential lies under land proposed for exchange.
- The exchange would trigger exploration, leading to new business opportunities for Native and other Alaska companies.
- If oil and gas is discovered in the refuge, many public benefits would be generated, including additional revenues to the State and new energy supplies for the American market.
- The land exchange and subsequent discovery of energy resources would allow for the creation of a long-term economic base in this economically-disadvantaged part of rural Alaska. It would help fulfill ANCSA's promise to enhance social and economic well-being of Native people, creating jobs and other opportunities for local Doyon shareholders.
- No material harm to traditional subsistence activities would occur from the exchange and subsequent exploration and development. Local access to traditional activities would be preserved.
- The land exchange does not include the biological heart of the refuge.
- The exchange area takes up less than 3% of the 9 million-acre refuge. Total surface impacts from development are estimated to be less than 1,000 acres.

Deadline for Comments: April 1, 2005