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# Resource Development Council Annual Conference November 20-21, 2003

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Interior Alaska Segment

Orie Williams

President and CEO

Doyon, Limited

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# Doyon Family of Companies

## ■ Doyon, Limited

- Formed in 1972 after passage of ANCSA
- Represents Natives with ties to Interior
- Currently over 14,000 shareholders
- ANCSA land entitlement of 12.5 million acres
- 2002 profit of \$4.3 million; projected much higher in 2003
  - Revenues from investment portfolio, operating subsidiaries and joint ventures
  - Historic focus on natural resource development and related support services
  - 1200 employees within Doyon companies

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# Doyon Family of Companies

- **Operating subsidiaries committed to:**
  - Customer value
  - Safety
  - Best practices
  - Shareholder training, hire, retention and promotion

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# Doyon Family of Companies

- **Doyon Drilling, Inc.**

- 20 years of operations on North Slope
  - 100% ownership by Doyon, Limited since 1993
- 5 arctic drilling rigs
- Numerous drilling awards and records

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# Doyon Family of Companies

- **Doyon Universal Services J.V.**

- Formed in 1992
- 50/50 venture between Doyon Services, Inc. and Universal Sodexo
- Focus on remote camp services and security, including
  - TAPS, drill rigs, oil field facilities, Pogo exploration camp
  - Also, NMD (Ft. Greely), ConocoPhillips Anchorage Towers, Anchorage Animal Control , Williams Refinery

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# Doyon Family of Companies

- **Doyon Tourism, Inc.**

- Formed in 1995
- Denali National Park Operations
  - Kantishna Roadhouse
  - Kantishna Wilderness Trails
  - Denali River Cabins
  - National Park Service Principal Concession Contract
    - 51/49 joint venture with Aramark Sports and Entertainment Services since 2002

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# Doyon Family of Companies

- **Doyon Properties, Inc.**

- Formed in 1997
- Commercial and residential real estate ownership, development and management (non-ANCSA properties)
- SBA 8(A) program initiative
  - Doyon-American Joint Ventures
    - Construction at Ft. Wainwright, Eielson AFB
  - Reviewing other opportunities, likely through new subsidiary Doyon Development, Inc.

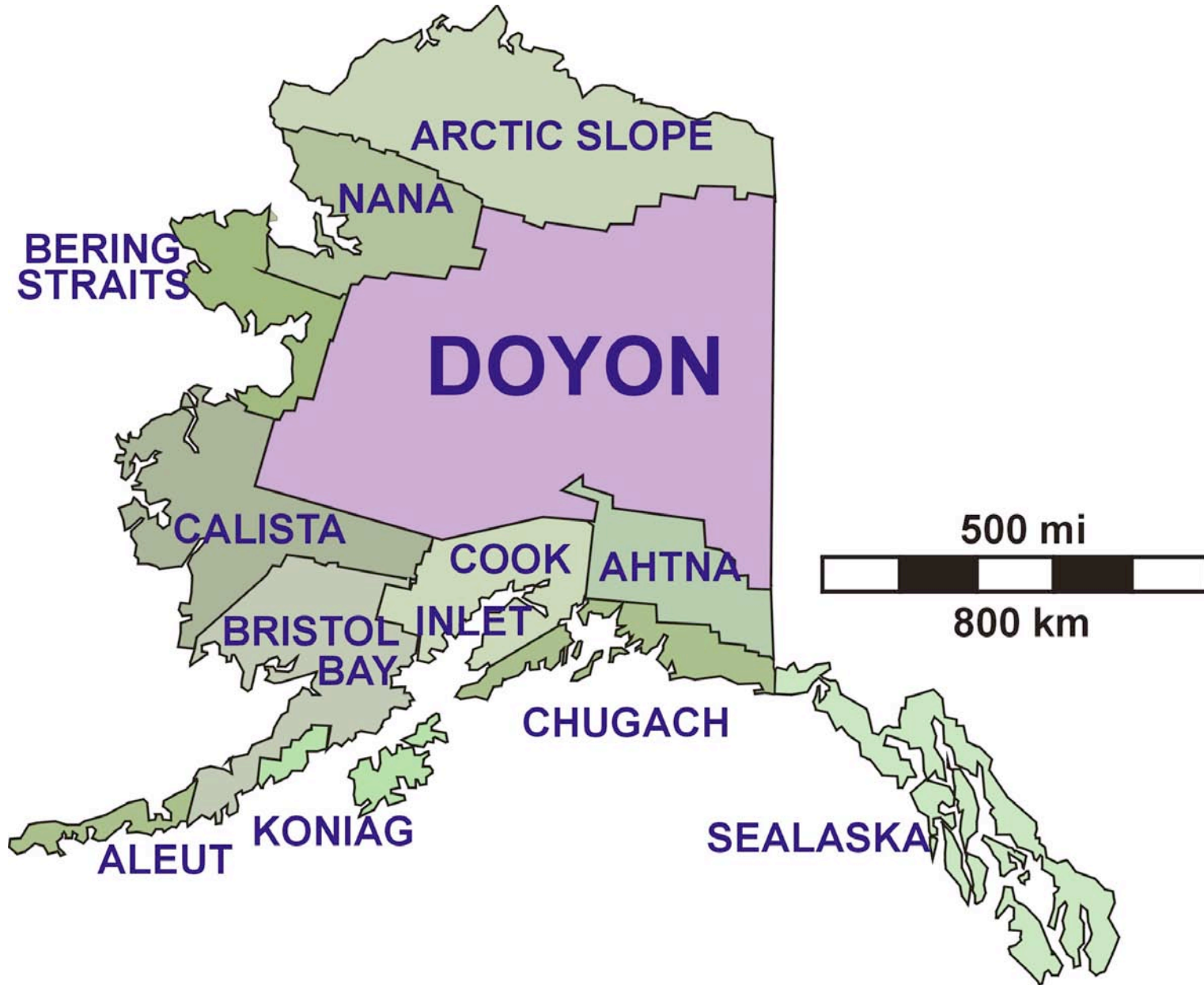
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# Doyon Lands and Natural Resources

- ANCSA entitlement of 12.5 million acres
  - 9 million surface and subsurface
  - 3.5 million subsurface beneath village surface
  - 10 million conveyed after 32 years (ANCSA enacted in 1971)
  - 2.5 million yet to be conveyed
- S.1466 introduced by Sen. Murkowski to speed up and finalize conveyances by 2009 to ANCSA corporations and State of Alaska for statehood grant lands.



# Native Regional Corporations

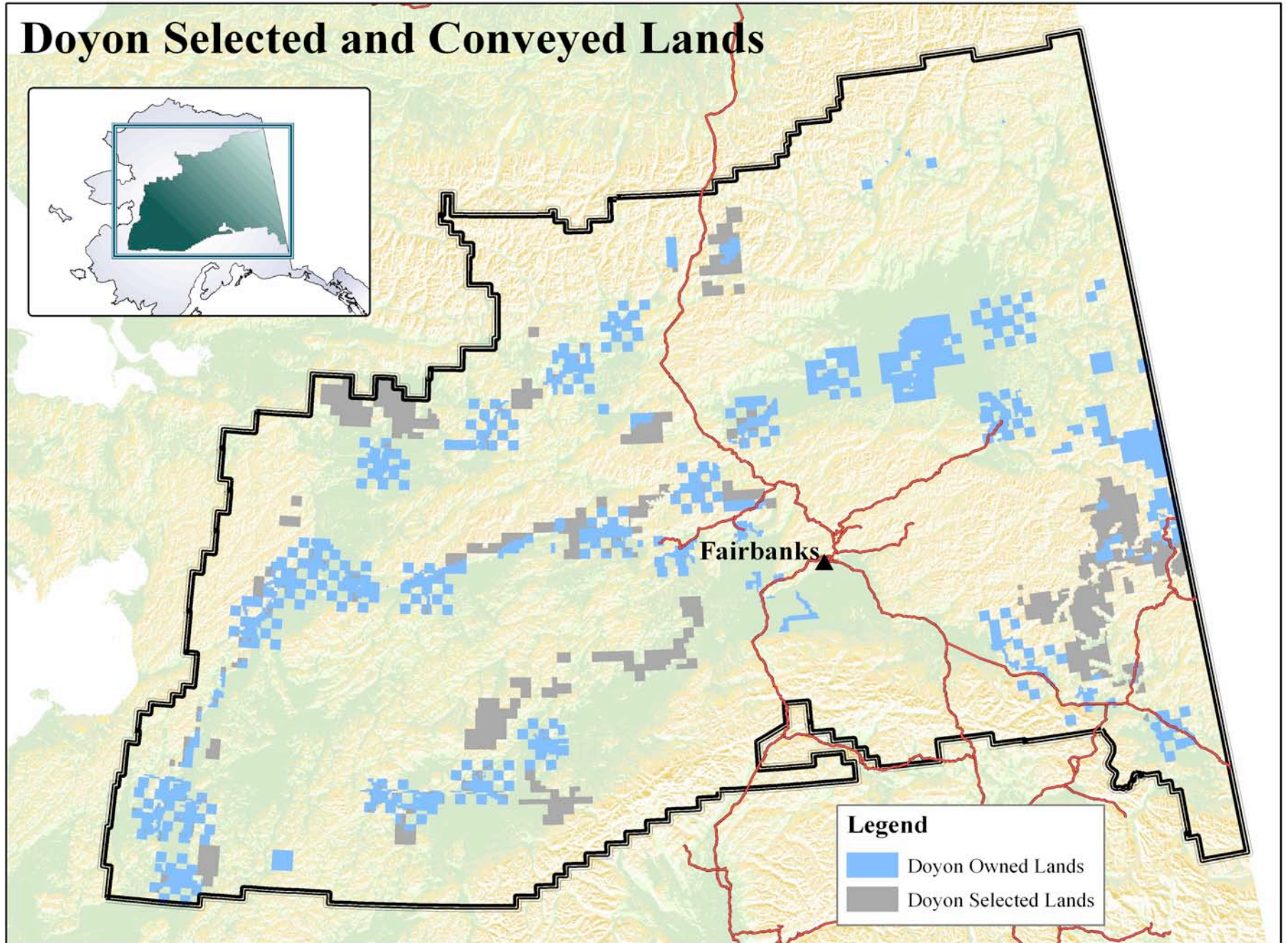


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# Doyon Exploration History

- Over 25 years with over 20 companies
- Base and precious metals
- Oil and gas
- More than \$125 million spent by oil and gas, and mining companies
- No production---yet
- Huge area, still very underexplored
  - Example: Only five wells drilled for oil in area larger than Texas

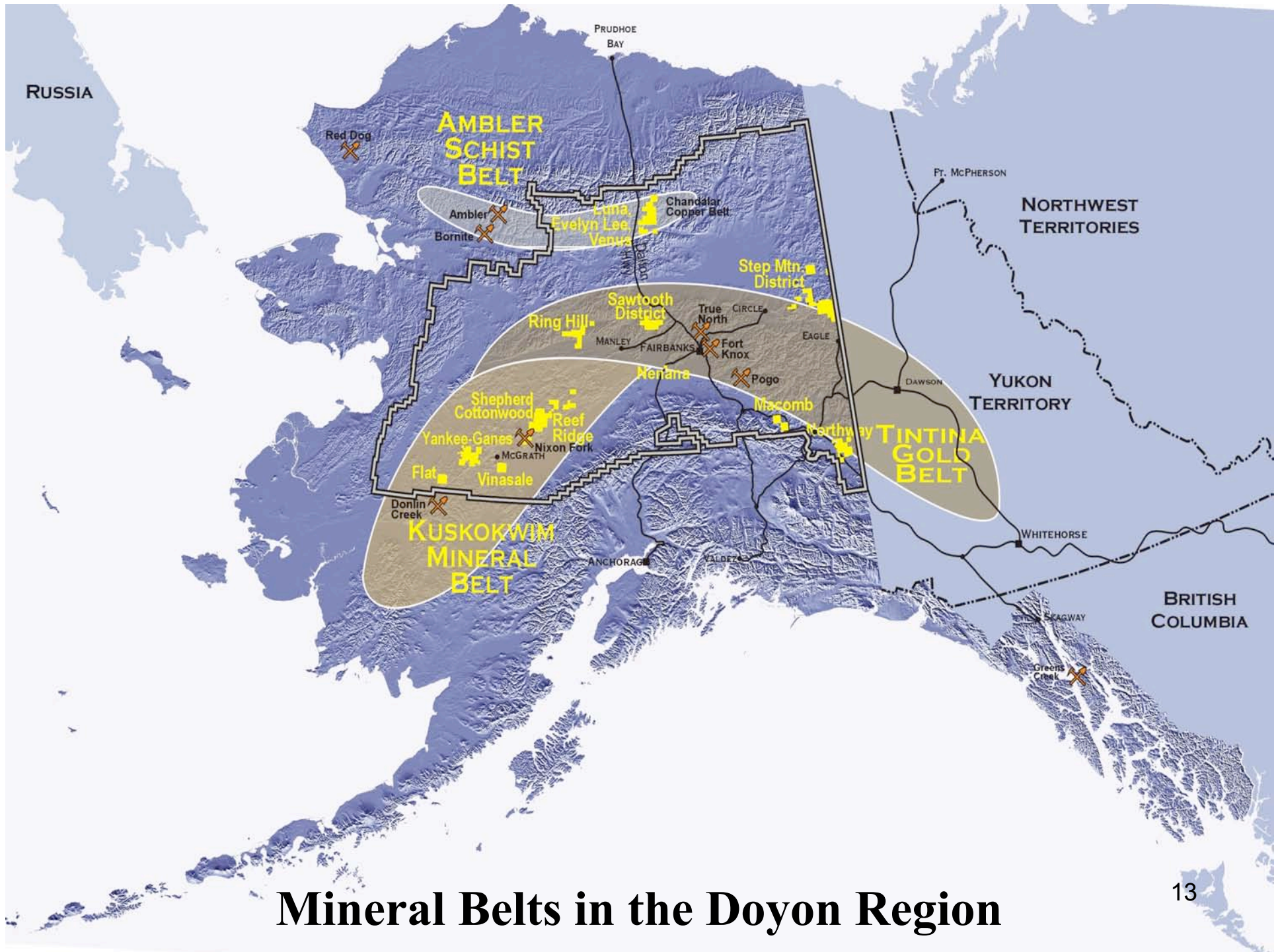
# Doyon Selected and Conveyed Lands



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# Base and Precious Metals

- Doyon has land positions, prospects and discoveries in several recognized mineral belts
  - Extensive proprietary data base
  - Actively market opportunities on Doyon and nearby lands
- Due to multi-year depression in gold price, only one active program today on Doyon lands
  - Gold exploration at Chicken Mountain (Flat)
- However, Alaska poised for renewed exploration
  - Elephant country
  - Solid rebound in gold price
  - Pogo and Donlin moving forward sends positive message
- Industry interest picking up
  - Several companies reviewing Doyon prospect data



**Mineral Belts in the Doyon Region**

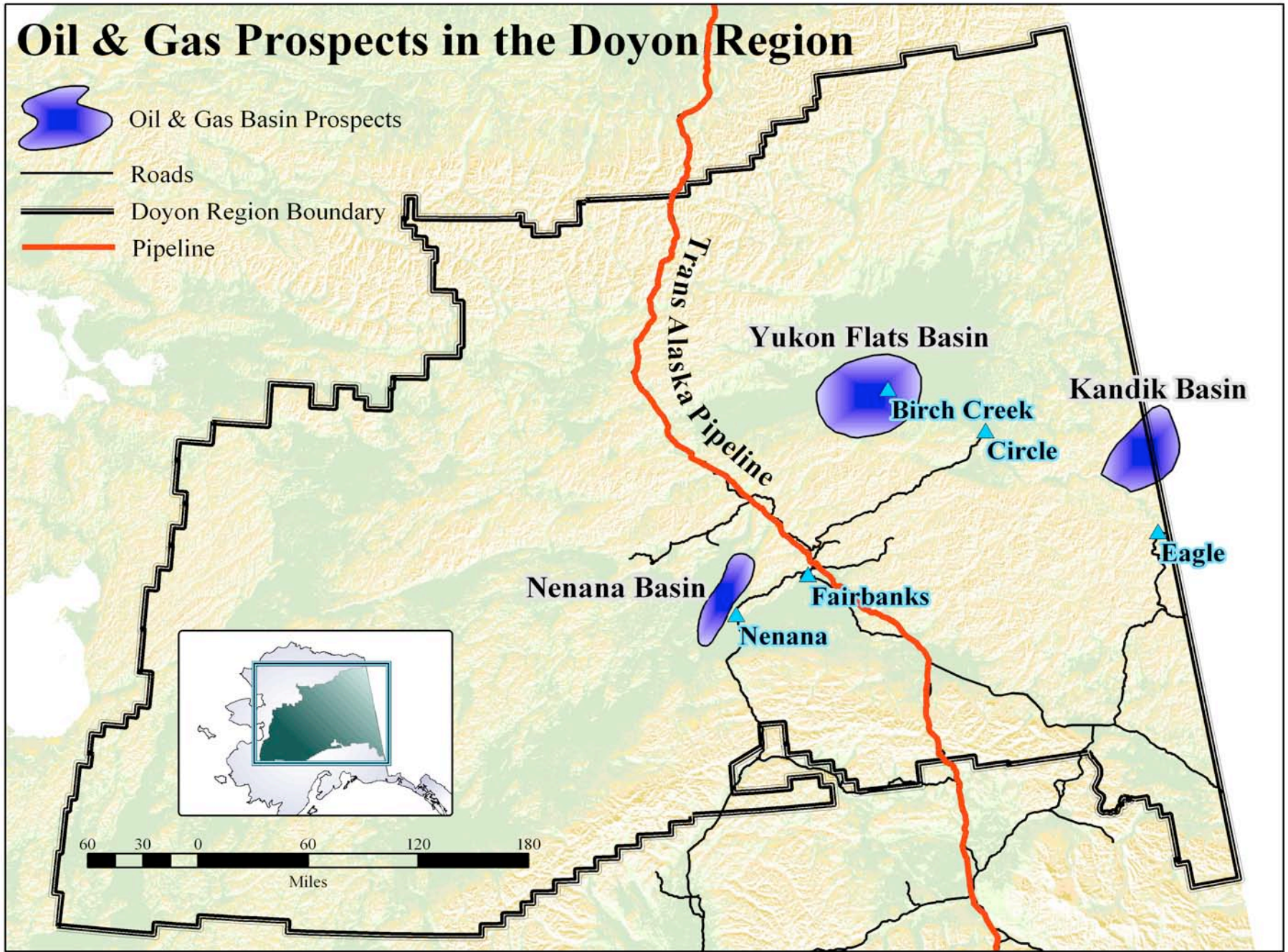
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# Major Interior Oil and Gas Basins

- **Nenana**
    - new exploration pending-within 18 months
  - **Yukon Flats**
    - new exploration possible-within 2-3 years
  - **Kandik**
    - new exploration unlikely-for at least 5 years
  
  - **Doyon has large land positions in all three**
    - Over 1.5 million acres total
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# Oil & Gas Prospects in the Doyon Region

-  Oil & Gas Basin Prospects
-  Roads
-  Doyon Region Boundary
-  Pipeline



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# Current Oil and Gas Activity

## ■ Nenana Basin

- **500,000 acres adjacent to Parks Hwy, Alaska Railroad and Anchorage-Fairbanks Intertie; 40 miles to Fairbanks**
- Doyon lands leased to Andex Resources
  - Covers much of deepest part of basin
- State of AK exploration license to Andex
- Seismic in winter 2004-2005

## ■ **Target: Conventional Natural Gas**

- **3-10 TCF of recoverable gas possible**
  - Organic rich gas shows in prior wells drilled for oil
  - Numerous structures identified in reprocessed Shell seismic
  - Deep Tertiary, non-marine basin (20,000 ft.)

## ■ **Primary Markets: Fairbanks at 15-30 BCF/year**

- Heat and power
- Commercial, residential, military
- Anchorage markets possible



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# Current Oil and Gas Activity

## ■ Yukon Flats Basin

- **500,000-1 million acres are prospective—65-90 miles from TAPS**
- Combination of Doyon and federal lands
- 240 miles of seismic and other work by Exxon in late 1980's
  - Seismic and full data package licensed to Doyon
  - Several large structures identified
  - Deep Tertiary and Mesozoic basin (20,000 ft.)
  - Non-marine and possible marine sections
  - Recent re-evaluations of data (Doyon, USGS)

## ■ **Target: Oil**

- **500 million-1.5 billion barrels of recoverable oil possible from structures**
  - Additional traps likely
  - Traps charged with oil?
  - Significant amounts of gas likely, but Fairbanks markets are distant

## ■ **Current industry interest in Doyon lands**

- New State exploration incentives help drive interest (40% tax credit)

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# Other Oil and Gas Possibilities

## ■ Kandik Basin

- **500,000 acres of Doyon and Yukon Territory lands now prospective**
    - World class marine source rocks and seeps in outcrop
    - 3 dry holes drilled in over mature areas in 1970s
    - ARCO identified new drill prospects in different part of basin during new exploration in mid-1980s, early 1990s
  - **Oil and gas possibilities**
    - 100-750 million barrels of recoverable light oil/condensate
    - Up to 2 TCF of gas
  - Remote and rugged country
    - Best access from Canada side?
  - **Probably too small to be attractive to industry in near term**
  - Potential for cooperative efforts with Yukon government
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# Special Mention

## Two Projects of Statewide

### Importance

- Pogo gold mine construction
- Donlin Creek gold mine development
- World-class mines; 1 to 1.5 million ounces per year combined
- Will stimulate additional exploration on public and private lands--dozens of prospects nearby, including many on Doyon lands
- Will create new infrastructure, hundreds of new jobs, and new regional economies

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# Doyon Direct Involvement

## Pogo and Donlin Creek

- Pogo
  - Doyon Universal JV current provider of camp services
  - Well-positioned to compete for much larger camp services contract for pending construction and subsequent operation of mine
- Donlin Creek
  - Working with State and Calista on study for Yukon River port and road into the larger mining district that includes prospects on Doyon and State lands
  - Working with Placer Dome on fuel and power supply needs
    - Doyon, Clearflame Resources and Centennial Gas Liquids venture
    - Ship propane and butane to St. Michael, barge fuel to near Holy Cross, pipeline to underground storage near mine site for power generation with gas turbines
    - Lowest capital and per kilowatt costs (unsubsidized), easiest power option to permit
    - Placer Dome decision on power options due Spring 2004