

Charles Jerue
HCOI



Holy Cross Oil Report

September 8,
2006

Dear Sharehold-

ers,

As all of us know, there has been much concern throughout Alaska about the high cost of fuel; and the costs keep increasing. There is this same concern in Holy Cross.

The board of Holy Cross Oil, Inc. (HCOI), is and has been aware of this. We have been trying to keep fuel costs as low as we can.

Crowley Alaska is the fuel supplier, we are required to pay for our deliveries in full in advance. This is difficult to do. Yukon Fuel used to let us make payments. But Crowley won't do this. We are now forced to make advance payments in full for spring and fall shipments over only a couple of months (end of June and end of August). To provide you with fuel for the winter, we were forced to apply for a loan from the Alaska Energy Authority, a State agency. In addition to paying 20% of the estimated price in advance, Crowley required us to apply for a loan, or they would not have loaded and delivered the fuel.

These are difficult times. Things are changing rapidly. The old ways of doing things don't work anymore. Holy Cross Oil must change too.

Deloycheet Deg Hit'an

To give you an idea as to why your fuel costs are so high:

1. Holy Cross Oil's fuel costs have increased 207% in the last 4 years. We have increased our prices only 190% during this time.

2. After we pay for the fuel, we then pay Crowley an additional 59% of the total fuel price for transportation costs to get it to Holy Cross.

3. In recent years, we have kept the fuel prices too low as our prices have increased--- in an effort to help the community. This has resulted in us now having to borrow money just to pay for the fuel. Sales revenues aren't producing enough income. You must now help us pay more of the full cost that we must pay. We can't continue to subsidize the community as much as we have.

4. The fuel business is controlled by federal and state law. There are things that we must do, and spend money on, that we have no choice in. Many of these items are very specialized and expensive.

We are required to have a fuel spill containment plan; and spill clean-up equipment and supplies on-hand.

6. Employees require specialized fuel handling and spill containment training, which must be updated periodically.

7. As a private company, HCOI is treated as a "commercial"

business. This means that we must pay more for everything, and we do not get any "non-profit" breaks for anything. We do not receive cost reductions and benefits that City or tribal government fuel operators do. Legally, we must do certain things that City fuel suppliers don't have to.

8. Gas is more expensive than heating fuel; and we bought more gas than ever before this fall so we wouldn't run short this winter.

So, we want you to know why prices are as high as they are; that we have been and will continue to do all we can to keep prices as low as possible and still provide a safe and efficient operation; that we need your understanding and help.

Please feel free to contact any of the HCOI board members to discuss these matters.

Sincerely,

Charles Jerue, President

Investment Portfolio

Deloycheet, Inc. Portfolio
Account totals w/breakdown
to date 9/11/06 the value is
\$2,531,321.15.

27.61% Cash
47.86% Equity (Stocks)
24.54% Fixed Income
(Bonds)

Note the high percentage of
cash is partly due to the
Distribution Fund which has a
current value of \$477,304 in
money market.

16th Annual Agricultural Fair

The Tanana Chiefs Conference 16th Annual Agricultural Fair was held in Holy Cross from September 15 - 17, 2006.

On behalf of the Agricultural Fair committee, I would like to give a big "Thank You" to the following agencies that made this year's fair successful: Holy Cross Tribal Council, Holy Cross City Council, AT&T Alascom, Doyon Ltd, Evert's Air Cargo, Alaska Village Electric Coop, Iditarod Area School District and the community of Holy Cross. **Thank You!!!**

This year's fair included: games with cash prizes, rifle shoot, agutuk (ice cream) contest, canoe race, cribbage tournament, cake decorating contest, potato salad contest, the following exhibits: vegetables, plants, salmon strips, jarred salmon/jams, arts & crafts, raffle items and a potluck.

I would like to also thank the following individuals who volunteered this year: Debbie Turner, Angela Demientieff, LaVerne Turner, Mary Sims, Margaret St. John, John Anthony Sr., Kay Holbrook, Patti Keon, Adrienne Wright, Brenda Sims and the many youth who assisted setting up the community hall and with the potluck (thanks to all who cooked and brought food). Thank you volunteers and to those individuals that I did not mention!

The winners of the raffle items are: Roundtrip HCR to ANC - Marie Alexie, Hunting Box - Ronald Turner, Grass Cutter - Evan Newman, Handheld VHF - Joey Turner, Drum of Gas - Edwin Turner, Power Inverter - Edwin Turner, Moose Hide - Angela Demientieff, DVD player - LaVerne Turner, and CD Player - Chasity Demientieff. Congratulations to all the winners!

Thanks to everyone who made the 16th Annual Agricultural Fair a success! Hope to see you at next year's Fair. *Phillip J. Demientieff, Sr., Agricultural Fair Committee Member Deloycheet Deg Hit'an*

Why Gas Was Rationed This Spring

Some people have asked why the unleaded gas supply was rationed this past spring. This is a good question, and one I'm glad to answer.

In the fall, when HCOI, buys fuel for the winter, we must make a fuel order that will hopefully last until the spring barge arrives, usually in early June. This means that we must estimate the fuel usage by the community over the next 9 months. Of course, one never knows what kind of a winter there will be; or how much gas will be used for fall hunting, especially by non-residents; and how much for snow machines.

We purchase both heating oil and unleaded gas in August. The gas is more expensive than the heating oil; but the oil is more important.

We cannot have the community running-short of heating oil like it did in the winter of 2004-05, when we had to fly-in both heating oil and gas because low water prevented the fall barge arrival in September, 2004. The clinics' operations were reduced because of this.

So for this past winter, a mild one, HCOI ended-up buying more heating oil than it needed and less gas than needed. In May, it had to ration the gas for local residents only, to spread-out the fuel use until the barge arrived-- in late June, too, later than originally scheduled early that month. In the fall of 2005, with limited funds, the decision was made to make certain that Holy Cross didn't run out of heating oil, at the potential cost of being low on unleaded gas, which it turned-out to be.

Charles Jerue, HCOI President

Deloycheet Shareholder Spotlight



Bernard Edwards served our country in the Army from 2000 to 2006. He was stationed Ft. Lewis, Washington, but went to various other states for different training. While in the Army he also graduated from diesel mechanic school. He spent one year from Sept. 04 to Sept. 05 in Mosul, Iraq. He received many awards, had a good experience and was glad he was able to see the world. Bernard is the son of Robert & Margie Edwards. Grandson

of Alfred & Theresa Demientieff and Theodore & Ida Edwards. Congratulations Bernard on a job well done and welcome back home to Holy Cross. We missed you and are glad you are back home safe with your family.



Dividend amount distributed since 1991:

1991	\$ 72,367.82
1992	\$ 82,352.01
1993	\$ 42,245.85
1994	\$ 72,206.42
1995	\$143,186.90
1996	\$153,951.42
1997	\$166,081.82
1998	\$178,685.94
1999	\$ 93,483.20
2000	\$156,825.76
2001	\$ 41,461.49
2002	\$ 35,072.00
2003	\$ 63,855.29
2004	\$ 43,168.13
2005	\$ 75,871.99
Total distributions is	
\$1,420,816.04	

*** In Memory ***
Henry Thomas Woo



Need New Addresses

If anyone knows the address or knows someone that can provide information concerning the following, please contact us.

Jessica Gayle Demientieff (Javed)
Sandra J. Nerby Abdui, Frank Edwards Kriz Jr., Georgia Sue Baker, Honeygirl Aloysius Nahoopii, Della Mae McClinn, Anna Katrina Deer, Anthony Vaska, Kimberly K. O'Brien, Cara Tabonemah, Sonya Lynn Kirshler Leight, Angeline Harris, Rebecca Rae Rotzler, Grace Hedlumd, Tamara Chiago and Jerry Walker

DELOYCHEET, Inc. hopes this newsletter and the web site will keep our shareholders informed. If you have suggestions or comments feel free to contact us. (907) 476-7177 direct, 1-800-478-7177 Toll Free or e-mail: shareholders@deloycheet.com

Deloycheet Deg Hit'an is published quarterly by shareholder: Angela M. Hartman, 3213 Platinum., North Pole, AK 99705, ph. 488-2998 email: mhartman@acsalaska.net
The opinions/letters expressed in this newsletter does not necessarily reflect the views of Deloycheet, Inc., Board Members, employees and Deloycheet Deg Hit'an. Permission to reprint any portion of this newsletter will be granted in writing upon contacting Deloycheet, Inc. Letters may be reprinted unless otherwise specified by the correspondent.

If you know who the biological relatives of the following shareholders are, can you please notify us at 907-476-7177:
Henry Thomas Woo, Vernon Christensen, Kenneth Foster, Albert John, John B. Parks, and Darlene B. Mason. Also if you haven't already done so please fill out the back of your stock certificate to who you want your share to go to or make a will out. Thank you.

Deloycheet, Inc.
PO Box 228
Holy Cross, Alaska 99602