

2007
2008

ANNUAL REPORT



BUILDING A STRONG DENE FUTURE



Chief Clarence Louie
Director
Osoyoos, BC



Calvin Helin
Director
Vancouver, BC



Dave Tuccaro
Director
Ft. McMurray, AB



Ron Jamieson
Director
Oshweken, ON



Blake Lyons
Director
Yellowknife, NT

BOARD OF DIRECTORS

REPORT FROM THE CEO



Economic activity in the Northwest Territories rebounded in 2008 resulting in the strongest Gross Domestic Product (GDP) in Canada. With increasing economic development opportunities, our communication with Dene communities and regions continues to be a priority. To more fully participate in communications across Denendeh, DDC provides sponsorship to CKLB radio for the "Denendeh Morning Show" and digital radio. We have also revamped the DDC website (www.denendeh.ca) and a new website has been developed for DII (www.denendehinvestments.ca). As CEO, I have been interviewed several times to discuss the DII group of companies and I have attended meetings and/or Assemblies in all five Dene regions over the past year.

Despite a downturn in 2007 in the oil and gas sector, Shehtah Nabors LP continues to be the flagship of the DILP investments. In 2007, Shehtah Nabors LP instituted a scholarship program. Four scholarships of \$5,000 each will be offered in the coming 2008-2009 school year.

Other key investments have positive long term benefits. Northern Aboriginal Services Company (NASCo), through its joint venture with Atco-Frontec, renewed its 10-year contract with Northwestel and Bell Mobility and has also entered into a standby and repair generator maintenance contract with the GNWT. Mackenzie Aboriginal Corporation completed our scoping study for an all-weather road to Tuktoyaktuk and continues to gain support from First Nations, Territorial and Federal governments. Falcon Communications GP Ltd. was successful in obtaining a \$14.8 million contribution from Infrastructure Canada for additional bandwidth resources in the NWT, beginning in 2008.

The following pages of this report outline DILP's investments. We look forward to continued growth in 2009.

Darrell Beaulieu
Chief Executive Officer



John Bekale
Chairman
Tliche



James Firth
Vice Chair
Gwich'in



Greg Nyuli
Secretary – Treasurer
Deh Cho



Jim Schaefer
Director
Akaitcho



Raymond Taniton
Director
Sahtu

BOARD OF DIRECTORS



CHAIRMAN'S MESSAGE

Twenty-five years ago there were less than 50 Aboriginal businesses in all of Denendeh. Today there are close to 500 Dene businesses and corporations. Every First Nation in Denendeh now has an economic development corporation. Today Dene businesses and corporations are involved in all major sectors such as mine services, construction, retail trade, transportation and communication, with many more opportunities available in the future from the North's untapped resources.

To support the ongoing development of Aboriginal businesses, Denendeh Development Corporation (DDC) continues to organize the NWT Aboriginal Business Conference. At the 2007 conference DDC hosted the first Annual General Meeting of the newly established Northern Aboriginal Business Association (NABA). This year the conference will be held again in Yellowknife on October 14-16, 2008. The conference is attended by Aboriginal leaders, northern and southern industry executives, businesses, governments and youth from across Canada.

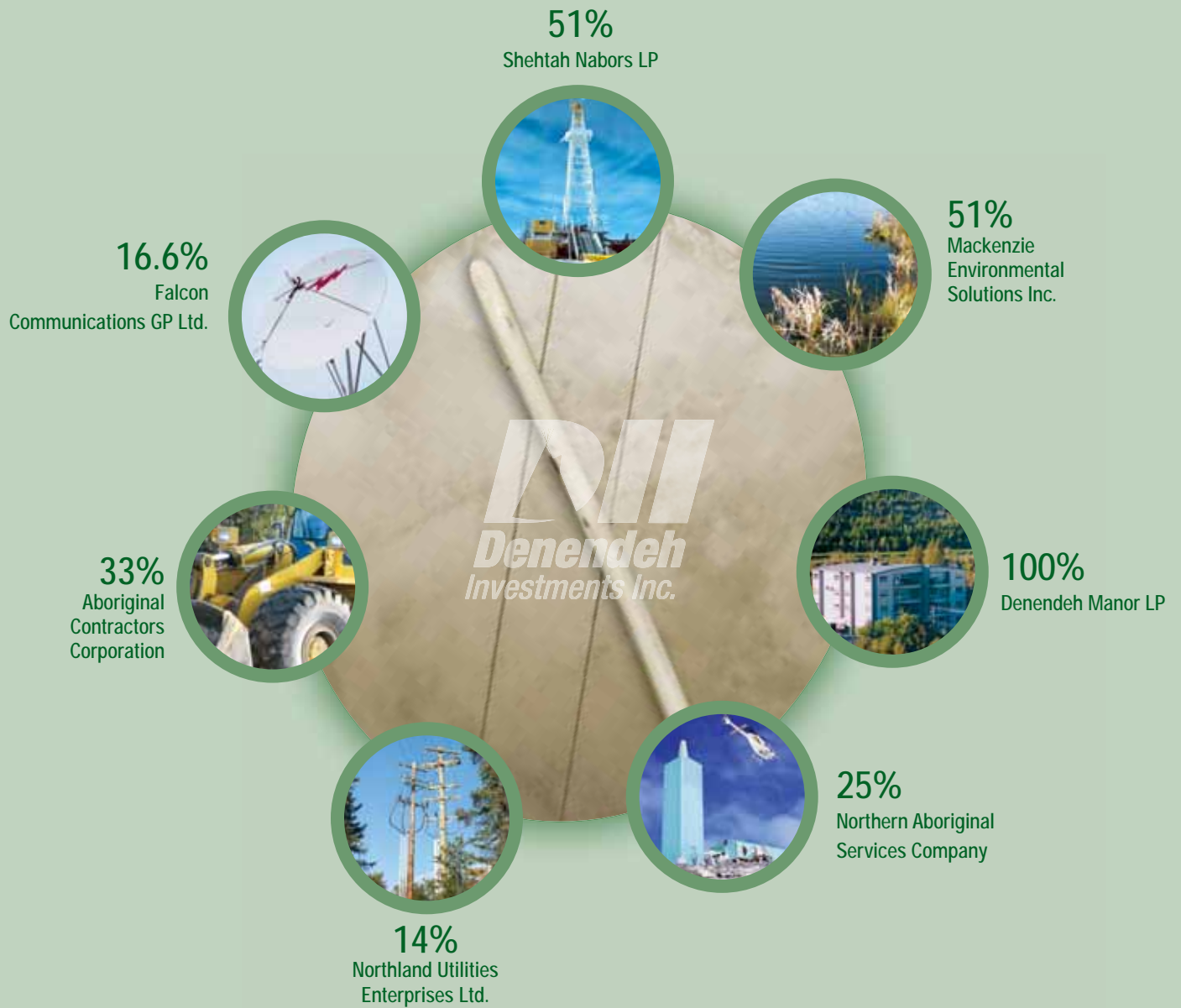
Over the last few years DDC has seen many changes, transferring its business-related investments to Denendeh Investments Limited Partnership (DILP), under the management of Denendeh Investments Inc. In keeping with its socio-economic mandate, it has retained Arrowmakers Fine Traditional Art Gallery Ltd., now located in the Explorer Hotel, and NWT Metis-Dene Development Fund, which administers a developmental lending fund of \$5.8 million for Aboriginal businesses.

As we look forward to 2009 we intend to continue to foster economic cooperation among NWT Dene First Nations and work together for a strong Dene future.

Mussi.

John Bekale
Chairman

DII CORPORATE INVESTMENTS





Shehtah Nabors operates conventional and coil tubing drill rigs.



Denendeh Manor in Yellowknife



All NWT communities now have high speed internet

INVESTMENT PORTFOLIO

Shehtah Nabors LP

Shehtah Nabors LP is a partnership between Shehtah Drilling LP and Nabors Canada. The partnership was formed to focus on work in Northern Canada and operates four drilling rigs and four service rigs. Three of the conventional triple drilling rigs are equipped for work in extreme weather conditions. One drilling rig is a complete AC unit rigged up to move quickly and capable of drilling with coil tubing or a top drive with jointed pipe. The partnership also operates two free standing single tubing double rod service rigs and two free standing double tubing double rod services rigs. The service rigs have been refurbished and are fully equipped to work under extreme weather conditions. The management team has over 30 seasons of northern experience. The partnership has the capacity, expertise, and equipment to build access and leases, drill complete and tie in for production with any area and all weather conditions.

Broadband Business Alliance LP/Falcon Communications GP Ltd.

The members of the Broadband Business Alliance LP (BBALP) include: DILP, Tetlit Gwich'in Council, 984252 NWT Limited (Deline Land Corporation), Deh Cho Economic Corporation, Tlicho Investment Corporation and Akaitcho Regional Investment Corporation.

Under an agreement with Industry Canada, the BBALP contracted SSI Micro to install high speed broadband service in all unserved communities of the NWT. This was completed in the spring of 2007. SSI Micro has hired community service providers in most communities. The General Partner of BBALP is Falcon Communications G.P. Ltd.

Northern Aboriginal Services Company (NASCo)

NASCo is owned equally by DILP, Yukon Indian Development Corporation, Inuvialuit Development Corporation and Nunasi Corporation.

NASCo owns 33.33% of Ardicom Digital Communications Inc. (Ardicom). The other equal shareholders of Ardicom are NorthwesTel and Arctic Cooperatives Limited. This company is contracted by the governments of the Northwest Territories and Nunavut to maintain a digital communications network in 58 communities across the North. Ardicom also provides network services to other pan-northern customers and internet service providers.

NASCo is also engaged in a joint venture agreement with Atco-Frontec Services Ltd., operating under the name of NASCo-Atco Frontec Joint Venture, which has a contract with NorthwesTel to provide maintenance at 160 remote microwave sites across the North. This contract was renewed for another 10 years. A contract with Bell Mobility Inc. for nine sites was also renewed.



The Mackenzie Aboriginal Corporation has the capability of building a significant portion of the proposed Mackenzie Valley pipeline and related facilities.



DII's ownership interest in Northland Utilities is an investment in essential NWT services.

Northland Utilities Enterprises Ltd. (NUEL)

DILP has a 14% interest in Northland Utilities Enterprises Ltd. Other shareholders in NUEL are ATCO Electric and Arctic Energy Investors.

NUEL provides electricity to over 2500 customers in Trout Lake, Kakisa, Dory Point, Fort Providence, Enterprise, Hay River and K'atlodeeche First Nation and Wekweeti. In addition, NUEL distributes power to 7700 customers in Yellowknife and Ndilo.

NUEL has 40 employees in the NWT. Of these, approximately 20% are Aboriginal – mainly from Hay River and Fort Providence areas. NUEL also contracts with local First Nation peoples to provide some services in the communities.

Aboriginal Contractors Corp.

DILP is a 1/3 owner in the Aboriginal Contractors Corporation (ACC) with the Gwich'in Development Corporation. ACC is the majority owner of the Mackenzie Aboriginal Corporation (MAC), a construction company capable of building a significant portion of the proposed Mackenzie Gas Project pipeline and facilities. Other partners include: Flint Energy Services, Kiewit, Ledcor, North American Construction Group. MAC is currently engaged in a scoping study to determine the viability of an extension to the highway from Wrigley to Tuk.

Mackenzie Environmental Solutions Inc.

Mackenzie Environmental Solutions Inc. was formed to utilize innovative and new technologies for contaminants primarily in the Mackenzie Basin Area. The first enterprise is an exclusive distributor and sales representative agreement with ENPAR Technologies Inc. for treating ammonia, arsenic, metals, and nitrates.

Denendeh Manor LP

Denendeh Manor is the corporate office location for the Denendeh Group of Companies. Located at 4504 49th Avenue in Yellowknife, Denendeh Manor is owned 100% by DII, on behalf of DILP.

CREATING BENEFITS FOR NWT DENE FIRST NATIONS





www.denendehinvestments.ca

Corporate Offices

Denendeh Development Corporation
Denendeh Investments LP (DILP)
Denendeh Investments Inc. is the General Partner for DILP
Shehtah Nabors LP
Falcon Communications GP Ltd.
Northern Aboriginal Services Company (NASCo)
Mackenzie Environmental Solutions Inc.
Dene Distributors
Arrowmakers Fine Traditional Art Gallery Ltd.
Denendeh Manor

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Legal / Registered Offices

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Burnet, Duckworth & Palmer, LLP
1400, 350 - 7th Avenue SW
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Auditor

Charles Jeffery
Chartered Accountants
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Directors

John Bekale, Chairman
James Firth, Vice Chair
Greg Nyuli, Secretary-Treasurer
Raymond Taniton, Director
Jim Schaefer, Director
Chief Clarence Louie, Director
Calvin Helin, Director
Dave Tuccaro, Director
Ron Jamieson, Director
Blake Lyons, Director

Staff (2007-2008)

Darrell Beaulieu, Chief Executive Officer
Margaret Gorman, General Manager
Janet Fairbairn, Chief Financial Officer
Jacquelyn McIntyre, Executive Assistant
Alice Evans, Finance Officer
Cheryl Yakelaya, Executive Administrative Assistant
Cynthia Cardinal James, Business Development Officer
Gerry Cheezie, Special Projects
Cecilia Goulet, Receptionist