



April 25, 2007

Dear Valued Customer,

As you know Lynden Transport offers high quality freight services from, to and within the State of Alaska. In recent years we are and have been working hard to improve our efficiency so that we can provide our customers with the best value as well.

Despite our best efforts we have been unable to lower our costs enough to make our Intra-Alaska LTL services a positive contributor. Recently we did some rate comparisons with lower 48 carriers on what they charge for like service and distances and we found that our current minimums and rates are less than half what is paid in the lower 48. Our unfortunate conclusion from our research is the existing intra-Alaska rate structures for this service are just too low to be sustainable.

To correct this situation we are increasing our LTL minimums and rates May 14th to a level that will begin to close the gap between our cost and your price. Depending on how successful we are in continuing our costs reductions we will be following up with further increases in the future. Our intent is to take small steps over the next year to get these rates where they need to be for this valuable service.

I realize no one likes to hear about rate increases, but I can assure you we have already done a lot of work to reduce costs and only now do we regrettably find that cost cutting alone will not solve the problem.

You can find our new rates at www.lynden.com/rates .

Thanks for your support and understanding in this.

Sincerely,

Alex McKallor
President