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NEWS

Minnesota Power's wind initiative is moving forward

Duluth, Minnesota—Minnesota Power's first fully owned and operated commercial wind project in North Dakota is moving forward with an agreement to purchase 33 wind turbines and the initiation of the regulatory approval processes in North Dakota and Minnesota.

The 75 megawatt (MW) Bison I Wind Project located near Center, North Dakota, will draw on the state's excellent wind resources to provide economical renewable energy for the Company's Minnesota customers.

The project will be comprised of 33 Siemens turbines generating 2.3MW each, built in two phases, 16 turbines installed in 2010 and 17 turbines installed in 2011. The turbines have a hub height of 262 feet and a rotor diameter of 332 feet. The longer than average blades (161 feet each) will capture more of North Dakota's rich wind resources and extract more energy for the Company to use to serve its customer. At full capacity the project will generate an estimated 300,000 megawatt-hours of energy, enough to power about 33,000 homes annually.

The estimated \$180 million investment is part of the Company's commitment to diversify its energy mix and grow its renewable portfolio.

"We are pleased to see critical pieces of our long range plan to expand wind development in North Dakota coming together," said Don Shippar, ALLETE Chairman, President and CEO. "This project plays a significant role in our ability to meet Minnesota's 25 percent by 2025 renewable energy mandate in a timely and cost effective manner that makes sense for our customers."

The Bison I Wind Project will be located near an existing direct current (DC) transmission line which runs between the Square Butte Substation in Center, N.D. and Minnesota Power's Arrowhead Substation in Duluth. The line will deliver renewable energy to Minnesota Power customers from the 75MW wind project and wind development planned in the future. The Company expects to close on the \$80 million DC line purchase later this year pending state and federal regulatory approval.

"North Dakota has some of the best wind in the country, our business relationship in the state stretches over the past 30 years and we look forward to working with our neighbors once again to harness this inexhaustible source of energy and deliver it to customers," said Shippar.

The 16 turbines for the first phase are expected to arrive at the Duluth-Superior Port during summer 2010 with these wind turbines slated to be fully operational by year end 2010. The remaining 17 turbines will also likely arrive at the Duluth-Superior Port during summer 2011 with these turbines slated to be fully operational during fall 2011. In the meantime, Minnesota Power will be seeking permits from the North Dakota Public Service Commission and holding

informational meetings with landowners and other community stakeholders as well as seeking approval from the Minnesota Public Utilities Commission and other regulatory entities.

Minnesota Power, an ALLETE company, provides retail electric service within a 26,000-square-mile area in northeastern Minnesota to 141,000 customers and wholesale electric service to 16 municipalities. More information can be found at: www.mnpower.com.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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