



ALLETE Properties Files Ormond Crossings Development Plan

Ormond Beach, Fla.— ALLETE Properties, a subsidiary of ALLETE, Inc. (NYSE:ALE), announced today it has filed its Development of Regional Impact (DRI) Application with the East Central Florida Regional Planning Council for its Ormond Crossings project. The DRI Application describes ALLETE Properties' proposed elements and phases of its nearly 6,000-acre Ormond Crossings development.

Ormond Crossings is a mixed use, planned development project located along Interstate 95 at its interchange with U.S. Highway 1 and adjacent to the City of Ormond Beach airport. It also is bordered by the Florida East Coast Railroad. Because of its proximity to major road, rail and air transportation links, the Ormond Crossings site is an ideal location for all types of commercial and industrial development, supported by a broad mixture of residential opportunities.

"We are very pleased to announce the filing of our proposed development plans for the Ormond Crossings property and we are especially excited about the major commercial aspects of our proposal," said Don Shippar, President and CEO of ALLETE. "The development of Ormond Crossings will help to ensure a continuing income stream from our real estate operations for years to come."

Development uses and intensities proposed in the DRI include 5 million square feet of commercial, office and industrial opportunities along with up to 4,400 residential units. Proposed land use incorporates a major business park with landmark corporate office buildings, strategically located commercial retail centers with festival/lifestyle uses and industrial areas available for manufacturing, assembly and warehousing. Mixed use town centers will be oriented to residential neighborhoods and feature traditional neighborhood development principles including enhanced traffic management features supporting pedestrian accessibility. Residential neighborhoods will feature both single family and multi-family housing with parks, an extensive trail system and other recreational amenities.

ALLETE Properties anticipates that the DRI approval process will be concluded within approximately 18 months at which time the Company would receive a Development Order from the City of Ormond Beach.

The Ormond Crossings DRI filing represents the launch of the third major real estate development of ALLETE Properties in Florida and the largest in terms of acreage. Ground was broken on the Town Center at Palm Coast development earlier this year and construction is expected to begin on the Palm Coast Park property in 2006. Florida's governor and cabinet recently approved the Palm Coast Park Community Development District with authority to issue special assessment revenue bonds to finance property development.

ALLETE's corporate headquarters are located in Duluth, Minnesota. ALLETE provides energy services in the upper Midwest and has significant real estate holdings in Florida. More information about the company is available on ALLETE's Web site at www.allete.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.

Investor
Contact:
Tim Thorp
218-723-3953
tthorp@allete.com