



Tests Complete at Minnesota Power's Newest Generating Unit

Minnesota Power, an ALLETE business (NYSE: ALE), has completed successful testing of its new generating unit at Potlatch Corporation's pulp and paper mill in Cloquet, Minnesota. Pending approval of test results from the Mid-Continent Area Power Pool, the new unit will be ready to generate up to 23 megawatts of electricity, enough to provide service to about 17,000 residential customers. Cost of the project is estimated at \$10 million.

Installation work on the new turbine began two months ago after Potlatch officials identified additional steam capacity that could support generation of electricity. Minnesota Power worked with Potlatch to add equipment, including a turbine and generator, in order to capture the excess capacity to meet the growing energy needs of the region.

"The Potlatch turbine project is a great example of our continued commitment to partner with our large power customers when possible," said Bob Edwards, Minnesota Power President. "We believe the result will be a good one for Minnesota Power, Potlatch, and the region."

The additional fuel for the new cogeneration unit is a combination of wood waste and natural gas and will supply energy to Minnesota Power customers at a time when additional low cost energy resources are needed. Minnesota Power will own the new turbine generator. Potlatch will operate and maintain it at Minnesota Power's expense.

Minnesota Power serves 144,000 customers in northeastern Minnesota and northwestern Wisconsin with low-cost electricity. ALLETE is a multi-services company with corporate headquarters in Duluth, MN. Other ALLETE businesses include the second largest wholesale automobile auction network in North America; the leading provider of independent auto dealer inventory financing; the largest investor-owned water utilities in Florida and North Carolina; and significant real estate holdings in Florida.

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.