



MN Power Secures Long-Term Energy Contract with Blandin Paper

DULUTH, Minn.-Minnesota Power, a division of Duluth-based ALLETE, Inc. (NYSE: ALE), announced today it has reached an agreement with Blandin Paper Company, a subsidiary of UPM (NYSE: UPM), to provide all of Blandin's electric service needs through December, 2009 at Blandin's paper and pulp mill near Grand Rapids, Minn. Blandin is Minnesota Power's fifth largest customer and represents approximately three percent of Minnesota Power's average annual revenue. The agreement is subject to regulatory approval by the Minnesota Public Utilities Commission. The Blandin facility manufactures lightweight coated paper used for magazines and catalogues.

"We have had a long and mutually beneficial relationship with Blandin Paper, and are excited to have a new agreement in place," said Don Shippar, ALLETE President and CEO. "And we are working to ensure we will meet any additional energy needs Blandin may have in the future."

Based in Helsinki, Finland, UPM is one of the world's leading forest products companies. The company's businesses focus on magazine papers, newsprint, fine and specialty papers, converting materials and wood products. The company has production in 15 countries and employs approximately 33,400 people.

Minnesota Power provides electricity in a 26,000 square mile electric service territory located in northeastern Minnesota. Minnesota Power supplies electric service to 136,000 retail customers, 16 municipalities and some of the largest industrial customers in the United States.

More information regarding Blandin Paper is available at www.upm-kymmene.com and Minnesota Power at www.mnpower.com.

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.