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NEWS

Minnesota Power Secures Long-term Energy Contract with Largest Customer

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DULUTH, Minn.—Minnesota Power, a division of Duluth-based ALLETE, Inc. (NYSE: ALE), announced today it has reached a long-term agreement with Mittal Steel USA, a subsidiary of Mittal Steel Company N.V. (NYSE: MT), to provide all electric service needs through December, 2012 for Mittal's production facility near Virginia, Minn. Mittal Steel USA — Minorca Mine (formerly Ispat Inland Mining) is Minnesota Power's fifth largest energy customer.

"Securing a long term contract with a customer like Minorca reflects a key element of Minnesota Power's strategy of working closely with its largest customers," said Don Shippar, President and CEO of ALLETE, Inc. "The goal of the working relationship and contract with Minorca is to help ensure the long term success of both Mittal and Minnesota Power."

Mittal Steel USA — Minorca Mine is located on the Mesabi Iron Range in northeastern Minnesota. In 2004, the Minorca Mine produced nearly three million tons of taconite pellets, representing approximately seven percent of the annual pellet output from Minnesota. Taconite pellets are a primary feedstock for steelmaking.

"The signing of this electric power contract with Minnesota Power, which includes our proposed mine pit expansion, indicates our commitment to future of the Minorca operation," said Jonathan Holmes, Vice President and General Manager of Mittal USA — Minorca Mine. "We look forward to working closely with Minnesota Power for the life of the agreement since electric power is a significant component of taconite production."

Mittal Steel is the largest steelmaker in the world, with shipments of 42.1 million tons and revenues of over \$22 billion in 2004. The product of a merger announced in October 2004 between LNM Holdings and Ispat International, Mittal Steel is the world's most global steel producer with operations on four continents, including steel-making facilities in 14 countries. In April, Mittal Steel completed a merger with International Steel Group, one of the largest steel producers in North America.

The agreement is subject to regulatory approval by the Minnesota Public Utilities Commission.

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 Mittal Steel Company is available at www.mittalsteel.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.



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