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NEWS

ALLETE Clean Energy advances growth strategy with sale of wind project in North Dakota while breaking ground on new wind development

Duluth, Minn.— ALLETE Clean Energy, a wholly-owned subsidiary of ALLETE Inc. (NYSE: ALE), today closed the approximately \$84 million sale of the 48-megawatt phase two of the Thunder Spirit wind facility in North Dakota to Montana-Dakota Utilities.

Montana-Dakota Utilities, a division of MDU Resources Group (NYSE: MDU), which owns and operates Thunder Spirit's first phase also built by ALLETE Clean Energy, exercised a purchase option on phase two included in the project development agreement in March of this year.

ALLETE Clean Energy qualified the project, which brings the Thunder Spirit site to its 155-megawatt permitted capacity, for federal renewable energy production tax credits. The wind facility is located near Hettinger, North Dakota, about 100 miles southwest of Bismarck. The project includes sixteen 3-megawatt Nordex turbines that will produce enough energy for about 15,000 homes. Forty-five people were employed during construction, and 10 will be working at Thunder Spirit I and II during operation.

In 2014, ALLETE Clean Energy acquired the rights to build the 107.5-megawatt first phase of Thunder Spirit, which includes 43 turbines and generates enough electricity to power about 30,000 homes. After the project was completed in 2015, ALLETE Clean Energy sold the wind facility to Montana-Dakota for \$200 million, and Montana-Dakota operates the wind farm for its customers.

"We are proud to have delivered a competitive energy resource to MDU that will help meet the growing energy needs of their customers," said Al Rudeck, President of ALLETE Clean Energy. "The Thunder Spirit expansion is part of our growing expertise in the energy industry as we now will focus our attention on completion of a second new wind project in North Dakota, the Glen Ullin Energy Center, in as many years, while advancing our company's growth strategy as a clean energy developer, operator and strategic owner."

It has been a busy construction year for the company in North Dakota, as this fall it broke ground on a 106-megawatt wind project located northeast of Glen Ullin, North Dakota. ALLETE Clean Energy will build, own and operate the facility that will supply electricity to Xcel Energy under a 20-year power purchase agreement.

Under development since 2011, the Glen Ullin project has been permitted by the North Dakota Public Service Commission and will consist of 43 2.3- and 2.5-megawatt General Electric wind turbines.

At three of its operating Midwest wind sites, ALLETE Clean Energy is in the midst of refurbishing up to 385 wind turbines to improve availability, efficiency and preserve these pioneering wind projects to create financial value for the company and community while supporting the renewal of power sales agreements at the Storm Lake site in Iowa.

ALLETE Clean Energy owns and operates 535 megawatts of wind generation at facilities in Minnesota, Iowa, Oregon and Pennsylvania and will add projects in North Dakota and Montana in 2019, growing its operating portfolio to over 720 MW.

ALLETE Clean Energy was established in 2011 to acquire and develop capital projects to create energy solutions by way of wind, solar, biomass, hydro, natural gas, shale resources, clean coal technology and other emerging technologies.

ALLETE Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth; BNI Energy in Bismarck, North Dakota; U.S. Water Services in St. Michael, Minnesota; and has an 8 percent equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com. *ALE-CORP*

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. 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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