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NEWS

ALLETE Clean Energy finalizes acquisition of wind farms in Minnesota, Iowa and Oregon

Duluth, Minn. — ALLETE Clean Energy, a subsidiary of ALLETE, Inc. (NYSE: ALE), has finalized the purchase of wind farms in Minnesota, Iowa and Oregon from The AES Corporation.

ALLETE Clean Energy acquired the operating wind energy projects in Lake Benton, Minn., Storm Lake, Iowa, and Condon, Ore., from AES for \$27 million. All three wind farms – with a total output of 231 Megawatts – have power purchase agreements in place for their entire electric output.

Since the acquisition agreement was announced Nov. 11, customary closing conditions have been met, including approval from the Federal Energy Regulatory Commission.

“With this acquisition, ALLETE Clean Energy will establish core infrastructure that will allow us to expand to other wind or similar clean energy projects,” said Eric Norberg, president of ALLETE Clean Energy. “It’s a significant and diverse first step in the implementation of new energy-centric projects.”

Since news of the acquisition agreement was released in November, ALLETE Clean Energy personnel have visited all three sites to meet with the approximately 40 employees who operate and maintain the three wind farms. Most of the current AES employees opted to join ALLETE Clean Energy and those skilled technical employees will be retained under the new ownership.

The three facilities will be overseen by Dave Leveille, who was named director of asset management for ALLETE Clean Energy on Jan. 1, 2014. Leveille has a strong generation operations and renewable operations background. Prior to joining ALLETE Clean Energy, Leveille was general manager-energy pricing and market support for Minnesota Power, a utility division of ALLETE, Inc.

ALLETE Clean Energy also signed in November an option agreement to acquire a fourth wind farm from AES in mid-2015. Pursuant to that option agreement, ALLETE Clean Energy will have an option to acquire the 101MW Armenia Mountain, Penn., wind farm. That project became operational in 2009 and has two long-term power purchase agreements in place. It is located near the Pennsylvania-New York border.

“These acquisitions fit our corporate strategy of growing energy-centric earnings to complement our traditional utility operations,” said Alan R. Hodnik, chairman, president and CEO of ALLETE. He said acquisition of the Iowa, Minnesota and Oregon wind installations is expected to be accretive to ALLETE earnings in 2014, excluding transaction costs.

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

ALLETE, Inc. is an energy company headquartered in Duluth, Minn. ALLETE’s energy businesses include Minnesota Power, Superior Water, Light & Power Co., BNI Coal, and ALLETE Clean Energy. More information about the company is available 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. 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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