

Interest in Lignite Vision 21 Project Growing As Companies Submit Grant Applications for Gascoyne Site

Two companies -- Montana-Dakota Utilities Co., Bismarck, ND, and Westmoreland Power, Inc. (a wholly owned subsidiary of Westmoreland Coal Company), Colorado Springs, CO, -- have submitted applications for matching funds available under the North Dakota Lignite Research, Development and Marketing Program for the development of the Lignite Vision 21 Project near Gascoyne, ND. Up to \$10 million in matching funds are available through the Lignite Vision 21 Project.

Earlier this month, Great River Energy, Elk River, MN, submitted an application for Lignite Vision 21 Project matching funds.

In a joint statement, Governor John Hoeven, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson said, "We are very pleased with the new applications by Montana-Dakota Utilities Co. and Westmoreland Power, Inc. to participate in the Lignite Vision 21 Project. If realized, this effort will help diversify the economy of our state and generate a number of new high quality jobs. It may also result in one or more power plants featuring the latest clean coal technologies to produce low-cost electricity in an environmentally responsible manner."

The funds -- if approved -- would be matched by the companies to conduct the necessary detailed environmental, economic and transmission feasibility studies which will hopefully lead to the construction of one or more lignite-fired power plants in North Dakota.

The Industrial Commission of North Dakota is partnering with the Lignite Energy Council on the Lignite Vision 21 Project, a state / industry partnership to encourage construction of one or more "state-of-the-art" baseload power plants in North Dakota so that they are available in the 2008-2010 timeframe.

As proposed, the Lignite Vision 21 Project is designed to meet growing regional electrical needs and revitalize the lignite industry as a 500 megawatt power plant would result in the production of an additional 3 million tons of coal, 1,300 new jobs and \$6 million annually in tax revenue.

"We are encouraged by the three grant applications. This interest reflects the commitment by the State and Industrial Commission to help develop new sources of electricity generation in North Dakota. Companies are responding which could result in new high quality jobs and the generation of more business volume and tax revenue in the state," says John W. Dwyer, President of the Lignite Energy Council, and Chairman of the Lignite Research Council, Bismarck, ND.

According to Ron Tipton, Chief Executive Officer of Montana-Dakota Utilities Co., "As one of the state's oldest energy providers, Montana-Dakota Utilities Co. is excited about the Vision 21 Project and the potential it holds for North Dakota." According to the company, the

proposed location for the 500 megawatt power plant would be near Gascoyne, North Dakota. The cost of the power plant is estimated to be \$740 million.

According to Westmoreland Power, Inc., the Gascoyne site offers a number of attractive features for a \$700+ million, 500 megawatt power plant, "including low-cost fuel supply, favorable environmental characteristics, and an opportunity for economic development in an area of the state that currently does not enjoy the economic benefits of the lignite industry."

All applications must first go through an independent peer review process and then be reviewed by the Lignite Research Council before the Industrial Commission will consider the applications this spring.

North Dakota's Lignite Research, Development and Marketing Program is a multi-million dollar state / industry partnership that concentrates on near term, practical R&D projects that provide the opportunity to preserve and enhance development of our state's abundant lignite resources. Over 19,000 jobs, \$1.4 billion in business volume and \$65 million in tax revenue are generated by the lignite industry for the State of North Dakota each year.

The Lignite Research, Development and Marketing Program is overseen by the North Dakota Industrial Commission, consisting of Gov. John Hoeven, Attorney General Wayne Stenehjem, and Commissioner of Agriculture Roger Johnson.

- 30 -

For More Information

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