

November 7, 2005

Mr. Thomas Micheletti Excelsior Energy Inc. Crescent Ridge Corporate Center 11100 Wayzata Boulevard, Suite 305 Minnetonka, MN 55305

RE: "Innovative Energy Project" referenced in Minnesota Statutes, Section 216B.1964

Dear Mr. Micheletti:

Based on this Agency's ongoing efforts in support of the Mesaba Energy Project and the analysis of Agency staff of the proposed site near Taconite, Minnesota (the "Preferred Site") and alternative site near Hoyt Lakes, Minnesota (the "Alternative Site") for two units of the Mesaba Energy Project, I hereby designate the Mesaba Energy Project as one that meets the requirements set forth in Minnesota Statutes, Section 2165B.1694, Subdivision 1, Paragraph 3, whether it is located at the Preferred Site or the Alternative Site.

Sincerely,

Sandy Layman Commissioner

Iron Range Resources 4261 Highway 53 South P.O. Box 441 Eveleth, MN 55734-0441 [218] 744-7400