

I. Introduction and Overview of Mesaba Energy Project

Minnesota faces three monumental policy challenges:

- Fill an immediate need for new electric generation and transmission resources
- Meet Minnesota's stated goal to materially reduce environmental pollutants by 2010
- Avert the impending economic crisis on the Iron Range

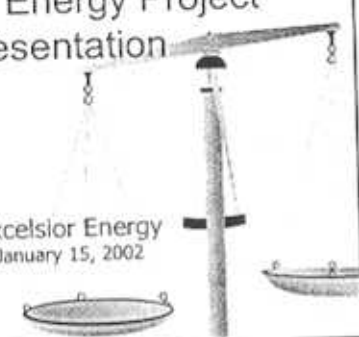
The Mesaba Energy Project is part of the solution:

- 2000 megawatts (MW) of integrated gasification combined cycle ("IGCC" or "coal gasification") generating capacity located on a brownfield site in Northeastern Minnesota.
- 1000 MW of wind generation to be supplied by turbines and equipment manufactured on the Iron Range and deployed in Minnesota's most significant wind resource areas.
- 3000 MW of bulk power transmission capacity from the site to load centers utilizing existing transportation corridors.

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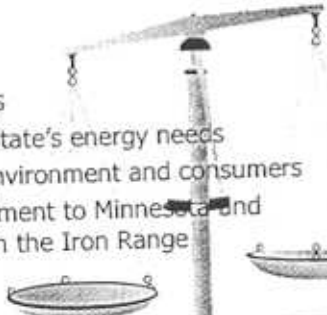
Mesaba Energy Project
Presentation

Excelsior Energy
January 15, 2002



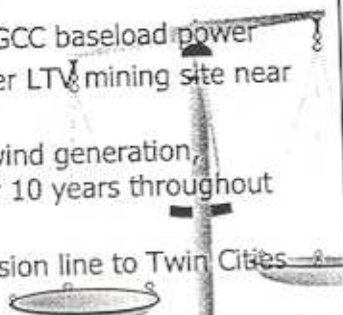
Excelsior Energy

- Our Team
- Our Objectives
 - Address the State's energy needs
 - Protect the environment and consumers
 - Attract investment to Minnesota and create jobs on the Iron Range



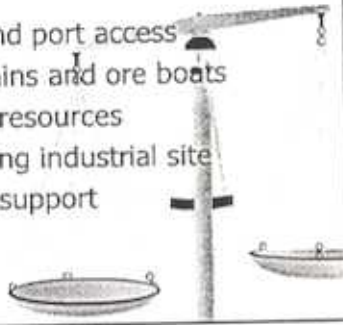
Components of Mesaba Proposal

- 2000 MW of IGCC baseload power
- Sited on former LTV mining site near Hoyt Lakes
- 1000 MW of wind generation, deployed over 10 years throughout the state
- New transmission line to Twin Cities



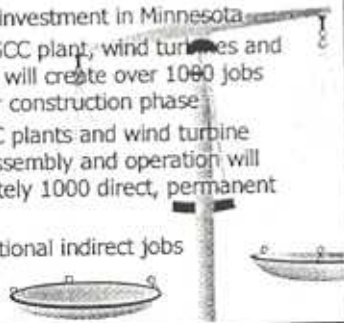
Site Advantages

- Existing rail and port access
- Empty unit trains and ore boats
- Private water resources
- Isolated existing industrial site
- Strong public support



Investment and Job Creation

- Over \$3 billion of investment in Minnesota
- Construction of IGCC plant, wind turbines and transmission lines will create over 1000 jobs during a 10+ year construction phase
- Operation of IGCC plants and wind turbine manufacturing, assembly and operation will create approximately 1000 direct, permanent jobs
- 2000 - 4000 additional indirect jobs



"First-Mover" Advantage

- Largest IGCC installation for power generation
- Will attract synergistic industries that other power generation sources cannot