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Cliffs Natural Resources Inc. Updates Full-Year 2010 North American Coal Outlook

CLEVELAND--(BUSINESS WIRE)-- Cliffs Natural Resources Inc. (NYSE: CLF) (Paris: CLF) today announced that it is updating its full-year 2010 North American Coal outlook to include the Company's recent acquisition of INR Energy's coal operations and to adjust the production outlook for its legacy coal operations in West Virginia and Alabama.

Cliffs indicated it now expects total full-year 2010 North American Coal sales volume of 3.9 million tons, with an approximate sales mix of 3.4 million tons metallurgical and 500,000 tons thermal. Incremental tons related to the acquisition of INR Energy's coal operations are anticipated to be approximately 500,000 tons metallurgical coal and 500,000 tons thermal coal. Cliffs reduced its 2010 sales volume expectation from its legacy coal operations in West Virginia and Alabama to 2.8 million tons, from a previous expectation of 3.4 million tons. The decrease is primarily driven by an adverse geological condition at Cliffs' Pinnacle Mine, which has slowed production. As previously announced, the Company is installing a new automated longwall system at Pinnacle Mine in the fourth quarter 2010, which, combined with other capital projects, is anticipated to improve future production rates.

With additional thermal coal sales from the INR coal operations acquisition (which carry lower average selling price) and lower than previously anticipated spot sales of uncommitted met coal, Cliffs said it now expects North American Coal revenue per ton to be \$115 - \$120, a decrease from the prior guidance of \$140 - \$145 per ton. As a result of the production volume changes and acquisition-related accounting adjustments, per-ton costs are expected to increase to \$115 - \$120 per ton, from the prior expectation of \$110 - \$115 per ton. Costs are expected to be impacted by lower fixed cost absorption given the decline in production at the legacy coal operations. The revised per-ton costs include non-cash expenses of approximately \$16 per ton of depreciation, depletion and amortization and \$2 per ton related to acquisition accounting adjustments for the INR Energy coal operations.

Joseph A. Carrabba, Cliffs' chairman, president and chief executive officer, said, "This geological condition is unfortunate, but underground mining challenges are part of the inherent risks of coal mining. Fortunately, this adjustment represents a small impact to our full-year 2010 EBITDA expectations and does not alter our positive outlook for North American Coal in 2011."

Cliffs currently anticipates North American Coal to achieve 2010 cash margin of over \$60 million and nearly breakeven in sales margin.

About Cliffs Natural Resources Inc.

Cliffs Natural Resources Inc. is an international mining and natural resources company. A member of the S&P 500 Index, we are the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of high and low volatile metallurgical coal. With core values of

environmental and capital stewardship, our colleagues across the globe endeavor to provide all stakeholders operating and financial transparency as embodied in the Global Reporting Initiative (GRI) framework. Our Company is organized through three geographic business units:

The North American business unit is comprised of six iron ore mines owned or managed in Michigan, Minnesota and Canada and six coal mines located in West Virginia and Alabama. The Asia Pacific business unit is comprised of two iron ore mining complexes in Western Australia and a 45% economic interest in a coking and thermal coal mine in Queensland, Australia. The Latin American business unit includes a 30% interest in the Amapa Project, an iron ore project in the state of Amapa in Brazil.

Other projects under development include a biomass production plant in Michigan and Ring of Fire chromite properties in Ontario, Canada. Over recent years, Cliffs has been executing a strategy designed to achieve scale in the mining industry and focused on serving the world's largest and fastest growing steel markets.

News releases and other information on the Company are available on the Internet at: <http://www.cliffsnaturalresources.com> or www.cliffsnaturalresources.com/Investors/Pages/default.aspx?b=1041&1=1

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This news release contains predictive statements that are intended to be made as "forward-looking" within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risk and uncertainties.

Actual results may differ materially from such statements for a variety of reasons, including: the impact of the current global economic crisis, including downward pressure on prices; trends affecting our financial condition, results of operations or future prospects; the ability to reach agreement with our iron ore customers regarding modifications to sales contract pricing escalation provisions to reflect the migration from annual international benchmark prices to a quarterly or spot-based pricing mechanism; our ability to successfully integrate the coal operations of INR Energy, LLC into our operations; the outcome of any contractual disputes with our customers; changes in the sales volumes or mix; the impact of price-adjustment factors on our sales contracts; availability of capital equipment and component parts; the ability of our customers to meet their obligations to us on a timely basis or at all; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; inability to achieve expected production levels; reductions in current resource estimates; impacts of increasing governmental regulation including failure to receive or maintain required environmental permits; and problems with productivity, third party contractors, labor disputes, weather conditions, fluctuations in ore grade, tons mined, changes in cost factors including energy costs, transportation, mine closure obligations and employee benefit costs.

Reference is also made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company's Annual Report and Reports on Form 10-K, Form 10-Q and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cliffs Natural

Resources' website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

Source: Cliffs Natural Resources Inc.