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Renewafuel LLC Selects Marquette, MI, for Biomass Production Plant

CLEVELAND--(BUSINESS WIRE)--

Renewafuel LLC, a subsidiary of Cleveland-Cliffs Inc (NYSE:CLF), will build a next-generation biomass fuel production facility at the Telkite Technology Park in Marquette, Mich. Projected to begin operations in the first quarter of 2009, the plant will annually produce 150,000 tons of high-energy, low-emission biofuel cubes from a sustainable composite of collected wood and agricultural feedstocks, including wood byproducts, corn stalks, grasses and energy crops.

"We are happy to announce our first commercial-scale facility for Renewafuel," said Dana Byrne, Cliffs' vice president of public and environmental affairs. "Cooperation with the Michigan Department of Agriculture, Marquette County, the Michigan Economic Development Corporation, Telkite Technology Park and the Marquette Board of Light and Power helped make this happen, and we appreciate the efforts of their representatives."

"We are excited to be a part of this tremendous economic development opportunity for both the Marquette area and Michigan's growing renewable energy industry," said Don Koivisto, director of the Michigan Department of Agriculture. "Renewafuel's investment demonstrates that Michigan is a state ripe with possibilities for alternative energy development."

Renewafuel's biofuel cubes generate about the same amount of energy as coal from the Western United States; however, the cubes emit 90 percent less sulfur dioxide, 35 percent less particulate matter and 30 percent less acid gases than coal. The cubes are made from feedstocks that are considered biogenic carbon, and will not add to atmospheric concentrations of carbon dioxide. Because of their size and density, the cubes can be used in most solid fuel systems with little or no modifications required.

At full production, Renewafuel will produce approximately 60,000 tons of biomass fuel cubes for the steam plant of Marquette Board of Light and Power, as well as replace a portion of coal used at Cliffs' two nearby Michigan iron ore mines as process fuel for kilns used to harden iron ore pellets. Cliffs indicated the capital cost for the facility would be approximately $10 million.

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Cleveland-Cliffs Inc, headquartered in Cleveland, Ohio, is an international mining company, the largest producer of iron ore pellets in North America and a major supplier of metallurgical coal to the global steelmaking industry. The Company operates six iron ore mines in Michigan, Minnesota and Eastern Canada, and three coking coal mines in West Virginia and Alabama. Cliffs also owns 80% of Portman Limited, a large iron ore mining company in Australia, serving the Asian iron ore markets with direct-shipping fines and lump ore. In addition, the Company has a 30% interest in the Amapa Project, a Brazilian iron ore project, a 45% economic interest in the Sonoma Project, an Australian coking and thermal coal project, and a 70% interest in Renewafuel LLC, a producer of biomass fuel cubes.

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: changes in the sales mix; the impact of other price-adjustment factors on the Company's North American sales contracts; changes in demand for iron ore pellets by North American integrated steel producers, or changes in Asian iron ore demand due to changes in steel utilization rates, operational factors, electric furnace production or imports into the United States and Canada of semi-finished steel or pig iron; availability of capital equipment and component parts; availability of float capacity on the Great Lakes; changes in the financial condition of the Company's partners and/or customers; market forces that negatively impact the domestic and international metallurgical coal markets; changes in global demand for metallurgical coal by integrated steel producers due to changes in steel utilization rates; rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U.S. Bankruptcy Code or similar statutes in other countries; the impact of consolidation in the steel industry; 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; failure to receive or maintain required environmental permits; problems with productivity, labor disputes, weather conditions, fluctuations in ore grade, tons mined, changes in cost factors including energy costs, transportation and employee benefit costs; and the effect of these various risks on the Company's future cash flows, debt levels, liquidity and financial position.

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 and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cleveland-Cliffs' website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

News releases and other information on the Company are available on the Internet at:

http://www.cleveland-cliffs.com

Source: Cleveland-Cliffs Inc