



# GREAT AMERICAN ENERGY

Beneficiated Lignite Powering America's Independence

## NEWS RELEASE

July 30, 2007

### **“GREAT AMERICAN ENERGY” FORMED TO DEVELOP & SELL BENEFICIATED LIGNITE COAL**

BISMARCK, North Dakota – Great River Energy and The North American Coal Corporation (NAC) announced today the formation of a 50/50 joint venture to form a new company GRENAC, LLC, doing business as “Great American Energy.”

The purpose of Great American Energy is to develop, construct, own and operate a coal beneficiation plant to be located adjacent to both the mining operations of NAC and Great River Energy’s Coal Creek Station electric generating plant located near Underwood, North Dakota. The Falkirk Mining Company, a wholly-owned subsidiary of NAC, will supply lignite for Great American Energy. Through the beneficiation process, the lignite coal will be enhanced through various processes including drying by utilizing waste heat from Great River Energy’s Coal Creek Station, air jigging, screening, and processing. The beneficiation process will increase the heating value of the lignite while also reducing emissions.

“This new venture will be the first to leverage Great River Energy’s innovative coal drying technology that was developed at Coal Creek Station. This will benefit local coal consumers who would like to use beneficiated North Dakota lignite for their energy source,” says David Saggau, president and chief executive officer, Great River Energy.

“We are excited about this new business opportunity for North American Coal,” said Robert L. Benson, North American Coal’s president and chief executive officer. “It gives us new market expansion options that will enhance our current lignite mining business. The beneficiation of lignite will result in a higher quality fuel, with improved environmental benefits, resulting in more opportunities to develop our lignite reserves. We look forward to expanding our relationship with Great River Energy in this new joint venture.”

“We appreciate this investment in North Dakota by Great River Energy and North American Coal,” said Gov. John Hoeven. “The new technology they’ve developed to form Great American Energy will not only create more quality jobs in our state, but also help to reduce emissions from coal powered facilities. That’s good for our state, and good for America.”

Great American Energy expects to begin construction of the first coal beneficiation facility – including dryers, air jigs, and storage and load-out facilities – during 2007. Initial capital cost for Great American Energy facilities and equipment is expected to be \$20 million. The facility is expected to be completed and producing beneficiated lignite by late 2008. Production levels for 2008 and 2009 are expected to be 300,000 tons and 860,000 tons, respectively with future expansion capability up to 3 million tons. This includes supplying beneficiated coal to a proposed new power plant, Spiritwood Station, being constructed in conjunction with an ethanol plant and the expansion of a malting facility, which is expected to be operating the first quarter of 2010.

*Great River Energy is a not-for-profit generation and transmission cooperative providing electricity to 28 distribution cooperatives in Minnesota and Wisconsin. It is the second largest power supplier in the state of Minnesota, and the fifth largest cooperative of its type in the nation.*

*The North American Coal Corporation, a subsidiary of NACCO Industries, Inc. (NYSE: NC), mines and markets lignite coal primarily as fuel for power generation and provides selected value-added mining services for other natural resources companies. Corporate headquarters are located in Dallas, Texas, with surface mining operations in Texas, North Dakota, Louisiana and Mississippi, and limerock mining operations in Florida.*

**For more information, contact:**

Great River Energy  
Lyndon Anderson  
North Dakota Communications Supervisor  
(701) 442-7036

The North American Coal Corporation  
David Straley  
Manager, Government and Public Affairs – ND Operations  
(701) 222-7596