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New Wind Power Project to Provide Cheyenne With Renewable Energy

CHEYENNE, Wyoming (November 28, 2006)—Tierra Energy, LLC announced today that its wholly owned subsidiary, Happy Jack Windpower, LLC, has executed a 20-year renewable energy purchase agreement with Cheyenne Light, Fuel & Power, a wholly owned subsidiary of Black Hills Corporation (NYSE: BKH). The 30-megawatt (MW) Happy Jack Windpower Project will be the first generating project of its kind for Cheyenne Light, providing the region with a reliable source of environmentally friendly renewable energy.

On becoming fully operational in 2008, the project will provide Cheyenne and the surrounding community with roughly 100,000,000 kilowatt-hours per year of safe, reliable wind energy at a competitive price.

Happy Jack will benefit the local community by creating opportunities for area businesses, contributing to the local tax base, reducing dependence on fossil fuels and foreign oil consumption, while reducing air pollution.

David Marks, president of Tierra Energy, said Tierra Energy is excited to bring wind power to Cheyenne and to support growing local demand for power supply. "Wind power is a rapidly growing and reliable power resource throughout the nation," Marks said. "The ample wind resource available near Cheyenne makes it an ideal location for the operation of a wind-powered renewable energy project."

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The Happy Jack Windpower Project will be constructed on approximately 750 acres of land owned by the City of Cheyenne, which will receive annual royalty payments. Located roughly eight miles west of Cheyenne, the Happy Jack Windpower Project will be adjacent to the city's Happy Jack landfill.

“The City of Cheyenne endorses the development of renewable energy facilities such as the one proposed by Tierra and views the Happy Jack site as an ideal location for a wind energy project,” said Mayor Jack Spiker.

About Tierra Energy:

Tierra Energy is a rapidly growing energy company based in Austin, Texas, that is building a diversified portfolio of wind power and natural gas-fired power generation projects. Tierra Energy employs a strategy of improving operational efficiency, reducing costs and increasing the overall value of power generation assets. Tierra Energy has current projects in California, Texas, Idaho and Wyoming and other locations throughout the United States. More information about Tierra Energy can be found at www.tierraenergy.com.

About Black Hills Corporation:

Black Hills Corporation is a diversified energy company. Its retail business are Black Hills Power, an electric utility serving western South Dakota, northeastern Wyoming and southeastern Montana, and Cheyenne Light, Fuel & Power, an electric and gas distribution utility serving the Cheyenne, Wyoming vicinity. Black Hills Energy, the wholesale energy business unit, generates electricity, produces natural gas, oil and coal, and markets energy. More information about Black Hills Corporation and Cheyenne Light can be found at www.blackhillscorp.com and www.cheyennelightfuelpower.com.