

Company Profile

Black Hills Corp. (NYSE: BKH) — a diversified energy company with a tradition of exemplary service and a vision to be the energy partner of choice — is based in Rapid City, S.D., with corporate offices in Denver and Omaha, Neb. In 2009, the company reported annual operating revenues of \$1.3 billion and has increased its annual dividend for 40 consecutive years. The company serves 763,300 natural gas and electric utility customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. The company's non-regulated businesses generate wholesale electricity, produce natural gas, oil and coal, and market energy. The Black Hills' 2,200 employees partner to produce results that improve life with energy. More information is available at www.blackhillscorp.com.

2009 Business Highlights

- Board of Directors approved dividend increase for the 40th consecutive year
- Improved operational performance, cost control and prudent investments
- Secured long-term debt with better than expected terms significantly reducing short-term debt
- Low natural gas prices negatively impacted the electric utilities, oil and gas and energy marketing segments
- Tight basis spreads limited energy marketing opportunities and reduced margins
- Strong gas utility performance due to colder weather in Q4 and increased operating efficiencies
- Completed significant unification initiatives including: employee benefits, compensation and retirement programs, procurement and distribution processes and integration of all utility customers into one customer information system

2009 Results of Operations

Twelve months ended Dec 31	(in thousands)		
	2009	2008*	2007
Revenues:			
Utilities	\$1,100,204	\$749,250	\$301,514
Non-regulated Energy	169,374	256,540	273,324
	1,269,578	1,005,790	574,838
Income (loss) from continuing operations:			
Utilities	57,071	43,904	31,633
Non-regulated Energy	579	(23,345)	49,897
Corporate	21,106	(72,596)	(5,872)
	78,756	(52,037)	75,658
Net income available for common stock			
Utilities	57,071	43,904	31,633
Non-regulated energy	1,938	(5,312)	73,089
Corporate	22,546	66,488	(5,950)
	\$81,555	\$105,080	\$98,772

*Includes BHE utilities acquired on 7/14/2008

NYSE Ticker: BKH
 Shares Outstanding*: 38,977,526
 Market Cap (\$M)*: \$1,202

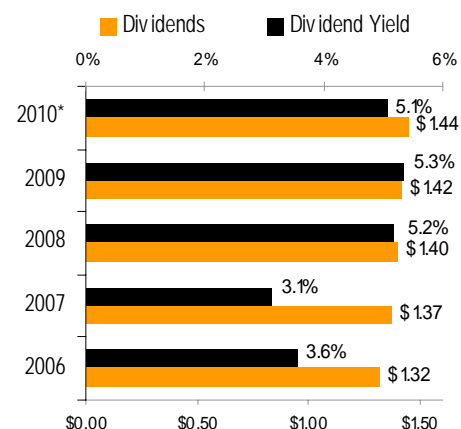
*As of December 31, 2009

Black Hills Corp. celebrated 30 year anniversary as NYSE listed company on July 9, 2010.

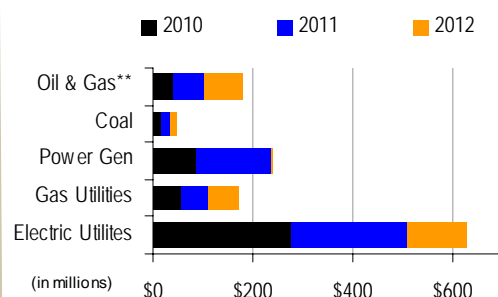
Earnings Per Share



Dividends



Capital Expenditures



**Development capital for our oil and gas properties is expected to be quite limited during periods of low oil and natural gas prices

Improving life with energy



An integrated and diversified energy company – Fuel, Generation & Utilities

At A Glance

	2009	2008	2007
Electric Utilities sales (MWh)*	6,740,947	5,749,470	3,967,937
Electric Utility natural gas sales (dekatherms)	4,741,477	4,773,218	4,427,902
Natural Gas Utility Sales (dekatherms)*	56,671,438	23,053,599	—
Regulated Trans. & Distribution Lines (miles)*	8,182	7,909	4,544
Regulated Gas Trans. & Distribution Lines (miles)*	20,264	8,507	841
Regulated Generation Capacity (MW)	630	630	435
System Peak Demand - Total Electric Utilities (MW)	921	881	593
Tons of coal sold (thousands of tons)	5,955	6,017	5,049
Oil and natural gas production sold (MMcfe)	12,463	13,534	14,627
Oil and natural gas reserves (MMcfe)	119,304	185,542	207,806
Avg. daily physical volume natural gas marketed (MMBtu)	1,974,300	1,873,400	1,743,500
Average daily physical volume crude oil marketed (barrels)	12,400	7,880	8,600
IPP Generation Capacity (MW)**	120	141	983

*Includes Black Hills Energy results from the July 14, 2008 acquisition date

**In 2008, we sold seven IPP plants with 974 MW of capacity

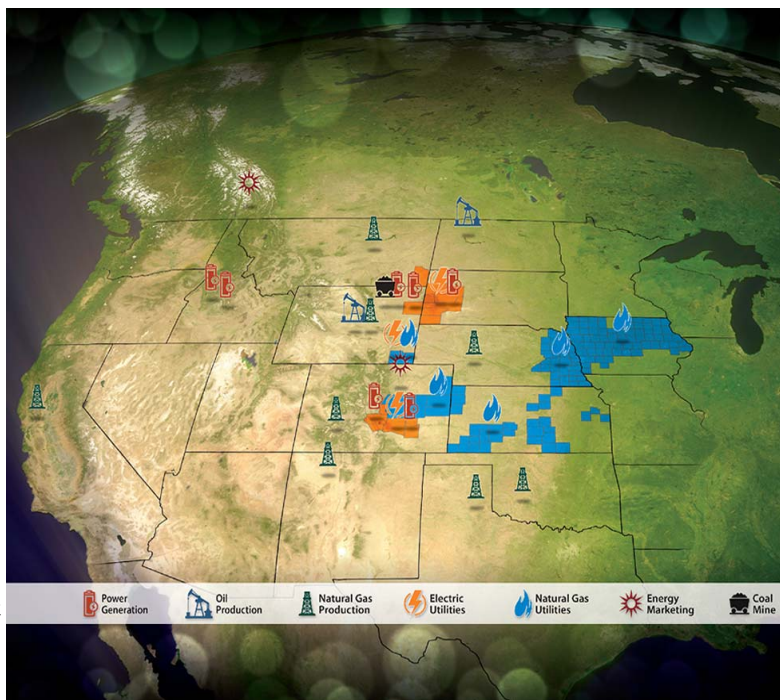
Growth Opportunities

Excludes routine capital expenditures, such as maintenance and new customer growth capital (\$millions)	Project Total
Wygen III	\$185
BHE-COE Generation (Utility)*	\$250–\$260
CO IPP Generation (PPA)	\$240–\$265
Transmission for BHP & BHE COE Pumpkin Buttes to Glenrock 60 line miles and substation Glenrock Substation—230 kV	\$96
Generation Upgrades	\$15
BHE COE AMI**	\$48
Oil & Gas ***	\$216
Approximate 2008–2011 Total	\$1,040–\$1,085

*Capital for BHE-COE generation includes project related transmission investment

**Includes \$20.7 million in matching funds made available through the American Recovery and Reinvestment Act of 2009 for 149,000 AMI meters

*** Development capital for our oil and gas properties expected to be limited during periods of low commodity prices. Strategy to invest \$65 - \$90 million per year only if economically feasible



Recent Headlines (To view all Black Hills Corp. media releases, go to Blackhillscorp.com)

August 18, 2010

Black Hills Energy Receives Approval From the Nebraska Public Service Commission to Implement New Natural Gas Rates

August 5, 2010

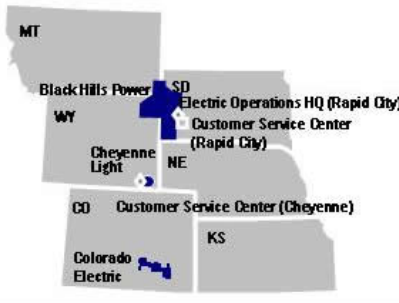
Black Hills Corp. Reports Second Quarter Results and Reaffirms 2010 Earnings Guidance

Electric Utilities

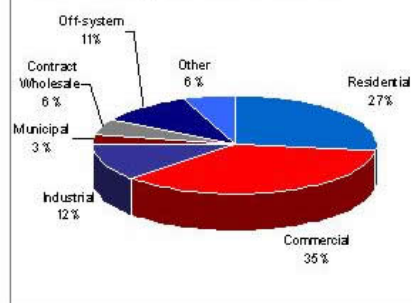
Operational Summary

- BHC electric utilities generate, transmit and distribute electricity to approximately 202,025 customers
- Utility operations include BHP (SD, MT, & WY), CLFP (WY), and BHE - COE (CO)
- CLFP also distributes natural gas to 34,100 customers in Wyoming
- Assets includes 630 MW of generation and 8,135 miles of transmission and distribution lines*
- Total system peak demand 921 MW (summer 2009)*
- BHE-COE ranked No. 6 in Total Solar Watts per Customers in Solar Electric Power Association's 2009 Utility Solar Rankings report

Service Areas



Revenue by Customer Class



Black Hills Power – serving ~66,900 electric customers / peak load of 430 MW (summer 2007)

- WYgen III power plant commercial operation 4/1/2010
- SD settlement agreement approved 7/7/2010 for \$15.2 million annual revenue increase
- WY settlement agreement approved 5/13/2010 for \$3.1 million annual revenue increase
- BHP supplies 10MW to MEAN through a five year PPA (7/2009)
- Rapid City AC-DC-AC transmission tie provides unique interconnection between the Western and Eastern transmission grids

Cheyenne Light – serving ~40,900 electric customers / peak load of 176 MW (summer 2010)

- CLFP also distributes natural gas to approximately 34,100 customers in Wyoming
- CLFP electricity supply portfolio includes a 20 year PPA for 30 MW of wind energy from Silver Sage Wind Farm
- CLFP completed a 10 year PPA with BHW (through 2022) with option to purchase BHW's ownership interest in WYgen I plant

Black Hills Energy – COE – serving ~93,300 electric customers / peak load of 384 MW (summer 2010)

- BHE - COE completed a 20 year 200 MW PPA with BHCI (9/28/2009)
- Air permit issued on 7/22/2010 for two gas-fired power generation facilities to serve BHE - COE customers on 1/1/2012; construction underway
- CO settlement agreement approved 8/5/2010 for \$17.9 million annual revenue increase

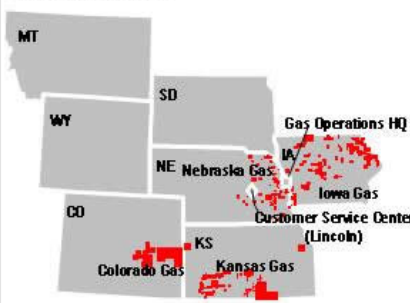
*Information from 2009 Form 10-K

Gas Utilities

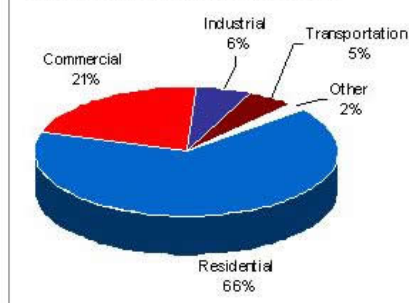
Operational Summary

- Distributes natural gas to approximately 526,900 customers in CO, IA, KS, and NE
- Includes 626 miles of interstate gas transmission pipelines and 19,638 miles of gas distribution mains and service lines*
- Expanding automated meter reading system to 13,000 customers in Fountain, CO, 25,000 customers in Dubuque, IA, 30,000 customers in Lawrence, KS and to 9,200 customers in 13 Nebraska communities

Service Areas



Revenue by Customer Class



BHE - CO Gas – serving ~69,400 gas customers

- New rates implemented 4/1/2009 representing \$1.4 million annual revenue increase

BHE - IA Gas – serving ~149,700 gas customers

- BHE-IA Gas filed rate increase 6/8/2010 for \$4.7 million annual revenue increase; interim rates implemented 6/18/2010
- Received 2010 Energy Star® Leadership In Housing Award from EPA

BHE - NE Gas – serving ~199,800 gas customers

- BHE-NE Gas filed rate request for \$12.1 million annual revenue 12/1/2009; interim rates effective 3/1/2010; awaiting final order from NE PSC

BHE - KS Gas – serving ~109,400 gas customers

- General rate moratorium until 1/1/2011

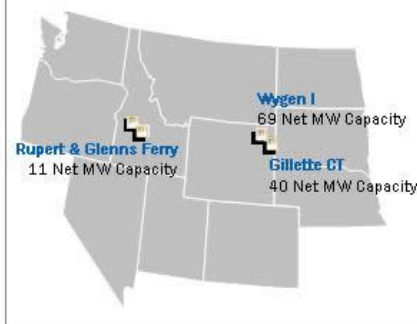
*Information from 2009 Form 10-K

Power Generation

Operational Summary

- Smaller plant approach to incremental growth; facilitates technology implementation
- Operate IPP and utility assets with same core management and support team
- Includes 120 MW net generation capacity (reflects sale of 23.5% interest in Wygen I to MEAN in January 2009)***
- Non-regulated plant availability was 99.3% in Q2 2010
- Anticipate opportunity to participate in utility RFPs for new generation projects in the Western Region

Generation Locations – Owned Capacity



Construction Projects Managed

Name	Fuel	Size	In-Service Date
Neil Simpson II (WY)	Coal	90MW	9/1995
Neil Simpson CT (WY)	Gas	40MW	6/2000
Valmont Unit #1 (CO)	Gas	40MW	5/2001*
Valmont Unit #2 (CO)	Gas	40MW	7/2001*
Gillette CT (WY)	Gas	40MW	4/2001
Harbor CC (CA)	Gas	28MW	6/2001*
Fountain Valley (CO)	Gas	240MW	7/2001*
Lange CT (SD)	Gas	40MW	3/2002
Las Vegas CC (NV)	Gas	224MW	9/2002*
Arapahoe CC (CO)	Gas	130MW	10/2002*
Wygen I (WY)	Coal	90MW	1/2003
Wygen II (WY)	Coal	95MW	2/2008
Valencia (NM)	Gas	149MW	6/2008*
Wygen III (WY)	Coal	110MW	4/2010
BHE-COE PPA (CO)	Gas	200MW	1/2012**
BHE-COE (CO)	Gas	180MW	1/2012**
TOTAL		1,736MW	16 Projects

Power Generation

- Proven experience in planning, permitting, constructing and operating power plants
- Pursuing opportunities to provide gas-fired generation resources to other utilities; increased need for peaking facilities due to renewables
- Sell capacity and energy under combination of mid to long-term contracts
- Currently sell approximately 93% of our non-regulated generating capacity under contracts with terms greater than one year***
- 200 MW 20 Year PPA with BHE - COE; \$240-\$265 million project to be completed by 1/1/2012; air permit issued on 7/22/2010; procurement and construction contracts awarded; major equipment purchased

*7/2008, sold seven IPP plants with 974 MW of capacity for \$840 million

** Under construction / project in-process

***Information from 2009 Form 10-K

Coal

Operational Summary

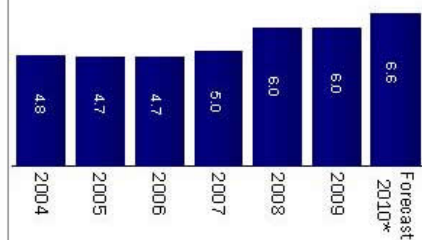
- Includes approximately 268 million tons of low-sulfur Powder River Basin coal for low-cost, mine-mouth generation: a 41 year supply at expected production rates*
- Long-term assets matched to long-term contracts: BHP and CLFP contracts are life-of-plant; PacifiCorp plant contracts are long-term
- Coal supply supports potential expansion of low-cost baseload generation
- 600,000 tons of annual coal production; increase from 2009 for Wygen III (April 2010)

Facility Location



Coal Production*

(millions of tons)



Coal Mining

- Manage overburden removal to meet increased overburden to coal ratio
- Staffing and new shift schedules to meet increased production and overburden removal targets
- Ensure adequate profit margins on all coal sales contracts
- Pursuing other local/regional coal sales opportunities

*Information from 2009 Form 10-K



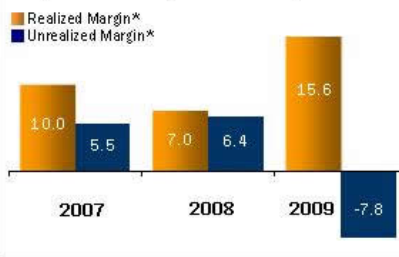
Energy Marketing

Operational Summary

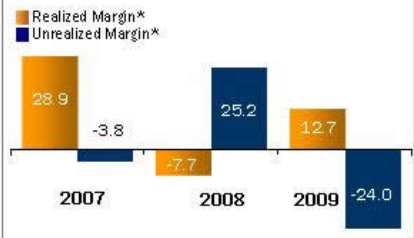
- Doing business as Enserco Energy Inc.
- Two primary offices located in Denver, CO and Calgary, Alberta
- Diversified energy commodities include natural gas, crude oil and coal
- Long-term transportation and storage contracts create strong upside potential
- Natural gas storage contracts with capacity of 7.3 Bcf*
- Natural gas transportation contracts with 263 Bcf total volumes*
- Conservative approach to risk management
- Maintain stand-alone committed credit facility

*Information from 2009 Form 10-K

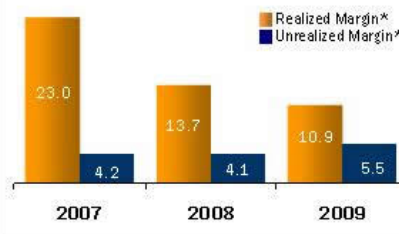
Producer Services: Marketing services for independent natural gas and crude oil producers



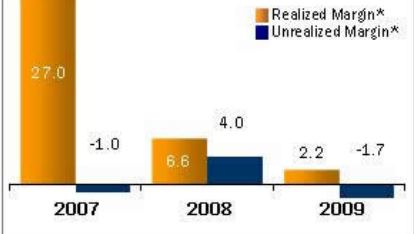
Proprietary Trading: Utilize knowledge of the energy marketplace and customer relationships to create value



Transportation: Balanced portfolio of short term and long term natural gas transportation contracts with geographic diversification



Storage: Leased storage capacity with rights to inject or withdraw natural gas up to a predetermined maximum daily quantity for term of contracts



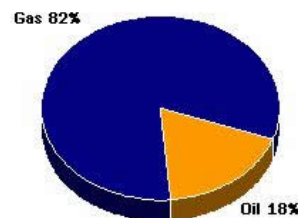
Oil & Gas

Operational Summary

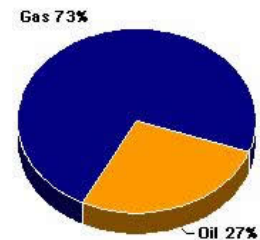
- Includes operated wells in San Juan, Powder River, Big Horn, Piceance and Denver-Julesberg Basins
- Includes non-operated wells in California, Louisiana, Montana, North Dakota, Oklahoma, Texas and Wyoming
- 119 Bcfe of reserves at year-end; 36% reduction compared to prior year mostly driven by low commodity prices*
- Reserves in 2009 were determined consistent with revised SEC requirements using a 12-month average price calculated using the first-day-of-the-month price for each of the 12 months in the reporting period held constant for the life of the properties.
- Cash flows stabilized with ongoing commodity hedging strategy

*Information from 2009 Form 10-K

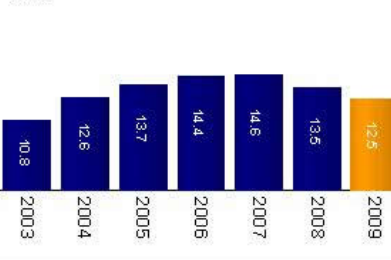
2009 YE Production



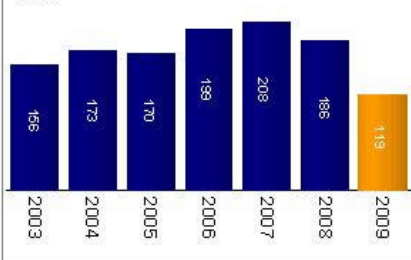
2009 YE Reserves



Gas & Oil Production* (Bcfe)



Gas & Oil Reserves* (Bcfe)



Contact Information

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Wells Fargo Shareowner Services is our Transfer Agent, Registrar and Dividend Disbursing Agent and can be contacted by phone, mail or internet.

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FORWARD LOOKING STATEMENTS

This Investor Fact Sheet includes “forward-looking statements” as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this fact sheet that address activities, events or developments that we expect, believe or anticipate will or may occur in the future; including prudent investments and growth opportunities are forward-looking statements. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including the factors discussed above, the risk factors described in Item 1A of Part I of our 2009 Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time. New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

Black Hills Corporation Subsidiaries

BHEP - Black Hills Exploration and Production, Inc. a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings

Enserco - Enserco Energy Inc., a wholly-owned subsidiary of Black Hills Non-regulated Holdings

WRDC - Wyodak Resources Development Corporation, a direct, wholly-owned subsidiary of Black Hills Non-regulated Holdings

Black Hills Colorado IPP (BHCI) - Black Hills Colorado IPP, LLC a direct wholly-owned subsidiary of Black Hills Electric Generation

Black Hills Wyoming - Black Hills Wyoming, LLC a direct, wholly-owned subsidiary of Black Hills Electric Generation

Black Hills Power (BHP) - Black Hills Power, Inc. a direct, wholly-owned subsidiary of Black Hills Corporation

Cheyenne Light (CLFP) - Cheyenne Light, Fuel and Power Company, a direct, wholly-owned subsidiary of Black Hills Corporation

Colorado Electric (BHE-COE) - Black Hills Colorado Electric Utility Company, LP (doing business as Black Hills Energy), an indirect, wholly-owned subsidiary of Black Hills Utility Holdings

Colorado Gas (BHE-CO Gas) - Black Hills Colorado Gas Utility Company, LP, (doing business as Black Hills Energy), an indirect, wholly-owned subsidiary of Black Hills Utility Holdings

Iowa Gas (BHE-IA Gas) - Black Hills Iowa Gas Utility Company, LLC, (doing business as Black Hills Energy), a direct, wholly-owned subsidiary of Black Hills Utility Holdings

Kansas Gas (BHE-KS Gas) - Black Hills Kansas Gas Utility Company, LLC, (doing business as Black Hills Energy), a direct, wholly-owned subsidiary of Black Hills Utility Holdings

Nebraska Gas (BHE-NE Gas) - Black Hills Nebraska Gas Utility Company, LLC (doing business as Black Hills Energy), a direct, wholly-owned subsidiary of Black Hills Utility Holdings

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