***NEWS RELEASE***

***Company Achieves Second-Quarter Net Income of $270 Million and Diluted EPS of $2.5Mn S***

our platform to serve the faster growing international markets and to meet the robust demand for steelmaking materials in North America and globally."

Cleveland-Cliffs achieved record second-quarter revenues of $1.01 billion, an increase of 84% compared with $548 million in the second quarter of 2007. The dramatic increase in revenues year over year was the result of the strong market environment for iron ore and metallurgical coal. In addition, this year's revenues include sales contributions from Cleveland-Cliffs' North American Coal segment acquired in the second half of 2007 and initial coal sales at the Sonoma coal project in Australia, which began shipments earlier this year.

Operating income for the second quarter was $409 million. This represents an increase of 253% from the $116 million reported in 2007. The marked improvement in operating income for the quarter was largely the result of higher sales margins across the Company's North American Iron Ore and Asia-Pacific Iron Ore segments, as well as the contribution from Sonoma. The improvement was slightly offset by higher costs and negative sales margin of $23 million in the Company's North American Coal segment. The impact from North American Coal stemmed from a decrease in sales volume resulting from previously announced production impediments during the first half of 2008. Operating income during the quarter also benefited from $29.5 million in casualty recoveries and gain on sale of assets.

Net earnings for the quarter were up 211% to $270 million, and diluted earnings per share increased 210% to $2.57, versus the comparable quarter in 2007.

Cleveland-Cliffs indicated its second-quarter results reflect retroactive adjustments to first-quarter sales due to timing of international pricing settlements for iron ore. These adjustments positively impacted second-quarter reported revenue by $70 million, operating income by $66 million, net income by $38 million and earnings per diluted share by $0.36. Notwithstanding these adjustments, second-quarter 2008 represented record revenue and earnings levels for the Company.

For the first half of 2008, revenues increased sharply, reaching $1.5 billion, compared with the $873 million reported in the same period last year.

Operating income for the first half was $452 million. This represents an increase of 181% from the $161 million reported for the first half in 2007.

Net income for the half rose to $287 million, compared with $119 million in last year's first half. Diluted earnings per share in the first six months were $2.73, versus $1.14 in the first half of 2007—an increase of 139%.

Cliffs indicated that the six-month per-ton comparisons for its iron ore businesses are more indicative of actual operating results than reported second-quarter figures, because of the retroactive adjustments described above. First half price-realization-per-ton comparisons for all business segments are included below.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | | 2007 | | 2007 |
| | | 5,439 | | 7,936 |
| Revenues from iron ore sales and services | | $ 432.8 | | $ 658.0 |
| Cost of goods sold and operating expenses | | 328.4 | | 516.3 |
| Sales margin | | $ 104.4 | | $ 141.7 |
| Revenues from iron ore sales and services* | | $ 66.15 | | $ 66.20 |
| Cash cost** | | 45.08 | | 45.86 |
| Depreciation, depletion and amortization | | 1.88 | | 2.49 |
| Cost of goods sold and operating expenses* | | 46.96 | | 48.35 |
| Sales margin | | $ 19.19 | | $ 17.85 |

* Excludes revenues and expenses related to freight and venture partners' cost reimbursement, which are offsering exd

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | | 2007 | | 2007 |
| | | - | | - |
| Revenues from coal sales and services | | $ - | | $ - |
| Cost of goods sold and operating expenses | | - | | - |
| Sales margin | | $ - | | $ - |
| Revenues from coal sales and services* | | $ - | | $ - |
| Cash cost** | | - | | - |
| Depreciation, depletion and amortization | | - | | - |
| Cost of goods sold and operating expenses* | | - | | - |
| Sales margin | | $ - | | $ - |

* Excludes revenues and expenses related to freight, which is offsetting and has no impact on operating results

**Cash cost per ton is defined as Cost of goods sold and operating expenses per ton less Depreciation, Depletion and Amortization per ton.

Metallurgical coal sales volume in the second quarter was 576,000 short tons. Asl shwed

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | | 2007 | a | 2007 |
| | | 2,15Jq | | |

conjunction with the closing of the mine. Production was lower at Koolyanobbing due to reduced rail availability to the shipping port.

Cliffs had $320.4 million of cash and cash equivalents at June 30, 2008, up from $157.1 million at Dec. 31, 2007. The increase in cash on hand is primarily from the Company's previously announced $325 million private placement and cash generated from operations. This increase was partially offset by higher levels of inventory, retiring debt from the Company's revolving credit facility, Portman's share repurchase program and capital expenditur e

North American Coal is expected to produce and sell approximately 4.0 million tons of metallurgical coal in 2008, a 300,000 ton reduction from previous guidance. The decrease is a result of extended longwall development due to the timing of adding additional equipment and personnel. Average sales realization per ton is still expected to be approximately $94. Cost per ton for the year is expected to be $89, a $3 increase from previous guidance, due to the reduced production outlook.

Cliffs' Asia-Pacific Iron Ore segment is expected to achieve average revenue per tonne of approximately $102 in 2008. This is an 85% increase from the previous year's per-tonne average of $55, and is primarily due to recent iron ore settlements in Australia of an 80% increase for fines and a 97% increase for lump ore.

The Company expects cost per tonne in Asia-Pacific Iron Ore to average $58 in 2008, up 35% from the $43 per-tonne average in 2007. The cost increase is primarily the result of higher expected royalty payments related to higher-than-expected year-over-year price increases, rising fuel costs and the impact of foreign exchange. Production and sales volumes are both expected to be 8 million tonnes.

Cliffs has a 45% economic interest in the project and expects total production of approximately 2.0 million tonnes for 2008. With recent reports of significant year-over-year increases in pricing for metallurgical coal, Sonoma is expected to benefit and generate average revenue of $142 per tonne in 2008, an increase from the Company's previous guidance of $129 per tonne. Cliffs indicated its outlook for Sonoma includes a mix of metallurgical and thermal coal.

Costs at Sonoma are projected at approximately $92 per tonne for 2008, up from the previous estimate of $83 per tonne. The higher cost is the result of expenses attributed to changes in mine operations related to increasing the production ratio of metallurgical versus thermal coal.

The Amapá Project, a project between MMX and Cliffs, began production in late December 2007. Cliffs owns a 30% interest in the project. MMX, which has agreed to sell its stake in Amapá to Anglo American, has management control over the venture. MMX has indicated plans to complete construction of the concentrator and ramp up operations during 2008, with production and sales expected to total approximately 3 million tonnes for the full year. Based on start-up delays and Ď w

combining the complementary operations and management capabilities of Cleveland-Cliffs and Alpha Natural Resources, Cliffs Natural Resources will be well positioned to meet increasing demand for raw materials from steelmakers in North America and globally.

Cleveland-Cliffs will host a conference call to discuss its second-quarter and first-half 2008 results tomorrow, July 31, 2008, at 10 a.m. ET. The call will be broadcast live on Cliffs' website at www.cleveland-cliffs.com. A replay of the call will be available on the website for 30 days.

To be added to Cleveland-Cliffs' e-mail distribution list, please click on the link below:
http://www.cpg-llc.com/clearsite/clf/emailoptin.html

Cleveland-Cliffs Inc, headquartered in Cleveland, Ohio, is an international mining company, the largest producer of iron ore pelletnss its seIiff'

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(In Millions)