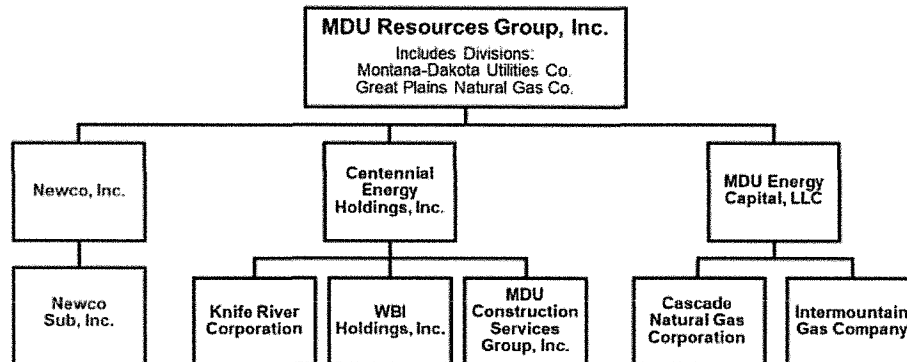


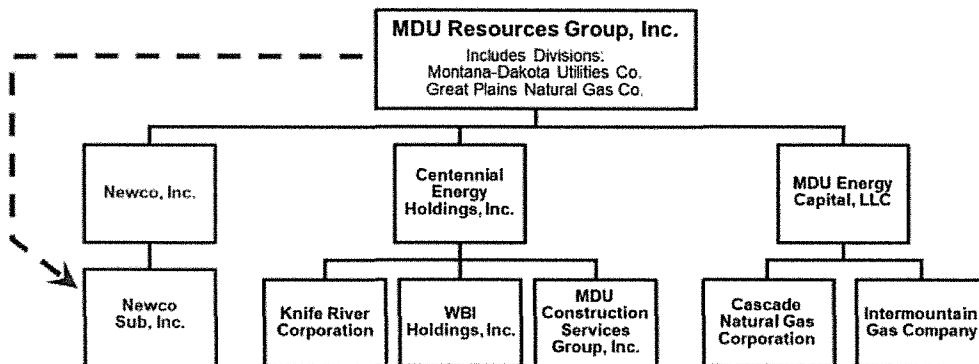
Step 1 – Formation of Two New Subsidiaries

- Newco, Inc. is formed as a wholly owned subsidiary of MDU Resources Group, Inc. (“MDUR”)
- Newco Sub, Inc. is formed as a wholly owned subsidiary of Newco, Inc.



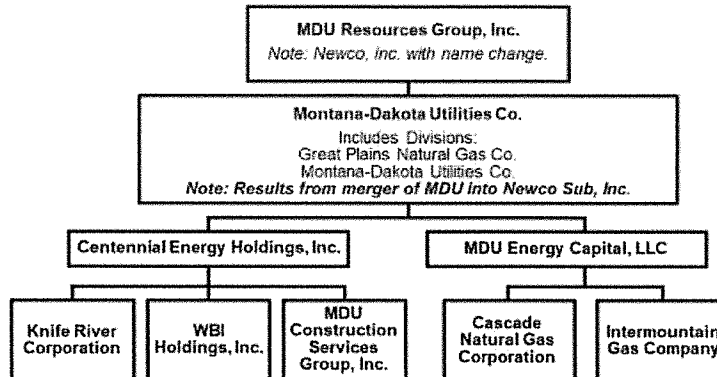
Step 2 – Merger of MDUR into Newco Sub to Create New Holding Company

- MDUR merges into Newco Sub, with MDUR as the surviving corporation
- MDUR changes its name (i.e. Montana-Dakota Utilities Co.)
- Newco, Inc. changes its name to MDU Resources Group, Inc. and takes the place as the public company.



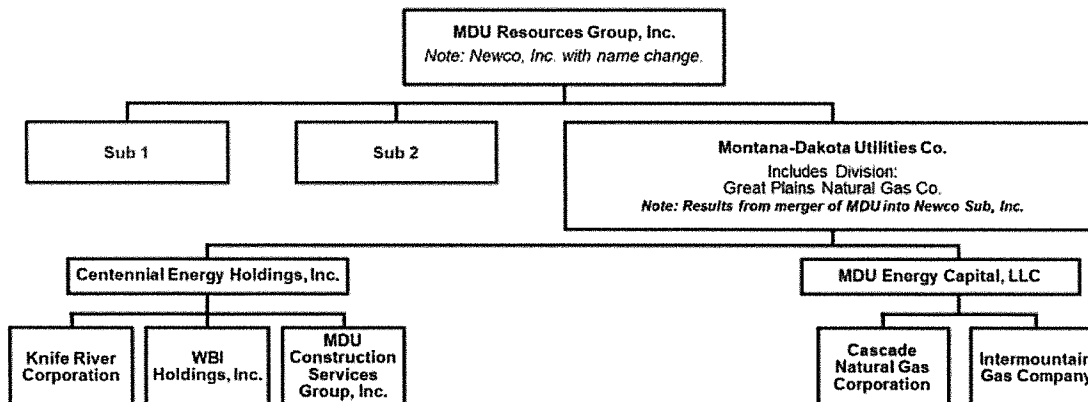
Step 2 – Merger of MDUR into Newco Sub to Create New Holding Company (cont.)

- MDUR merges into Newco Sub, with MDUR as the surviving corporation
- MDUR changes its name to Montana-Dakota Utilities Co.
- Newco, Inc. changes its name to MDU Resources Group, Inc. and takes the place as the public company.



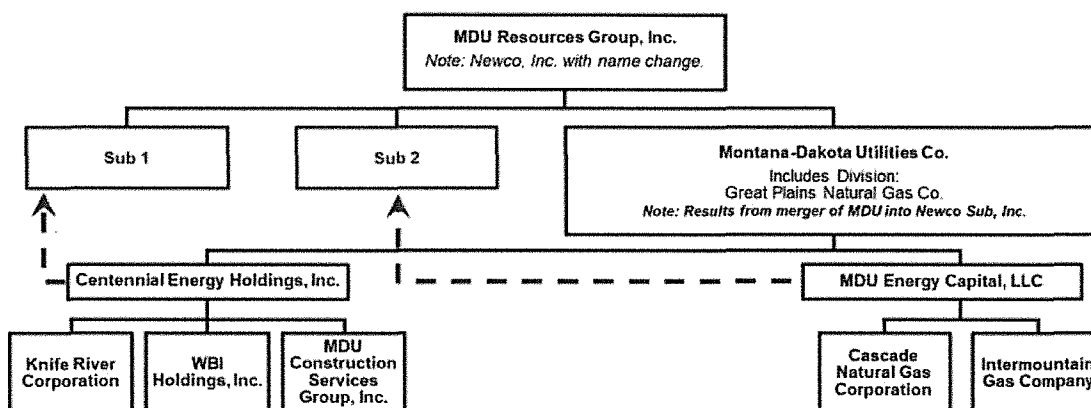
Step 3 – Create New Sister Subsidiaries for Subsidiary Reorganization

- MDU Resources creates two new wholly owned subsidiaries (Sub 1 and Sub 2) to effect the subsidiary reorganization.



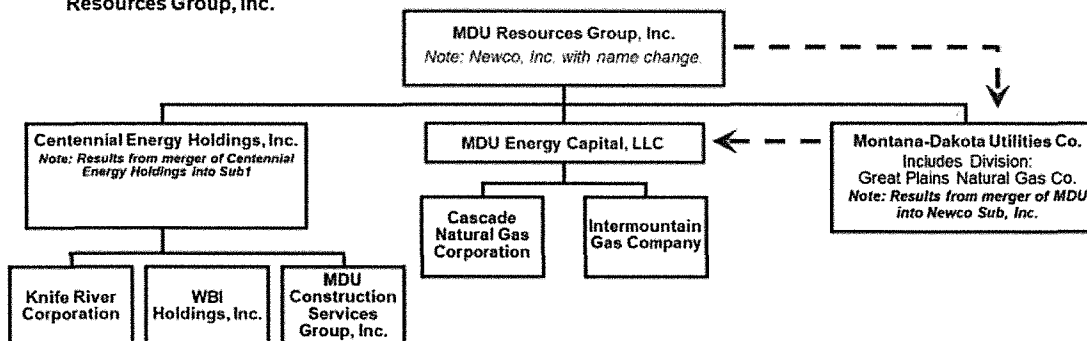
Step 4 – Mergers of Subsidiaries into Sister Subs

- Centennial Energy Holdings merges into Sister Sub 1, with Centennial Energy Holdings as the surviving entity
- MDU Energy Capital, merges into Sister Sub 2, with MDU Energy Capital, as the surviving entity



Step 5 – Contribution of Stock of Montana-Dakota Utilities Co.

- MDU Resources Group, Inc. contributes 100% of its stock in Montana-Dakota Utilities Co. to its subsidiary MDU Energy Capital, LLC
- Montana-Dakota Utilities Co. continues as a wholly owned subsidiary of MDU Energy Capital, LLC
- Montana-Dakota Utilities Co. transfers contracts, licenses and other holding company assets to MDU Resources Group, Inc.



Step 6 - Proposed Structure

