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FOR IMMEDIATE RELEASE

**NIAGARA RESPONDS TO WYNNEFIELD RELEASE
ANNOUNCING NEW LAWSUIT**

New York, December 16, 2005 – In response to The Wynnefield Group’s press release issued yesterday, Niagara Corporation (OTC: NGCD.PK) issued the following statement:

“Wynnefield’s suit seeking to prevent Niagara from effecting reverse and forward stock splits at the end of the year misstates the facts as well as the law and is disingenuous. As stated in the Company’s Consent Statement, the only reason that Niagara has been compelled to pursue this course of action is that earlier in the year, Wynnefield, in its continued effort to thwart the Board’s decision to deregister the Company’s common stock, purportedly transferred 1 share each to more than 300 individuals. Niagara’s Board continues to believe that maintaining Niagara’s status as a deregistered company is in the best interests of Niagara and its stockholders and is seeking consents to maintain that status.

Niagara recently announced that it had retained two investment banking firms to investigate strategic alternatives, including a possible sale of the Company to an unaffiliated third party. This process is actively continuing. If the Company had to reregister, Niagara’s Board and management believe that it would be disruptive and possibly harmful to the strategic alternative process.

Niagara strongly believes that Wynnefield’s latest suit is without merit and intends to vigorously defend against it.”

This release contains certain “forward-looking statements” made pursuant to the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the Company’s actual results to be materially different from those expressed or implied by such statements. Such risks, uncertainties and other factors include those described in the Company’s Annual Report for the year ended December 31, 2004. The forward-looking statements made herein are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.