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FOR IMMEDIATE RELEASE

NIAGARA STATES THAT WYNNEFIELD'S RELEASE IS FALSE AND MISLEADING

New York, July 12, 2005— In response to The Wynnefield Group's press release issued earlier today announcing that it was taking out advertisements attacking Niagara Corporation's (OTC: NGCD.PK) Board of Directors, Niagara issued the following statement:

"Mr. Obus of Wynnefield has a history of harassing Niagara and its directors and continues to issue false and misleading statements concerning the Company. As part of his personal and irresponsible campaign opposing the Company's deregistration, Mr. Obus commenced a lawsuit in Delaware Chancery Court. Unfortunately, this lawsuit has resulted in unnecessary distraction and expense for the Company. In the conduct of this suit, Wynnefield has broken commitments, employed delaying tactics and engaged in legal maneuvering.

Niagara urges all stockholders to disregard the numerous misstatements and distortions contained in Wynnefield's release and in its previous releases. In order to set the record straight, Niagara stockholders should be aware of the following facts:

- Since filing for deregistration in April 2004, Niagara's share price has increased by approximately 76%. (The increase is approximately 81% after giving effect to a special cash dividend of \$0.25 per share paid in September 2004.) Mr. Obus continues to give inaccurate information with regard to the so-called "peer" group cited by him in order to distort the Company's relative performance.
- Niagara's outstanding operating results have allowed us to continue to reduce significantly the Company's debt levels and to pay stockholders the special cash dividend.
- Contrary to his assertions that the Company has "gone dark," since Niagara deregistered it has continued to issue complete quarterly and annual financial reports and press releases concerning material developments, all in accordance with the Company's commitment expressed in its April 2004 release in which it explained the deregistration and the factors considered by the Company's Board of Directors in taking this important step. All of these reports and releases are easily accessible on the Company's website (www.niag.com).



- Mr. Obus failed to tell stockholders that the reverse/forward stock splits effected at the end of 2004 were only necessitated because Wynnefield purportedly transferred 10 shares of Niagara common stock (and subsequently transferred 90 shares of Niagara common stock) to each of more than 300 persons. Some of these purported transfers were effected without the knowledge or consent of the person receiving the shares, and, in certain cases, involved other troubling irregularities.
- The reverse/forward stock splits were designed to ensure that the Company maintained its deregistered status so that stockholders could obtain the significant cost savings and other benefits associated with its status as a deregistered Company.

We once again urge Mr. Obus to cease his increasingly obnoxious course of conduct which is detrimental to the Company and its stockholders. Niagara's management and Board of Directors, who together are the Company's largest stockholders, are committed to enhancing value for all stockholders and will not be deterred by the personal and increasingly irresponsible campaign against the Company being waged by Mr. Obus."

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, that 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.

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