



Contact: Niagara Corporation
Michael Scharf, CEO
(212) 317-1000

FOR IMMEDIATE RELEASE

**NIAGARA CORPORATION RETAINS
CIBC WORLD MARKETS AND PETER J. SOLOMON COMPANY
TO EXPLORE STRATEGIC ALTERNATIVES**

New York, September 20, 2005 - Niagara Corporation (OTC: NGCD.PK) announced today that to maximize shareholder value, it has retained CIBC World Markets and Peter J. Solomon Company to explore strategic alternatives available to the Company, including a possible sale of the Company to unaffiliated third parties.

In connection with this announcement, Michael Scharf, Chairman, President and CEO of Niagara, stated:

“The Board is committed to investigating strategic alternatives available to the Company at this time in order to maximize value for all shareholders.”

Niagara stated that there can be no assurance that any transaction, including a sale of the Company, will result from this effort.

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.