



Black Hills Corp. Announces Proposed Common Stock and Equity Units Offerings

Proceeds will finance portion of SourceGas Holdings LLC acquisition

RAPID CITY, S.D. – Nov. 16, 2015 – Black Hills Corp. (NYSE: BKH) today announced that it plans to conduct concurrent registered public offerings, subject to market conditions and other factors, of up to 5.5 million shares of its common stock and 5.2 million equity units (aggregate stated amount of \$260 million of equity units). Net proceeds from these offerings will be used to partially fund the pending acquisition of SourceGas Holdings LLC, which is expected to close in the first half of 2016.

Black Hills intends to grant the underwriters a 30-day option to purchase up to an additional 825,000 shares of its common stock and a 13-day option to purchase up to an additional 780,000 equity units, upon the same terms as their respective offerings.

Each equity unit will be issued in a stated amount of \$50 and will initially consist of a contract to purchase Black Hills common stock and a 1/20, or 5%, undivided beneficial ownership interest in \$1,000 principal amount of remarketable junior subordinated notes due 2028. Pursuant to the purchase contracts, holders are required to purchase Black Hills common stock no later than Nov. 1, 2018.

Credit Suisse and BofA Merrill Lynch are lead book-running managers, and RBC Capital Markets and Wells Fargo Securities are joint book-running managers, for the common stock offering. BMO Capital Markets is senior co-manager, and J.P. Morgan, Morgan Stanley, Scotia Howard Weil and MUFG are co-managers, for the common stock offering. Credit Suisse and Wells Fargo Securities are lead book-running managers, and RBC Capital Markets and BofA Merrill Lynch are joint book-running managers, for the equity units offering. J.P. Morgan, Morgan Stanley and US Bancorp are co-managers for the equity units offering.

Both offerings are being made pursuant to an effective shelf registration statement filed with the Securities and Exchange Commission, and each offering will be made only by means of a prospectus supplement for such offering and an accompanying prospectus. Copies of the prospectus supplements and accompanying prospectus relating to the common stock and equity units offerings may be obtained from Credit Suisse Securities, One Madison Avenue, New York, NY 10010-3629, Attention: Prospectus Department, by calling toll free 1-800-221-1037 or by email at newyork.prospectus@credit-suisse.com; from BofA Merrill Lynch, 222 Broadway, New York, NY 10038, Attn: Prospectus Department, email dg.prospectus_requests@baml.com; from Wells Fargo Securities, LLC, Attention: Equity Syndicate Department, 375 Park Avenue, New York, NY 10152, telephone: 1-800-326-5897 or email: cmclientsupport@wellsfargo.com; or from RBC Capital Markets, LLC, 200 Vesey Street, 8th Floor, New York, NY 10281; Attention: Equity Syndicate Department, Telephone: 1-877-822-4089, or email: equityprospectus@rbccm.com.

The common stock offering is not contingent on the equity units offering, and the equity units offering is not contingent on the common stock offering. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in any state or jurisdiction in which it is unlawful to make an offer, solicitation or sale.

Black Hills Corporation

Black Hills Corp. (NYSE: BKH) is a growth-oriented, vertically-integrated energy company with a tradition of improving life with energy and a vision to be the energy partner of choice. Based in Rapid City, S.D., the company serves 792,000 natural gas and electric utility customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. The company also generates wholesale electricity and produces natural gas, oil and coal. Black Hills Corp.'s more than 2,000 employees form partnerships and produce positive results for our customers, communities and shareholders.

Caution Regarding Forward-Looking Statements

This news release includes "forward-looking statements" as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this news release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements, which are subject to various risks and uncertainties. Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves. In addition, our business and any offering may be influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our ability to control. These factors include, but are not limited to, the prevailing conditions in the public capital markets, interest rates, economic, political and market factors affecting trading volumes, securities prices or demand for our equity and debt securities, and the timing and likelihood of the closing of our purchase of SourceGas Holdings LLC. All forward-looking statements, whether written or oral and whether made by or on behalf of us, are expressly qualified by the risk factors and cautionary statements set forth in the prospectus supplements and accompanying prospectus for the common stock and equity units offerings, Item 1A of Part I of our 2014 Annual Report on Form 10-K, as amended by Form 10-K/A filed on August 7, 2015, Item 1A of Part II of our Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2015, and other reports that we file with SEC from time to time.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

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