

ALGOMA STEEL INC.

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NEWS RELEASE

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TSE Symbol: AGA

SAULT STE. MARIE, ONTARIO - Algoma Steel Inc. today announced that the members of United Steelworker (USWA) Locals 2251 and 2724 have ratified recently negotiated collective agreements running to July 31, 2002. These two USWA Locals represent all of Algoma Steel's unionized employees.

Sandy Adam, Algoma's President and CEO, stated that ratification of the collective agreements is a positive step for the Company's future. He said "These collective agreements will assist the Company's focus on improving productivity and in meeting future financial challenges. The agreements will also alleviate any developing uncertainty among the Company's suppliers, customers and lenders about the status of the Company's labour agreements that were previously scheduled to expire on July 31, 1999."

The new collective agreements provide for the continuation of cost of living allowances, no increases in wage rates or benefits, and a commitment to a 450 person reduction in employment over the term of the agreements.

Algoma Steel, based in Sault Ste. Marie, Ontario, is Canada's third largest integrated steel producer. Revenues are derived primarily from the manufacture and sale of rolled steel products, including hot and cold rolled sheet and plate.

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