

ALGOMA STEEL INC.

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NEWS RELEASE

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TSE Symbol: AGA

SAULT STE. MARIE, ONTARIO – Algoma Steel Inc. announced today that it has reissued its First Quarter Report to Shareholders for the period ended March 31, 2002. The reissuance is necessary to comply with certain regulatory requirements to include comparative financial statements, excepting the statement of financial position, for periods prior to the Company's restructuring on January 29, 2002 and application of fresh start accounting at January 31, 2002. Results for the two-month post-restructuring period ended March 31, 2002 are unchanged. This report includes results for January, 2002 and certain comparative financial information for the first quarter of 2001.

The reissued First Quarter Report to Shareholders is attached and will also be available on SEDAR. The reissued First Quarter Report will be mailed to shareholders along with the Second Quarter Report.

Algoma Steel Inc., 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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