

ALGOMA STEEL INC.

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NEWS RELEASE
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TSE Symbol: AGA

Algoma Steel Provides Blast Furnace Maintenance Update

SAULT STE. MARIE, ONTARIO – Algoma Steel, as part of an extensive work program designed to delay the need for a blast furnace reline, shut down its ironmaking operation on October 1, 2002. The maintenance program, which involved “gunning” the blast furnace stack utilizing a new and innovative technology, was successfully completed as planned. In addition, the Company took the shutdown opportunity to complete essential maintenance and repairs to downstream production facilities.

Due to the complex nature of the process, the start-up of blast furnace operations following the work program has taken longer than anticipated. Production resumed late yesterday and is expected to reach normal levels within a few days.

Fourth quarter production costs are expected to increase due to lower production levels and the maintenance expenditures on the blast furnace and other facilities. Shipments in the fourth quarter are expected to be approximately 475,000 tons versus third quarter shipments of 551,000 tons. The decline is mainly attributable to the blast furnace shutdown.

Third quarter results are scheduled to be released on October 30, 2002.

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.

This news release contains forward-looking information with respect to Algoma's operations and future financial results. Actual results may differ from expected results for a variety of reasons including the factors discussed in the Management's Discussion and Analysis section of Algoma's 2001 Annual Report and the Quarterly Report to Shareholders for the periods ended March 31 and June 30, 2002.

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