

ALGOMA STEEL INC.

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NEWS RELEASE
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TSE Symbol: AGA

Algoma Signs Letter of Intent to Sell Seamless Tube Mill

SAULT STE. MARIE, ONTARIO – Algoma Steel Inc. announced today that it has signed a letter of intent with Algoma Tubes, Inc., a Canadian subsidiary of Tenaris SA, relating to the sale of tube manufacturing facilities located in Sault Ste. Marie and currently leased to Algoma Tubes, Inc. The sale for \$12.5 million Canadian is scheduled to be completed by year-end but remains subject to a number of conditions and approvals.

This sale is part of Algoma's program to reduce debt and improve liquidity. Algoma expects to realize a total of about \$15 million from the disposition of surplus assets in 2003.

Algoma Steel Inc. is an integrated steel producer based in Sault Ste. Marie, Ontario. 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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