



**ALGOMA STEEL INC.**  
105 West Street  
Sault Ste. Marie, Ontario, Canada P6A 7B4

**NEWS RELEASE**  
**Tuesday, August 24, 2004**

**TSE Symbol: AGA**

**SAULT STE. MARIE, ONTARIO** – Algoma Steel Inc. today announced that it has called for the redemption on September 30, 2004 of all of its outstanding 1% convertible secured Notes due 2030 (the “Notes”) at a redemption price equal to the principal amount of the Notes plus accrued interest. Approximately \$12.9 million (U.S.) of the Notes remain outstanding.

Each Note is convertible into Algoma common shares, at the holder’s option, at a conversion price of U.S. \$6.25 per share, which is equivalent to 160 Algoma common shares for each U.S. \$1,000 principal amount of Notes. On August 23, 2004, the last reported sale price of Algoma common shares on the Toronto Stock Exchange was Cdn.\$ 13.63 (approximately U.S.\$ 10.40) per share.

Prior to 5:00 p.m. (Eastern Time) on September 29, 2004, holders of Notes may convert their Notes into Algoma common shares. Any Notes not converted on or before 5:00 p.m. (Eastern Time) on September 29, 2004, will be automatically redeemed on September 30, 2004, after which interest will cease to accrue.

This news release does not constitute a notice of redemption of the Notes.

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