



ALGOMA STEEL INC.

105 West Street
Sault Ste. Marie, Ontario, Canada P6A 7B4

NEWS RELEASE

Thursday, September 21, 2006

TSX Symbol: AGA

ALGOMA STEEL ANNOUNCES FINAL RESULTS OF SUBSTANTIAL ISSUER BID

SAULT STE. MARIE, ONTARIO - Algoma Steel Inc. today announced the final results of its substantial issuer bid to repurchase up to \$200 million of its common shares (the "Offer"). Algoma has purchased for cancellation 5,479,452 common shares at a price of CDN \$36.50 per share, for a total cost of CDN \$200 million. Shareholders who had deposited common shares to the Offer at \$36.50 per share, or pursuant to a purchase price tender, will have 69.88% of such shares deposited purchased for cancellation. Payment to these holders is being processed today and those common shares not purchased are being returned today by the depositary.

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 steel and plate.

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