



ALGOMA STEEL INC.
105 West Street
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NEWS RELEASE

Tuesday, May 13, 2008

**ALGOMA STEEL COMMISSIONS PORTABLE BAGHOUSE
COMMUNITY OPEN HOUSES SCHEDULED**

SAULT STE. MARIE, ONTARIO - Algoma Steel Inc. announced today that they have successfully completed a trial commissioning of a portable baghouse on No. 7 Blast Furnace. The search for this technology commenced in January of this year and after some engineering and construction we have managed to obtain and install a portable unit on No. 7. These portable units are one of a host of interim measures the Company is putting in place to reduce air emissions in preparation for the start up of No. 6 Blast Furnace later this summer.

Armando Plastino, Chief Operating Officer, commented on the technology and its fit within the broader plan, "We are very pleased with the results we're seeing from the portable baghouse. So much so that we have ordered one more unit for No. 7 and have plans to install at least one unit on No. 6 when we start it up. These units will serve as excellent interim measures until we take delivery of the permanent emission control systems in December of this year, and the fall of 2009. In fact, when combined with the other mitigating measures we have planned, we will actually see a reduction in particulate emissions, even with No. 6 online."

Plastino added, "By investing nearly \$70 million in emission controls, Algoma is ensuring this expansion is aligned with our ongoing commitment to environmental and economic sustainability; fostering secure employment and prosperity for the communities where we work and live."

In conjunction with their Certificate of Approval application process Algoma Steel has scheduled Community Open Houses for Tuesday, May 27th from 6 pm to 8 pm at Bay View School for the convenience of their neighbours, and again on Wednesday, May 28th from 4 pm to 8 pm at the Great Northern Resort and Conference Centre for the general community. Algoma personnel will be on hand at the sessions to outline in detail their plans to expand production and reduce air emissions from the steelworks. Members of the public and other interested parties are invited to attend.

Algoma Steel has submitted applications to the provincial Ministry of the Environment for the start up of No. 6 blast furnace and for the installation of a permanent baghouse on said furnace. The start up of No. 6 is a critical component in Algoma Steel's strategic plan to expand production to four million saleable tons.

A member of the Essar Group, Algoma Steel Inc. is based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, Algoma's 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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BACKGROUNDER

Baghouses

Baghouse is the generic name for Air Pollution Control Equipment that is designed around the use of engineered fabric filter tubes, envelopes or cartridges for the dust capturing, separation or filtering process. In addition to the portable baghouse on No.7 Blast Furnace, Algoma Steel currently has baghouses in operation in Cokemaking, the Lime Plant, the Desulphurization Station, Steelmaking CAS-OB, Hot Metal Transfer Station and at the Welded Shapes and Profiles Division.

A compact baghouse is designed for use in a relatively small horizontal space and can be mounted on the back of a flat bed truck for portability and temporary applications.

Chronology of Events

September 2007

Algoma initiated engineering review for cast house emission control system for No.6 Blast Furnace.

January 2008

Algoma initiated an investigation to determine if portable baghouses of appropriate air cleaning capacity were available for rental on a temporary basis.

March 7, 2008

Algoma submitted application for a Certificate of Approval for the startup of No.6 Blast Furnace with the use of interim controls. The application demonstrated that with interim controls, there would be no net increase in emissions from Algoma.

Interim controls include:

- the use of flame suppression technology to reduce fume generation,
- reduced production on both #6 and #7 blast furnaces,
- aggressive coal dust management program,
- improved road dust management program,
- reduced steelmaking emissions through improved operating methods.

March

Algoma Steel commenced construction of hood and ducting to be connected to a portable baghouse for trial on No.7 Blast Furnace.

April

Portable baghouse trial is successful. Plans for an additional baghouse for No.7 initiated, expected to take delivery and install in May.

Submitted application for a Certificate of Approval for the installation of a permanent baghouse for No.6 Blast Furnace, targeted for installation late 2009.

May

Submitted an amendment to the application (previously issued on March 7) to include the use of portable baghouses as part of the interim control measures to be in place for the startup of No.6 Blast Furnace. Additional reduction in particulate emissions will result from the addition of these portable baghouses.

May 27 & 28, 2008

Host community open houses to outline expansion strategy and associated plan for reduced air emissions, ensuring the public is appropriately informed.

June 2008

Algoma will order the long delivery items required for the permanent emission control system (baghouse) for No.6 Blast Furnace.