Algoma

ALGOMA STEEL INC.

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

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ALGOMA STEEL COMMUNITY UPDATE ON ENVIRONMENTAL CONTROL MEASURES

SAULT STE. MARIE, ONTARIO - Algoma Steel Inc. announced today that they have successfully installed a second portable baghouse on No. 7 Blast Furnace. The baghouse was commissioned on the stub stack on Friday, June 13 and is operating well.

Additional interim control measures for No. 7 include a third portable baghouse, which is scheduled for installation by Friday, June 27. Meanwhile, construction on the permanent baghouse for No. 7 Blast Furnace is underway, and on track for commissioning in December 2008, two years ahead of schedule.

A host of additional particulate emission control measures are currently underway. In an effort to reduce dust from the coal piles, Algoma has begun the application of surfactants on the coal piles and dust suppressants on the surrounding roadways. These efforts, combined with extensive berm construction and tree planting initiatives along the riverfront will serve to reduce coal pile fugitive dust emissions by nearly 50 per cent.

In parallel, the road dust reduction program has been ramped up, with the roadway sweeping and flushing schedule extended to seven days a week. As an additional dust reduction measure, preparations are in motion for the paving of a number of onsite roadways, shoulders and parking areas.

Armando Plastino, Chief Operating Officer, commented on the ongoing environmental control measures at Algoma Steel: "We continue to make great strides in reducing air emissions as we increase production here at Algoma. We are very encouraged by our progress and the milestones we continue to achieve," he said.

"The use of portable baghouse technology on No. 7 Blast Furnace has proven successful and we look forward to providing future updates on the commissioning of the third and fourth baghouses," added Plastino.

In addition to Algoma's ongoing commitment to reducing emissions while increasing production, Algoma has commenced an aesthetic revival of the Company's grounds. As part of an overall greening initiative, landscaping and tree planting are in progress.

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.

Company Contact: Brenda Stenta Manager, Corporate Communications

Phone: 1.705.945.2209 Email: <u>bstenta@algoma.com</u>