



Essar Steel Algoma Inc.
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NEWS RELEASE

Tuesday, November 11, 2008

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Essar Steel Algoma Reports Continued Strong Performance in Second Quarter Fiscal 2008/09

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. posted strong performance for the second quarter of fiscal 2008/09. EBITDA, a meaningful indicator of the Company's profitability, was \$211.7 million, a record for the Company. Sales were 11.8% higher than the previous quarter due to the higher steel prices. Shipments were 741,000 tons compared to 800,000 tons in the previous quarter.

Essar Steel Algoma Inc. further reported net income of \$146.0 million, essentially attributable to higher steel prices and improved operating performance, despite a significant increase in raw material input prices.

Armando Plastino, Chief Operating Officer commented on the quarter, "Strong steel prices coupled with consistent improvement in the operating performance have resulted in a very successful quarter. Despite the current market uncertainties, Essar Steel Algoma Inc. is well positioned to continue to execute our long-term growth strategy."

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