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NEWS RELEASE
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Essar Steel Algoma Confirms Start-up of Permanent Baghouse

SAULT STE. MARIE, ONTARIO: Essar Steel Algoma confirmed today they have successfully started up a new, permanent baghouse on No. 7 blast furnace. The baghouse was put into service on Tuesday, February 10th and is operating very well.

Commenting on the new asset, Essar Steel Algoma's Chief Operating Officer Armando Plastino remarked, "We are most pleased with the results. This technology is state-of-the-art and has been designed with excess capacity. Even when production levels improve air quality will be protected both within the operation and beyond the steelworks."

The permanent baghouse replaces three temporary units currently servicing No. 7 blast furnace. With a footprint equivalent to half of an NHL rink, the baghouse boasts a filtering capacity of 940,000 cubic feet per minute and a 99.9% efficiency rate. Powered by two energy-efficient 3500 horsepower fan motors with variable frequency drives, the baghouse consumes considerably less energy than those with conventional fixed speed drives.

This $25 million investment in air emission technology is a key component in Essar Steel Algoma's ongoing air quality program and it will contribute to an overall 16% site-wide net reduction in particulate emissions.

Final tuning and balancing of the control systems is now underway. Essar plans to host an official ribbon cutting in the near future.

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 derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

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BACKGROUND

Air Emission Control Measures

In an effort to reduce net particulate emissions, Essar Steel Algoma has committed over $90 million in a wide range of interim and planned air emission controls with a focus on new technologies. These include:

- Constructing a permanent baghouse on No. 7 blast furnace
- Constructing a permanent baghouse on No. 6 blast furnace
- Installing four portable baghouses on No. 6 and 7 blast furnaces as interim emission controls
- Using flame suppression methods as an interim measure on No. 6 and 7 blast furnaces
- Reducing coal pile fugitive emissions by nearly 50% through an aggressive coal dust management program
- Reducing road dust fugitive emissions by a further 20% through an enhanced road dust management program in combination with a comprehensive aesthetic revival initiative.
- Investing in an additional emission control system for the steel shop
- Upgrading the existing emission control baghouse for the hot metal transfer process in the steelmaking shop
- Introducing enhanced vessel management practices in Steelmaking
- Implementing the use of portable baghouses to capture emissions from the Dekish operation.
- Installing door and jamb cleaning equipment for No. 7 coke oven battery
- Upgrading the existing Lime Plant emission control baghouse.
- Installing additional air monitoring stations

Baghouse Technology

'Baghouse' is a generic name for air pollution control equipment that uses engineered fabric filter tubes, envelopes or cartridges in the dust capturing, separation or filtering process. Used in a wide range of industries, a baghouse system can be custom engineered for almost any dust producing application under almost any set of circumstances.

Essar Steel Algoma currently employs baghouse technology in its cokemaking, ironmaking, steelmaking and lime making operations.