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NEWS RELEASE

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Essar Steel Algoma Secures Amendment to Term Loan Credit Facility

Sault Ste. Marie, Ontario – Essar Steel Algoma Inc. (“the Company”) announced today that lenders holding a majority of the Company’s US\$315.7 million Senior Secured Term Loan Credit Facility (the “Facility”) have approved a permanent amendment to the Facility enabling continued compliance with the Facility and providing the Company with increased operating flexibility going forward. Essar Steel Algoma has been compliant in its covenants to date, however, in view of the prevailing market conditions the Company felt it prudent to seek relaxation of the terms of the Facility.

Among other things, the amendment waives compliance with maximum leverage and minimum interest coverage ratios for a four quarter holiday period beginning September 2009 through the quarter ended June 30, 2010, with revised covenant levels reinstated thereafter. The amendment became effective September 9, 2009.

The Company’s CEO, Armando Plastino, remarked on the waiver, noting “This amendment is an endorsement from our lenders, demonstrating their confidence in the Company’s ability to effectively respond to these unprecedented market conditions. It further acknowledges our continued commitment to our employees and the community of Sault Ste Marie through capital investments of nearly CDN \$400 million since the acquisition. Currently, steel markets have strengthened both in terms of price and volume allowing us to recall laid-off employees. We are confident that this amendment now provides the Company with the necessary flexibility and stability to continue to weather this market cycle with a view to long term sustainability.”

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