



Essar Steel Algoma Inc.
105 West Street
Sault Ste. Marie, Ontario
Canada P6A 7B4

T +1 - 705 - 945 2351
F +1 - 705 - 945 2203
www.essarsteelalgoma.com

NEWS RELEASE

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Second Quarter 2010 Fiscal Performance Reflects Improvement in Steel Shipments

SAULT STE. MARIE, ONTARIO – For the quarter ending September 30, 2009, Essar Steel Algoma reported shipments of 656,063 tons, up 64.5% from the previous quarter of 398,921 tons. Sales for the quarter were \$388.3 million as compared to \$248.3 million for the quarter ending June 30, 2009, representing an increase of 56.4%.

EBITDA, a meaningful indicator of the Company's profitability, was \$19.7 million for the quarter compared to an EBITDA loss of \$19.2 in the prior quarter, representing an improvement in financial performance of nearly \$40 million. Overall, the Company reported a net loss of \$122.8 million for the quarter. The loss was primarily attributable to lower steel prices and the impact of a foreign exchange loss of \$71.9 million, which was a non-cash adjustment to net loss. Financial performance was also affected by the bustle main failure on the Company's No. 7 blast furnace which occurred on September 24, 2009. No. 7 blast furnace has returned to normal operating levels.

Chief Executive Officer Armando Plastino remarked on the quarter, "We have weathered these challenging economic conditions and we will continue to focus on positioning the Company to take advantage of future improvements in the steel markets."

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Company Contact:

Brenda Stenta
Manager Corporate Communications
Phone: +1.705.945. 2209, E-mail: brenda.stenta@essar.com