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NEWS RELEASE

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Essar Steel Algoma Announces Sale of Remaining 50.1% Interest in Cogeneration Facility

SAULT STE. MARIE, ONTARIO: Essar Steel Algoma announced today the completion of the sale of the Company's remaining 50.1% equity interest in Algoma Energy LP ("AELP") to Essar Power Canada Ltd. for total consideration of C\$136 million. The proceeds of the sale have substantially improved Essar Steel Algoma's liquidity position.

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Algoma Energy LP (AELP) is a Limited Partnership of Essar Steel Algoma Inc., based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, Essar Steel Algoma derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

Essar Power Canada Ltd. is 100% owned directly/indirectly by Essar Global Ltd and has a 100% equity interest in AELP.

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