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## **NEWS RELEASE**

Monday, November 30, 2009

### **Essar Steel Algoma Restates US GAAP Reconciliation Note**

SAULT STE. MARIE, ONTARIO: Essar Steel Algoma Inc. (ESAI) announced today a restatement of Note 30, "Significant Differences Between Canadian and United States Generally Accepted Accounting Principles ("GAAP")" contained in its audited consolidated financial statements for the 12 month period ended March 31, 2009. Due to typographical errors in the note, Canadian GAAP net income was transcribed as a net loss and the U.S. GAAP reconciliation was completed on that basis. As such, instead of reflecting U.S. GAAP comprehensive income of \$509.2 million, the footnote reflects U.S. GAAP comprehensive income of \$(119.1 million).

This restatement only pertains to the Company's U.S. GAAP reconciliation note and does not impact Essar Steel Algoma's previously reported financial results in accordance with Canadian GAAP. This note restatement does not impact ESAI's operations, cash flow or available cash and cash equivalents.

Additionally, on November 30, 2009, the audit report of Ernst & Young LLP on the consolidated financial statements of ESAI dated June 8, 2009 was withdrawn and reissued. The audit report incorrectly indicated that Ernst & Young LLP had audited the twelve month periods ending March 31, 2009 and 2008 rather than just the twelve month period ending March 31, 2009.

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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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