



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

Monday, December 14, 2009

Essar Steel Algoma Announces Closing of US\$400 Million Senior Secured Note Offering

SAULT STE. MARIE, ONTARIO: Essar Steel Algoma Inc. (the "Company") announced today that its previously announced offering of US\$400 million aggregate principal amount of senior secured notes due 2015 (the "Notes") has closed. The Company has applied the net proceeds from the sale of the Notes to repay all amounts outstanding under its existing senior secured term loan facility and to repay a portion of the amount outstanding under its existing senior secured revolving credit facility.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States without registration under the Securities Act or pursuant to an applicable exemption from such registration.

The Notes have been offered in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States in reliance on Regulation S under the Securities Act.

This press release shall not constitute an offer to sell or a solicitation of an offer to purchase the Notes and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom, such an offer, solicitation or sale would be unlawful. Any offers of the Notes will be made only by means of a private offering circular.

Forward-Looking Information

To the extent any statements made in this press release contain information that is not historical, these statements are forward-looking statements ("forward-looking statements"). These forward-looking statements relate to, among other things, our objectives, goals, targets, strategies, intentions, plans, beliefs, estimates and outlook, and can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may", "target", "potential" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.



Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and readers are cautioned not to place under reliance on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, market factors affecting the price of debt securities, the amount of cash generated from the Company's business, the prevailing interest rates and the existence of alternative uses for the Company's cash. Additional information about these factors and about the material factors or assumptions underlying such forward-looking statements may be found in the body of this press release, as well as under the heading "Risks and Uncertainties" in the Company's management's discussion and analysis relating to its most recent audited financial statements found on www.essarsteelalgoma.com.

The Company cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Company's forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company undertakes no obligation to update or revise any forward-looking statement, except as required by law.

-30-

A member of 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.

COMPANY CONTACT:

Brenda Stenta

Manager Corporate Communications

Phone: +1.705.945.2209

E-mail: brenda.stenta@essar.com