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## NEWS RELEASE

Monday, May 31, 2010

### Essar Steel Algoma Commences Proceedings Against Cliffs

Sault Ste. Marie, Ontario – Essar Steel Algoma Inc. (the “Company”) announced today that it has filed an application with the Ontario Superior Court of Justice in respect of a dispute with the Cleveland-Cliffs Iron Company and certain of its affiliates (“Cliffs”). The dispute relates to the pricing and supply of iron ore pellets, which has been interrupted as a result of the pricing dispute, under the Pellet Sale and Purchase Agreement between the Company and Cliffs dated January 31, 2002 (the “Agreement”). The Company has also commenced arbitration proceedings, in accordance with the Agreement, to resolve the pricing dispute.

The proceedings are being brought by the Company to resolve the pricing dispute between the parties and to ensure the Company’s supply of iron ore pellets pending the resolution of the pricing dispute.

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