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NEWS RELEASE

Wednesday, July 21, 2010

## ESSAR STEEL ALGOMA INC. REACHES TENTATIVE AGREEMENT WITH USW LOCAL 2251

Tentative agreement unanimously recommended by USW 2251 bargaining committee

SAULT STE. MARIE – ESSAR Steel Algoma Inc. today announced that a tentative agreement has been reached with USW Local 2251, the union representing the Company's hourly workers in Sault Ste Marie. This tentative agreement has been unanimously recommended by the USW Local 2251 bargaining committee.

This non-concessionary tentative agreement provides for responsible monetary improvements recognizing the important role our employees play balanced with the realities of the steel market.

Negotiations continue with USW Local 2724, the union representing the front line management/supervisors, technical and professional staff, with a contract deadline of July 31, 2010.

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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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