



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

MEDIA RELEASE

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Essar Steel Algoma Inc. To Seek To Vacate Iron Ore Pricing Arbitration Decision

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. announced today the decision of an Arbitration Panel in favour of Cliffs Mining Company, with respect to an iron ore pricing dispute between Essar Steel Algoma and Cleveland Cliffs. Essar Steel Algoma intends to file a court application to vacate the award on the basis the Arbitration Panel exceeded its jurisdiction.

Under the award, the Company's "true-up payment", representing the difference between amounts invoiced in 2010 to date and estimated amounts due under the award, would be approximately US \$120 million. The Company had previously reported in its second quarter report that the true-up payment to September 30, 2010 could be as much as US \$175 million. Essar Steel Algoma does not expect to make any true-up payments until the completion of its application to vacate the award.

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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.

COMPANY CONTACT:

Brenda Stenta

Manager Corporate Communications

Phone: +1.705.945.2209

E-mail: brenda.stenta@essar.com