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## NEWS RELEASE

Wednesday, November 9, 2011

### **Essar Steel Algoma Reports Positive Net Income and EBITDA for the Three Month Period Ending September 30, 2011**

**SAULT STE. MARIE, ONTARIO** – Essar Steel Algoma posted its second consecutive quarter of positive net income and its third consecutive quarter of positive EBITDA. In the three month period ending September 30, 2011, Essar Steel Algoma reported a net income of \$73.7 million and EBITDA of \$86.9 million. EBITDA is a meaningful indicator of the Company's profitability. Shipments for the period were 673,640 tons, up 9.0% from the same period in the prior year.

The results for the three month period reflect the impact of higher selling prices for the Company's products, higher shipment volumes and lower costs compared to the three month period ending September 30, 2010. Steel revenue was \$555.3 million for the period, up 22.2% from the same period of the prior year as a result of improved pricing and volume. Cost per ton of steel products sold was reduced 3.1% compared to the period in the prior year.

Chief Executive Officer, Jim Hrusovsky commented on the results, "I would like to thank the entire Essar Steel Algoma team for their continued efforts in cost reduction and operational reliability which when combined with improved market conditions delivered solid financial performance in the quarter."

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Essar Steel Algoma Inc. is based in Sault Ste. Marie, Ontario. Revenues are derived primarily from the manufacture and sale of rolled steel products, including hot and cold rolled sheet and plate.

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