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NEWS RELEASE

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Essar Steel Algoma Reports Positive EBITDA for the Three Month Period Ending December 31, 2011

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma reported positive EBITDA of \$30.2 million and a net loss of \$50.8 million for the three month period ending December 31, 2011 on shipments of 635,308 tons. EBITDA is a meaningful indicator of the Company's profitability.

The results for the three month period reflect the impact of higher selling prices for the Company's products and lower costs compared to the three month period ending December 31, 2010. Compared to the similar period of the prior year, shipments were up 0.9%, and cost per ton of steel products sold was reduced by 0.9%. Steel revenue was \$490.5 million for the period, primarily due to improved pricing.

Chief Executive Officer, Jim Hrusovsky commented on the results, "We have earned positive EBITDA in each of the last four quarters and continue to see an improvement in operating reliability. I am pleased to recognize the safe and highly successful installation of an Individualized Oven Pressure Control System on our No. 9 coke battery. This \$20 million investment in leading edge technology is estimated to reduce emissions from the battery by more than 70%."

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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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