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## NEWS RELEASE

Thursday, September 20, 2012

### **Essar Steel Algoma Closes Senior Secured Term Loan Facility**

**SAULT STE. MARIE, ONTARIO** – Essar Steel Algoma Inc. announced today that it has closed the previously announced senior secured asset-based term loan in an aggregate principal amount of US\$350 million. Deutsche Bank Securities Inc. acted as sole lead arranger for the term loan facility.

The term loan has a maturity of two years and is secured against all of the assets of the Company, subject to the security interests over certain assets held for the benefit of the holders of the Company's senior secured notes.

The Company has applied a portion of the proceeds of the term loan to repay in full all outstanding amounts and terminate all commitments under Essar Steel Algoma's current senior secured asset-based revolving credit facility.

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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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