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NEWS RELEASE

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Essar Steel Algoma Releases Third Quarter Results and Restates Second Quarter of Fiscal 2013

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. “ESAI” reported an EBITDA of \$9.7 million and a net loss of \$25.1 million for the three month period ending December 31, 2012. EBITDA is a meaningful indicator of the Company’s profitability.

The results for the three month period reflect the impact of lower selling prices for the Company’s products compared to the three month period ending December 2011, offset by higher volumes and lower costs. As compared to last quarter selling prices decreased by 5.8%, costs decreased by 12.3% and shipments improved by 19.6%. Shipments in the quarter were 655,609 tons, generating \$457.1 million in revenue for the period.

The Company has restated and amended the previously reported condensed interim consolidated financial statements for the three and six month periods ended September 30, 2012 to reflect a change in the calculation of depreciation expense given the reassessed remaining useful life of its assets. The effect of the restatement is a \$19 million reduction in depreciation. The impact of this restatement has no effect on the Company’s revenue, EBITDA and cash position.

Chief Executive Officer, Kalyan Ghosh commented on the results, “Despite lackluster steel markets, our commitment to safety and the continued realization of our cost reduction strategies combined to generate improved operating results for 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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