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NEWS RELEASE

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Essar Steel Algoma Reaches Agreement with Iron Ore Supplier

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. announced today that it has reached an agreement with its iron ore pellet supplier, Cliffs Natural Resources Inc. The Agreement sets out the terms and conditions of a negotiated amendment and extension of the current Pellet Sale and Purchase Agreement which was scheduled to expire 2016. Among other things, the Agreement addresses issues that have arisen related to market price dynamics and extends Essar’s supply agreement with Cliffs for a portion of its iron ore requirements from 2017 through to 2024. The Agreement supplements Essar’s supply agreement with Essar Steel Minnesota LLC to satisfy Essar’s expected iron ore pellet requirements come 2017 and beyond.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh remarked, “This agreement delivers a revised formula that puts Essar’s iron ore cost in line with the market price from 2014 to 2024. The extension provides for supply under more favourable terms and is a necessary step toward ensuring the profitability and sustainability of the business.”

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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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