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NEWS RELEASE

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Essar Steel Algoma Reports Fourth Quarter Results for Fiscal Year 2013

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. reported today EBITDA earnings of \$8.1 million for the three month period ending March 31, 2013. EBITDA, excluding exceptional items, for fiscal year 2013 was \$57.3 million as compared to \$321 million for fiscal 2012. The decline from fiscal year 2012 is attributed to lower shipments, depressed selling prices and higher than market iron ore costs. EBITDA is a meaningful indicator of the Company's profitability.

For the three month period ending March 31, 2013 the Company reported a net loss of \$92.7 million. Sales for the quarter were \$447.7 million with shipments of 638,652 tons, down 1.5% from the corresponding quarter in the previous year.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on the year's results, "Despite continued cost reduction measures, operating efficiencies and an improving product market mix, lackluster market conditions and contracted raw material input costs combined to negatively impact our F2013 performance. Recently announced improvements to our iron ore contract and credit agreements position the Company more favourably for F2014 and beyond. "

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A member of the Essar Group, Essar Steel Algoma Inc. is based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, the Company derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

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