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NEWS RELEASE

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Essar Steel Algoma Reports First Quarter Results for Fiscal Year 2014

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. reported today an EBITDA loss of \$8.4 million for the three month period ending June 30, 2013, compared to EBITDA of \$64.2 million for the same period a year ago, when steel prices were significantly higher. EBITDA is a non-GAAP measure of profitability.

For the three month period ending June 30, 2013, the Company reported a net loss of \$28.7 million. Sales for the quarter were \$464 million with shipments of 672,000 tons, up 4% and 5% respectively from fourth quarter of fiscal 2013.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on the quarter's results, "Shipments of 672,000 tons for the quarter represent the highest volume shipped in the last eight quarters. Despite this increase in volume and reduced input costs, these improvements were not sufficient to return us to profitability due to lower steel prices. Fortunately prices have begun to rebound since reaching a two year low in June, and we expect to see an improvement in operating profitability next quarter."

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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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