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NEWS RELEASE

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Essar Steel Algoma Confirms Amendment to Asset-Based Lending Term Loan

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. confirmed today that the Company's lenders have approved an amendment to the borrowing base available under its Asset-Based Lending Term Loan allowing for a \$24 million USD improvement in cash availability. The amendment became effective December 11, 2013.

Kalyan Ghosh, Chief Executive Officer, commented on the amendment, "Management continues to take steps towards ensuring the essential seasonal raw material inventory build to achieve its targeted production levels and capitalize on the current steel market. When combined with the \$25 million USD loan agreement which closed December 6, 2013, the increased borrowing base aids in positioning the Company on this path."

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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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