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NEWS RELEASE

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ESSAR STEEL ALGOMA RECEIVES PENSION FUNDING RELIEF

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma Inc. announced today the Ontario government has passed a regulation providing funding relief for the Company's defined benefit pension plans. The new regulation allows for fixed payments over the next three years and extends the amortization period, through to 2024. The regulation is deemed effective as of December 1, 2013.

Historically low interest rates have led many of Ontario's defined-benefit pension plans, both public and private, to seek relief measures. Despite ongoing payments to the plans, Essar Steel Algoma's pension contribution requirements have more than doubled year over year, escalating to levels that were not sustainable. This led Essar to pursue an alternative pension funding model.

Essar Steel Algoma CEO Kalyan Ghosh commented, "This new funding formula provides Essar Steel Algoma with greater predictability in the near term and more manageable payments over the long term. We truly appreciate the support of all of the plan members, including our employees, retirees and the union; without them this solution would not have been possible."

Essar Steel Algoma is grateful for the continued hard work of the Honourable David Oraziotti, MPP Sault Ste. Marie, who ensured the success of this important relief measure. He worked tirelessly alongside the Honourable Finance Minister Charles Sousa and the Ontario Government to put in place a comprehensive plan to aid the Company in satisfying its pension obligations over the long term.

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David Oraziotti, Sault Ste. Marie MPP remarked on the announcement, “I am pleased that our government has been able to accommodate this important pension relief request made by Essar Steel Algoma. Essar is a vital part of our community and region and this step will help them work toward long-term sustainability.”

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More about Essar Steel Algoma Inc.

Essar Steel Algoma Inc. is a subsidiary of Essar Steel, a global integrated steel producer with an annual capacity of 14 million tonnes. Based in Sault Ste. Marie, Ontario, Essar Steel Algoma is a manufacturer of flat rolled steel products, including hot and cold rolled sheet and plate.

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