



## **NEWS RELEASE**

Tuesday, September 16, 2014

# **Ontario Court Approves Essar Steel Algoma's Recapitalization and Refinancing Plan**

## ***Paves Way for Substantial Equity Infusion and Refinancing of Entire Capital Structure***

SAULT STE. MARIE, ONTARIO, September 16, 2014 - The Ontario Superior Court of Justice has approved Essar Steel Algoma Inc.'s Plan of Arrangement (the "Plan"), granting a final order deeming the Plan to be fair and reasonable pursuant to the Canada Business Corporations Act. The Final Order follows a unanimous display of support for the Plan by the approximate 92% of 9.875% senior unsecured noteholders who voted at the September 10, 2014 noteholders meeting.

The Plan of Arrangement provides Algoma with a near-term capital infusion from Essar Global Fund Ltd (EGFL) of up to US\$100 million to ensure the appropriate liquidity required to complete scheduled capital improvements and allow for the seasonal raw material build. Today's final order paves the way for the recapitalization and refinancing transaction to be completed on or before November 15, 2014, subject to, among other things, the execution of definitive documentation.

Kalyan Ghosh, Chief Executive Officer of Essar Steel Algoma commented on the Plan's approval, "This Plan provides for a comprehensive capital infusion, a substantial deleveraging of our balance sheet and the refinancing of all of Algoma's senior secured debt. In recent months, we have been able to capitalize on the favourable market environment, building on sustainable operational improvements that positioned the Company well for the future. In July and August alone we generated EBITDA of CDN\$22 million and CDN\$30 million, respectively. Our order book is full and we are currently taking orders for November."

For details regarding the Plan of Arrangement and the Court proceedings, the Noticing Agent, Donlin Recano has established a webpage at [www.donlinrecano.com/essarsteelcanada](http://www.donlinrecano.com/essarsteelcanada) and [www.donlinrecano.com/essarsteelus](http://www.donlinrecano.com/essarsteelus) where further documentation related to the process can be found.



The Blackstone Group, Kirkland & Ellis LLP, and Stikeman Elliott LLP represent Algoma as financial advisor and outside legal counsel, respectively. The Ad Hoc Noteholder Committee is represented by Lazard, Paul Weiss, Rifkind, Wharton & Garrison LLP, and Goodmans LLP.

This release is not an offer to sell or an offer to buy any securities.

### Forward-Looking Statements

This news release includes forward-looking statements. All statements, other than statements of historical facts, identified by words such as 'assumes', 'plans', 'expects', 'believes', 'projects', 'aims', 'estimates', 'anticipates' and 'will', are forward-looking statements. The forward-looking statements provided in this news release are based on management's current belief, based on currently available information, as to the outcome and timing of future events.

The transactions noted herein are subject to closing conditions.

**ABOUT ESSAR STEEL ALGOMA INC.:** Essar Steel Algoma Inc. is based in Sault Ste. Marie, Ontario. As a fully integrated steel producer, Algoma derives its revenues primarily from the manufacture and sale of hot and cold rolled steel products including sheet and plate.

**ABOUT ESSAR GLOBAL FUND LIMITED:** Essar Global Fund Limited (EGFL) is an investment fund managed by its investment manager, Essar Capital Limited. EGFL is a global investor, controlling a number of world-class assets diversified across the core sectors of Energy, Metals & Mining, Infrastructure (comprising ports and EPC businesses), and Services (primarily comprising shipping and BPO businesses). The aggregated revenues of the Fund's portfolio companies total US\$35 billion. The Fund's portfolio companies employ over 73,000 people across 29 countries, and have adopted international standards of health, safety, environmental protection, and corporate governance.

**COMPANY CONTACT:**  
Brenda Stenta  
Manager Corporate Communications  
Phone: +1.705.945.2209  
E-mail: [brenda.stenta@essar.com](mailto:brenda.stenta@essar.com)

**INVESTOR CONTACT:**  
Nick Leone  
Financial Advisor, Blackstone  
Phone: +1.212.583.5830  
E-mail: [leone@blackstone.com](mailto:leone@blackstone.com)