



MEDIA RELEASE
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Investing in the Future

Modernization and expansion program will make Essar Steel Algoma more competitive

SAULT STE. MARIE, Ont. — Essar Steel Algoma is embarking on a CDN \$240 million modernization and expansion program to make it more competitive and sustainable in a tough global steel market.

Bolstered by up to \$60 million from the governments of Canada and Ontario, the investment will support technological and product innovation that will enable Essar Steel Algoma to meet the growing global demand for advanced grades of steel and support growth in related industries like shipbuilding, mining and manufacturing .

“We are going to introduce the best available technology to Essar Steel Algoma, which will put us in a much stronger competitive position,” says Kalyan Ghosh, Chief Executive Officer of Essar Steel Algoma. “We’ll have better access to capital, a much broader range of products, better quality, more advanced grades of steel, and a renewed emphasis on sustainability.”

The modernization and expansion program will include the construction of the No. 2 ladle metallurgy furnace, an upgrade and expansion of the Direct Strip Production Complex — the only facility in Canada that converts liquid steel directly into steel coils, and the automation of North America’s only combination plate and strip mill.

The project is supported by a \$30 million repayable contribution from the Government of Canada by the Federal Economic Development Agency of Ontario through the Advanced Manufacturing Fund, and a \$30 million grant from the Government of Ontario delivered by the Ministry of Northern Development and Mines and the Northern Ontario Heritage Fund Corporation.

Engineering and design work is already under way, and construction will begin on several components of the project immediately. While some of the projects will be completed within 18 months, the entire optimization and renewal program will be complete by 2022. The construction is expected to support more than 200 additional jobs over the course of the project while maintaining 2,500 direct jobs at the facility and supporting more than 5,000 indirect jobs.

“With today’s announcement, we are making Essar Steel Algoma more competitive in evolving markets that are demanding advanced grades of steel,” says Mr. Ghosh. “This investment will increase the productivity rate at the plant, improve our ship-on-time performance, bolster the quality and reliability of the steel coming from Sault Ste. Marie and better enable us to meet the Canadian demand for steel.”



Since its acquisition of Essar Steel Algoma Inc. in 2007, Essar Global Fund Ltd. has invested more than \$790 million into the Sault Ste. Marie operation, ensuring its long-term viability and continued growth in the competitive global steel industry.

For more information, please visit www.essarsteelalgoma.com or follow Essar Algoma on Twitter [@EssarAlgoma](https://twitter.com/EssarAlgoma).

About Essar Steel Algoma Inc.

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. Founded in 1901 as Algoma Steel, the company was acquired in June 2007 by Essar Steel Holdings Limited. Its products are sold to customers in the automotive, light manufacturing, construction, shipbuilding, energy, mining and steel distribution industries.

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For more information, please call:

Brenda Stenta

Manager Corporate Communications

Phone: +1.705.945.2209

E-mail: brenda.stenta@essar.com