



MEDIA RELEASE  
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**ESSAR STEEL ALGOMA INC. PURSUES FINANCIAL RESTRUCTURING;  
SECURES USD \$200 MILLION DEBTOR-IN-POSSESSION FINANCING**

SAULT STE. MARIE November 9, 2015 – Essar Steel Algoma Inc. announced today that it has sought protection under the Companies' Creditors Arrangement Act (CCAA) before the Ontario Superior Court of Justice in order to strengthen its financial health and solidify its long-term business prospects. The Company has initiated a corresponding filing in the United States under Chapter 15 to recognize and give effect to the Canadian filing. The Company fully expects to continue normal operations during its restructuring.

"We have taken aggressive measures that succeeded in curtailing costs and significantly enhancing productivity, ranking Essar Steel Algoma among the top quartile for low cost producers in North America." said Kalyan Ghosh, president and chief executive officer of Essar Steel Algoma. "Despite these efforts we have been forced to take action today to ensure the continued success of our business given the record low steel markets, a barrage of imports, and the untimely and wrongful termination of our long-term iron ore supply contract. I want to assure our customers, vendors and employees that we fully expect this restructuring not to disrupt daily operations," said Ghosh.

Ghosh further added, "This process will provide the company with the time and stability to restructure our finances. We expect that Essar Steel Algoma will emerge stronger and better able to compete as an advanced manufacturer."

Essar Steel Algoma also announced today it has secured a USD \$200 million debtor-in-possession financing facility from a syndicate of lenders by Deutsche Bank AG to provide adequate liquidity to operate while it restructures its debt.

The Court has appointed Ernst & Young Inc. to act as Monitor. Evercore Group L.L.C., Weil Gotshal & Manges LLP and Stikeman Elliott LLP represent the company as financial advisor and outside US and Canadian legal counsel, respectively.

The Monitor has established a website at [www.ey.com/ca/essaralgoma](http://www.ey.com/ca/essaralgoma) where further information on Essar Steel Algoma's financial restructuring will be posted. Additional information can be found on the Prime Clerk website at <http://cases.primeclerk.com/EssarSteel> for the Chapter 15 filing. Essar Steel Algoma will announce updates regarding its ongoing operation plans as appropriate.



**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.

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

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