



**NEWS RELEASE**

April 28, 2016

**Essar Steel Algoma Settles Contract Dispute  
*Secures Long Term Iron Ore Supply***

SAULT STE. MARIE - On Monday, April 25, 2016, Essar Steel Algoma settled its contract dispute with Cliffs Natural Resources, in principle. The settlement, which resolves all claims between the parties, is subject to documentation and requisite court approval.

Pursuant to the settlement, the parties have agreed to re-instate the contract. Cliffs will resume supply of iron ore pellets to Essar Steel Algoma for a portion of the company's remaining 2016 requirements and then return to the contract's existing terms in 2017 and beyond.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on the settlement, "We are very pleased to have this litigation behind us, and are grateful for the focused efforts of all involved in facilitating a speedy resolution. In light of the current Sale and Investment Solicitation Process, this agreement provides interested parties with assurance of supply of quality iron ore, and ensures Algoma can remain a low cost producer."

-30-

**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.

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