



NEWS RELEASE

May 31, 2016

Essar Steel Algoma Inc. Concludes Phase Two of Sale and Investment Solicitation Process

SAULT STE. MARIE, ONTARIO – Essar Steel Algoma has closed the second phase of the Sale and Investment Solicitation Process. The Company is currently working, in consultation with the Chief Restructuring Advisor, its financial advisors and the Monitor, to advance the process toward a successful transaction. The necessary stakeholders will be engaged forthwith in an effort to conclude the process before August 31, 2016.

Essar Steel Algoma Inc. filed for creditor protection under the Companies Creditors Arrangement Act on November 9, 2015. The Sale and Investment Solicitation Process was launched on February 11, 2016. Relevant documents, including the SISP Order and the SISP Process Outline can be found on the Monitor's website at www.ey.com/ca/essaralgoma and on the Prime Clerk website at <http://cases.primeclerk.com/EssarSteel>.

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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.

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