

NEWS RELEASE June 22, 2016

Essar Steel Algoma Confirms SISP Status

SAULT STE. MARIE – Essar Steel Algoma Inc. filed a motion on June 17, 2016 for Court approval of an Asset Purchase Agreement with a consortium of bidders formed by KPS Capital Partners, LP and the Company's prepetition term lenders. The bid was selected in accordance with the court approved Sale and Investment Solicitation Process ("SISP"), after consultation with the Company's financial advisors and the Chief Restructuring Advisor, and with the approval of the Monitor, who is appointed by the court to supervise the process.

The Asset Purchase Agreement, along with all related court documents can be viewed on the Monitor's website at <u>www.ey.com/ca/essaralgoma</u>.

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Essar Steel Algoma

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.

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 can be found on the Monitor's website at <u>www.ey.com/ca/essaralgoma</u> and on the Prime Clerk website at <u>http://cases.primeclerk.com/EssarSteel</u>.

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