



NEWS RELEASE

February 6, 2017

Essar Steel Algoma Secures Debtor-in-Possession Extension

Corresponds with Extended Stay in Proceedings to March 31, 2017

SAULT STE. MARIE - Essar Steel Algoma Inc. ("Essar Steel Algoma" or the "Company") obtained an order from the Ontario Superior Court of Justice on January 31, 2017 approving an amendment and extension to the existing Debtor-in-Possession financing facility (the "DIP"). The DIP has been extended to March 31, 2017, with the option of a further thirty-day extension. The stay of proceedings has been extended to March 31, 2017 to correspond to the extension of the DIP. Both the stay extension and the DIP extension advanced unopposed.

Essar Steel Algoma Chief Executive Officer Kalyan Ghosh commented on the extension, "Although the Company fully expects to generate sufficient funds for operating expenses during the extension period, we have not yet been successful in completing a transaction, and thus the extension was necessary. We continue to operate business as usual while we look to engage in meaningful discussions with the union in pursuit of an agreement that works for all parties."

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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 www.ey.com/ca/essaralgoma and on the Prime Clerk website at <http://cases.primeclerk.com/EssarSteel>.

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