

## Algoma Central Corporation

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**FOR IMMEDIATE RELEASE**

**March 22, 2011**

**(TSX:ALC)**

# **Boldly Moving Forward**

## **Algoma makes significant commitment to improve Great Lakes shipping**

ST. CATHARINES, Ont. –Algoma Central Corporation expects to invest close to \$400-million in Great Lakes shipping as it takes bold steps for the future, Algoma President and Chief Executive Officer Greg Wight said Tuesday during his keynote address at the Top Hat ceremony marking the 182<sup>nd</sup> opening of the Welland Canal.

“This level of commitment to this industry is unprecedented,” Mr. Wight said. “It is now up to all of us to work together to ensure we translate commitment and optimism into reality.”

Algoma’s fleet renewal program is starting with the purchase five new state-of-the-art Equinox Class vessels, with the hope to expand this order.

The new Equinox Class was developed in St. Catharines, Ontario by a team of designers at Algoma’s downtown headquarters in partnership with engineers from around the world.

Equinox Class ships are the next generation of bulk carriers on the Great Lakes. They will be able to carry significantly more cargo and move faster than conventional vessels. Newer engine technology will result in reduced fuel consumption, which means lower fuel costs and lower emissions. The new ships will emit 60 percent less emissions than the oldest steamships still transporting grain on the Great Lakes and about 40 percent lower emissions than existing motor vessels. In addition, the new ships are designed to accommodate engine-exhaust gas scrubbers to further reduce emissions and accommodate ballast-water treatment solutions.

The first of the new ships is expected to be in service on the Great Lakes by 2013.

“The new Equinox Class vessels will provide much-needed improvements in operating efficiency and environmental performance,” Mr. Wight said. “This fleet renewal will allow us to continue our leadership position in domestic dry-bulk transportation and maintain Canadian jobs in this essential sector.”

The five new Algoma ships will be joined on the Great Lakes by two new Equinox Class freighters purchased by the Canadian Wheat Board in a historic agreement with Algoma, which will operate and manage the ships on the Wheat Board’s behalf.

“Although a major shipper of Canadian wheat on the Great Lakes -St. Lawrence Waterway, the Canadian Wheat Board has never owned ships,” said Mr. Wight. “This new investment in marine transportation combined with a long-term contract with Algoma to operate and manage the vessels, is a very concrete example of the Canadian Wheat Board’s commitment to Great

Lakes shipping. By working together we have forged a relationship that will have lasting value for all.”

Ian White, President and CEO of the Canadian Wheat Board, is the keynote speaker at the opening of the St. Lawrence section of the Seaway in Montreal today.

Algoma also recently entered an agreement to acquire the partnership interest of Upper Lakes Group Inc. in Seaway Marine Transport (SMT) along with the vessels and assets owned by Upper Lakes and used by SMT. The \$85-million deal, expected to close by the end of the month, includes:

- the acquisition of 11 bulk freighters wholly-owned by Upper Lakes;
- Upper Lakes interest in 5 additional bulk freighters owned jointly with Algoma (including a new self-unloader currently under construction); plus,
- a new Equinox Class vessel ordered by Upper Lakes.

“We are extremely pleased to have been able to reach this agreement with our long-standing partner and welcome the shipboard personnel of the acquired vessels to the Algoma family,” Mr. Wight said.

Algoma Central Corporation (TSX:ALC,) with assets of \$741 million and 2010 Revenues of \$536 million, is Canada’s largest Canadian-flag ship owner and is one of Niagara’s leading publicly-traded companies.

### **About Algoma Central Corporation**

Algoma Central Corporation owns and operates Canada’s largest fleet of vessels on the Great Lakes – St. Lawrence Waterway. Algoma also has interests in ocean dry-bulk and product tanker vessels operating in international markets. The Corporation owns a diversified ship repair and steel fabricating facility active in the Great Lakes and St. Lawrence regions of Canada. In addition, the Corporation owns and manages commercial real estate properties in Sault Ste. Marie, St. Catharines and Waterloo, ON.

### **Cautionary Statements**

This press release may include forward-looking information within the meaning of applicable securities laws including information concerning the business and future results of Algoma. Forward-looking statements in this press release include statement about a proposed transaction and the purchase of vessels by Algoma. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by this information. The statements in this press release are made as of the date of this release and are based on current expectations. Algoma undertakes no obligation to update forward-looking information, other than as required by law, or to comment on analyses, expectations or statements made by third-parties in respect to Algoma, its financial or operating results or its securities. Algoma cautions all that forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future results could be affected by a number of factors, many of

which are beyond Algoma's control, including economic circumstances, technological changes, weather conditions and the material risks and uncertainties identified by Algoma and discussed on pages 11 to 15 of Algoma's Annual Information Form for the year ended December 31, 2010, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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