



FOR IMMEDIATE RELEASE
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(TSX : ALC)

ALGOMA CENTRAL CORPORATION
Announces Agreement to Acquire Upper Lakes Group Interests in Seaway Marine Transport

Algoma Central Corporation ("Algoma") announced today that it has entered into a definitive agreement to acquire from Upper Lakes Group Inc. ("ULG") its partnership interest in Seaway Marine Transport and related entities (collectively, "SMT") along with the vessels and assets owned by ULG and its affiliates and used by SMT in its Great Lakes – St. Lawrence Waterway dry-bulk freight business.

Under the terms of the transaction, Algoma will acquire 11 vessels currently owned by ULG, consisting of four gearless and seven self-unloading bulk freighters. Algoma will also acquire ULG's interest in two gearless and two self-unloading bulk freighters that are now owned jointly by Algoma and ULG as well as ULG's interest in a self-unloader currently under construction at Chengxi Shipyard in China, which is expected to arrive in Canada in July, 2011. The purchase price under the transaction is \$85,000,000, subject to certain adjustments. The transaction is expected to close by the end of March, 2011, subject to customary closing conditions including receipt of all required regulatory approvals.

On December 21, 2010, Algoma announced the signing of an agreement for the purchase of four new maximum St. Lawrence Seaway-sized dry-bulk lake freighters from Nantong Mingde Shipyard in China ("NMD"). The order includes one gearless bulk freighter and three self-unloading vessels. As a result of the transaction described above, Algoma will acquire a second gearless bulk freighter currently on order by ULG from NMD. This vessel was described in Algoma's February 8, 2011 Press Release. This gearless bulk carrier purchase brings to five the total number of "Equinox Class" lakers ordered by Algoma from NMD. These vessels will be joined in SMT with an additional two new Equinox Class gearless bulk carriers to be purchased by the Canadian Wheat Board. This purchase was also announced in Algoma's February 8, 2011 Press Release. The new Equinox Class vessels are expected to arrive in 2013 – 2014.

"We are extremely pleased to have been able to reach this historic agreement with our longstanding partner, ULG and to welcome the shipboard personnel of the acquired vessels to the Algoma family," said Greg Wight, President and Chief Executive Officer of Algoma. "Combined with the recent announcement of our significant investment in state of the art new Equinox Class lake freighters, the acquisition of the ULG fleet and the remaining interest in SMT will allow Algoma to enhance its focus on its domestic dry-bulk marine transportation segment and the very important task of fleet renewal. New Equinox Class vessels will provide much needed improvements in operating efficiency and environmental performance. Fleet renewal will allow us to continue our leadership position in domestic dry-bulk transportation and maintain Canadian jobs in this essential sector."

About Algoma Central Corporation

Algoma Central Corporation owns a domestic Canadian fleet of vessels operating on the Great Lakes - St. Lawrence Waterway. Prior to this transaction, Algoma's fleet consisted of twelve self-unloading and seven gearless bulk carriers along with seven product tankers. The Corporation also has interests in ocean dry-bulk and product tanker vessels operating in international markets. The Corporation owns a diversified ship repair and 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, Ontario.

About Seaway Marine Transport

SMT was formed in 2004 but its roots extend back to its predecessors, Seaway Bulk Carriers, formed in 1990 and Seaway Selfunloaders, formed in 1994. The SMT partnership operates and manages the Canadian-flag gearless and self-unloading bulk freighters owned by Algoma and ULG that serve the Great Lakes - St. Lawrence Waterway. Today, SMT operates a diversified fleet of dry-bulk cargo vessels in this area.

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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 statements about the proposed transaction, the expected date of closing, 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 of Algoma, its financial or operating results or its securities. Algoma cautions that all 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.