

FOR IMMEDIATE RELEASE
August 9, 2006

ALGOMA CENTRAL CORPORATION
Operating results to June 30, 2006 and 2005
(in thousands of dollars ,except per share figures)

	Three Months Ended June 30		Six Months Ended June 30	
	2006	2005	2006	2005
Revenue from continuing operations	\$162,671	\$149,293	\$215,448	\$197,144
Net earnings (loss):				
Continuing operations	\$17,873	\$16,239	\$4,984	\$620
Discontinued operations	725	(175)	725	461
Total	\$18,598	\$16,064	\$5,709	\$1,081
Earnings per share				
Continuing operations	\$4.58	\$4.17	\$1.27	\$0.16
Discontinued operations	0.19	(0.05)	0.19	0.12
Total	\$4.77	\$4.12	\$1.46	\$0.28
Dividends paid per common share:	\$0.35	\$0.25	\$0.60	\$0.50

The Corporation is reporting earnings from continuing operations for the three months ended June 30, 2006 of \$17,873 compared to \$16,239 for the same period in 2005, and earnings from continuing operations for the six months ended June 30, 2006 of \$4,984 compared to \$620 for the same period in 2005.

The improvements in earnings for both the three and six months ended June 30, 2006 compared to the comparable periods in 2005 were a result of the following factors:

- The product tanker segment earnings improved principally due to additional operating days as a result of the *Algosea* and *Amalienborg* entering service in July 2005 and April 2006 respectively, and reduced earnings for the six months ended June 30, 2005 due to costs associated with the wind-up of U.S. operations relating to the transfer of registration of a tanker vessel from U.S. to Canadian flag. Also, in 2005, the Corporation had a gain on the sale of a vessel which it did not have in 2006.
- The real estate segment earnings increased partly due to earnings from the new real estate property in Waterloo, Ontario.
- Decrease in income tax expense of \$2,805 due to the announcement by the Federal government concerning future corporate tax rate reductions.
- Foreign exchange gains on translation of foreign denominated assets and liabilities.

The above increases in earnings were partially offset with reductions in both the domestic dry-bulk segment and ocean shipping.

For the three months ended June 30, 2006 compared to same period in 2005, the domestic dry-bulk segment experienced a decrease in earnings. Even though increases were achieved in net freight revenues due to improved efficiencies, they were more than offset by higher operating expenses, primarily for self-insurance relating to vessel accidents and an increase in expense relating to the repairs and maintenance during the winter lay-up period. For the six months ended June 30, 2006, the reduction in earnings experienced in the three months ended June 30, 2006 was partly offset by improved earnings for the three months ended March 31, 2006 due to additional operating days and increased earnings of the ship repair business. Ocean shipping experienced a reduction in earnings due to a reduction in operating days due to the scheduled dry-docking of two vessels.

On July 5, 2006 the Board of Directors declared a dividend of \$0.35 per common share payable on September 1, 2006 to shareholders of record on August 18, 2006.

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