

**FOR IMMEDIATE RELEASE**  
**May 9, 2007**

**ALGOMA CENTRAL CORPORATION**  
**Operating Results to March 31, 2007 and 2006**

(In thousand of dollars except per share data)

	<u>2007</u>	<u>2006</u>
Revenue	\$ 52,028	\$ 52,777
Net loss	\$ 11,736	\$ 12,889
Loss per share	\$ 3.02	\$ 3.31
Dividends paid per common share	\$ 0.35	\$ 0.25

The Corporation is reporting a net loss for the three months ended March 31, 2007 of \$11,736 compared to a net loss of \$12,889 for the same period in 2006.

The decrease in the net loss for the three months ended March 31, 2007 when compared to the same prior year period was due primarily to the following:

- Improved earnings for the ocean shipping segment due mainly to additional operating days as a result of a regulatory planned dry docking during the first quarter in 2006.
- Reduction in amortization expense due to changes in the remaining estimated lives of certain capital assets.
- Improved earnings for the product tanker fleet due primarily to additional operating days with the addition of the *Amalienborg* in April 2006.

The above increases in net earnings were partially offset with reductions in earnings of the domestic dry-bulk segment due mainly to a decrease in utilization due to reduced demand in the utility and salt sectors.

The nature of the Corporation's business is such that the earnings in the first quarter of each year is not indicative of the results for the other three quarters in a year. Due to the closing of the canal system and the winter weather conditions in the Great Lakes -St Lawrence Waterway, the majority of the domestic dry-bulk fleet does not operate for much of the first quarter and significant repair and maintenance costs are incurred in the first quarter to prepare the domestic dry-bulk fleet for the upcoming navigation season. As a result, the first quarter revenues and earnings are significantly lower than the remaining quarters in the year.

On May 9, 2007, the Board of Directors declared a dividend of \$0.35 per common share payable on June 1, 2007 to shareholders of record on May 18, 2007.

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