



**FOR IMMEDIATE RELEASE**  
**August 5, 2009**

**ALC-T**

**ALGOMA CENTRAL CORPORATION**

**Operating Results**

**For the Three and Six Months Ended June 30, 2009 and 2008**

(In thousand of dollars except per share data)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenue	\$ 141,199	\$ 196,969	\$ 201,634	\$ 265,676
Net earnings (loss)	\$ 13,509	\$ 14,196	\$ (4,944)	\$ 5,925
Earnings (loss) per share	\$ 3.47	\$ 3.65	\$ (1.27)	\$ 1.52
Dividends paid per common share	\$ 0.45	\$ 0.35	\$ 0.90	\$ 0.80

*Second Quarter Results*

The Corporation is reporting net earnings for the three months ended June 30, 2009 of \$13,509 compared to \$14,196 for the same period in 2008.

The decrease in net earnings for the quarter ended June 30, 2009 of \$687 when compared to the same prior year period was due primarily to a decrease in operating earnings net of income tax of the Domestic Dry-Bulk segment which was partially offset with the improvements in operating earnings net of income tax of the Product Tanker and Ocean Shipping segments and net foreign exchange gains.

The Domestic Dry-Bulk segment's operating earnings net of income tax decreased by \$7,847 due to significantly fewer operating days as a result of the current economic conditions and higher spending on repairs and maintenance.

The Product Tankers segment operating earnings net of income tax increased by \$4,005 due to reduced repair and maintenance costs in 2009 when compared to 2008 as a result of a regulatory dry-docking in 2008 and the addition of the two new product tankers, the *Algonova* and *AlgoCanada*, in late 2008.

The Ocean Shipping segment operating earnings net of income tax increased by \$1,581 due to lower earnings in the 2008 second quarter because of higher costs for regulatory dry-dockings. There were two planned regulatory dry-dockings in each period.

Net foreign exchange gains on the translation of foreign denominated assets and liabilities were higher in the second quarter of 2009 by \$3,581 due mainly to the translation of foreign-denominated net liabilities from the strengthening of the Canadian dollar against the U.S. dollar. In the second quarter of 2008 the Corporation incurred net foreign exchange losses due mainly to the translation to Canadian dollars of Euro denominated short-term cash deposits.

### *Six-Month Results*

For the six months ended June 30, 2009, the Corporation is reporting a net loss of \$4,944 compared to net earnings of \$5,925 for the same period in the prior year. The decrease in earnings of \$10,869 was largely a result of the decrease in the operating earnings net of income tax of the Domestic Dry-Bulk and Real Estate segments and a decrease in net foreign exchange gains.

The Domestic Dry-Bulk segment's operating loss net of income tax increased from \$10,965 in 2008 to \$19,272 in 2009 due primarily to fewer operating days and an increase in repair and maintenance costs.

The Real Estate segment operating earnings net of income tax decreased from \$2,723 in 2008 to \$2,095 in 2009 due primarily to a gain in 2008 on a sale of a property and reduced earnings from the hotel operations.

In 2008 to June 30, the net foreign exchange gains were \$5,313 compared to \$1,862 for the similar period in 2009. The decrease of \$3,451 is due primarily to the 2008 gains on the translation to Canadian dollars of Euro denominated short-term cash deposits due to the weakening of the Canadian dollar.

Partially offsetting the above decreases was an improvement in the operating earnings net of income tax of the Product Tankers segment of \$1,790 due primarily to the addition of the two new product tankers, the *Algonova* and *AlgoCanada*, in late 2008, and reduced tax expense. Also partially offsetting the above decreases were improved operating earnings net of income tax of the Ocean Shipping segment due primarily to foreign exchange.

On July 8, 2009, the Board of Directors declared a dividend of \$0.45 per common share payable on September 1, 2009 to shareholders of record on August 18, 2009.

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Greg D. Wight, F.C.A.  
President and Chief Executive Officer  
905-687-7850

David G. Allen  
Vice President, Finance and Chief Financial Officer  
905-687-7897