

Algoma Central Corporation

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FOR IMMEDIATE RELEASE
March 18, 2011

(TSX:ALC)

ALGOMA CENTRAL CORPORATION Announces Increase to Bought Deal Financing

Toronto, Ontario - Algoma Central Corporation ("**Algoma**") (TSX:ALC) is pleased to announce that it has entered into an agreement, increasing its previously announced financing of 6.0% convertible unsecured subordinated debentures (the "**Debentures**") to an aggregate principal amount of \$60,000,000 at a price of \$1,000 per Debenture on a bought deal basis to a syndicate of underwriters co-led by TD Securities Inc. and CIBC, and including Scotia Capital Inc., HSBC Securities (Canada) Inc. and Laurentian Bank Securities Inc. (the "**Underwriters**"). Algoma has also granted the Underwriters an over-allotment option to purchase up to an additional \$9,000,000 aggregate principal amount of Debentures at the same price exercisable in whole or in part at any time for a period of 30 days following closing.

Algoma will use the net proceeds of the offering for general corporate purposes, including new vessel construction and to partially fund the acquisition of the partnership interest in Seaway Marine Transport that it does not already own along with related vessels and assets.

The offering is expected to close on or about April 6, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange.

A preliminary short-form prospectus will be filed by March 23, 2011 with the securities regulatory authorities in all provinces of Canada. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registrations requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

ALGOMA CENTRAL CORPORATION

Algoma Central Corporation owns and operates Canada's largest domestic 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. Algoma owns a diversified ship repair and fabricating facility active in the Great Lakes and St. Lawrence regions of Canada. In addition, Algoma owns and manages commercial real estate properties in Sault Ste. Marie, St. Catharines and Waterloo, Ontario.

FORWARD-LOOKING STATEMENTS

Certain information included in this press release is forward-looking, within the meaning of applicable securities laws. Much of this information can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates",

“continues” or similar words. In particular, this press release includes forward-looking statements pertaining to the proposed timing of completion of the offering. Algoma believes the expectations reflected in such forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking statements are based on current information and expectations that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to, risks associated with the ability to satisfy regulatory and commercial closing conditions of the offering, the uncertainty associated with accessing capital markets and the risks related to Algoma’s business, including those identified in Algoma’s Annual Information Form for the fiscal year ended December 31, 2010 on pages 11 to 15. Reference should be made to this additional information prior to making any investment decision. Forward looking statements contained in this press release are made as of the date hereof and are subject to change. Algoma assumes no obligation to revise or update forward looking statements to reflect new circumstances, except as required by law.

FOR FURTHER INFORMATION PLEASE CONTACT:

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