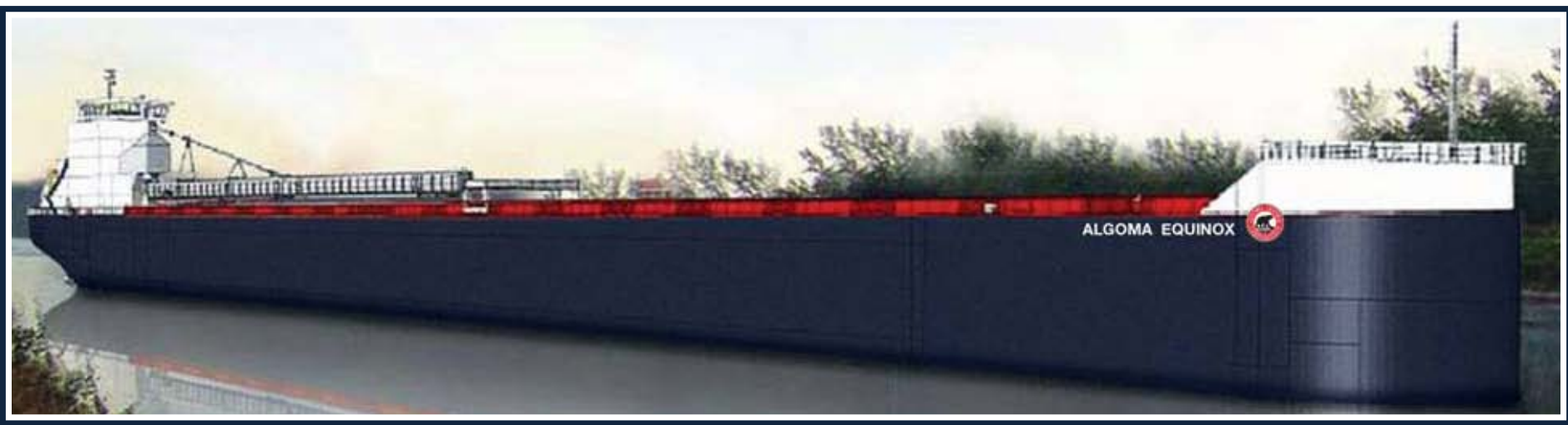




Scotia Capital Transportation and Aerospace Conference

Tuesday, November 15, 2011



PRESENTERS

Greg D. Wight, FCA
President and
Chief Executive Officer

Peter D. Winkley, CA
Vice-President, Finance and
Chief Financial Officer

FORWARD-LOOKING STATEMENTS



Certain statements in this document about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct.

Certain assumptions in respect of the determination of tonnages shipped, freight rates, fuel costs, general inflation rates, USD/CAD exchange rates and capital expenditures are material factors made in preparing forward-looking information and management's expectations. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" in our current Annual Information Form: significant competition in the shipping industry and other transportation providers, impact of unionized environment on labour costs, reliance on commercial pooling relationships, on-time and on-budget delivery of new ships, and appropriate maintenance and repair of our existing fleet, government regulations affecting the cost of environmental, health, and safety compliance, a change in other applicable laws and regulations, the risk that foreign exchange rates have an adverse impact on our results and ability to pay our debt, economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels, our ability to raise new equity and debt financing when required, extreme weather conditions or natural disasters, our dependence on our ability to attract and retain quality employees, the seasonal nature of our business.

These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein or any other document delivered in connection with the offering of the Notes, recognizing that all such forward looking information is based on assumptions about the future that may not ultimately be born out and are subject to many risks and uncertainties, including those listed above. Furthermore, unless otherwise stated, the forward-looking statements contained in this document and delivered in connection with the offering of the Notes are made as of the date of hereof (unless stated to be as of an earlier date), and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document and all other documents delivered in connection with the offering of the Notes are expressly qualified by this cautionary statement. Management approved the forward looking financial information as of November 3, 2011.

ALL AMOUNTS IN C\$ MILLIONS EXCEPT PER SHARE AMOUNTS, UNLESS NOTED

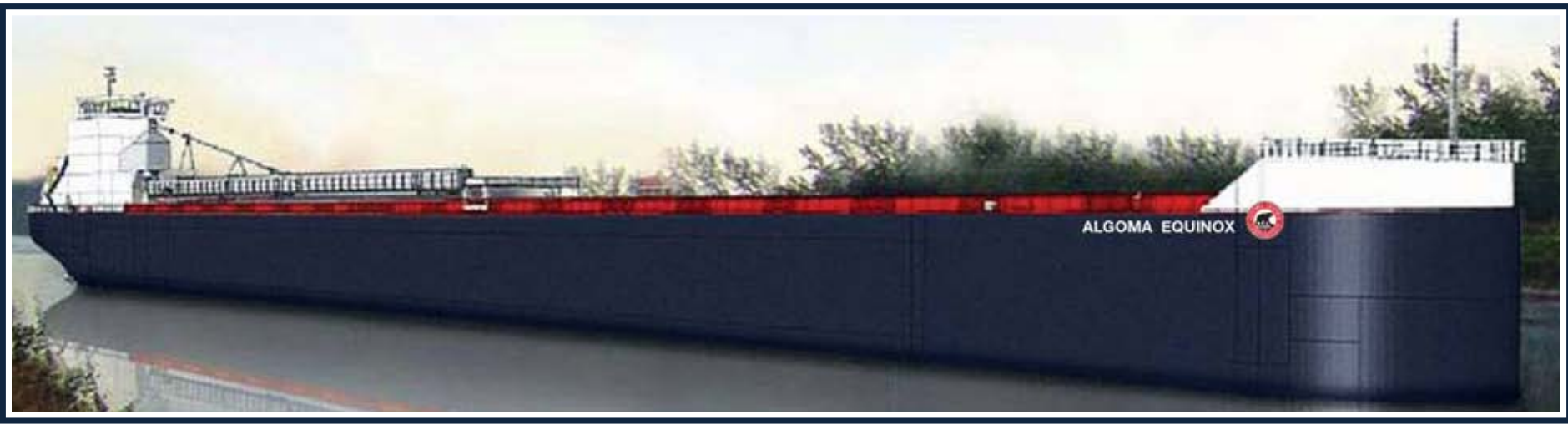


AGENDA

- 1. Our Businesses**
- 2. Financial Results**
- 3. Building for the Future**
- 4. Algoma's Strategy**
- 5. Business Challenges**
- 6. Conclusion**



OUR BUSINESSES



THE ALGOMA ORGANIZATION



Domestic Dry-Bulk Segment



Algoma Dry-Bulk

Owns and operates 29 vessels with 6 Equinox Class and 2 CWB Equinox Class on order



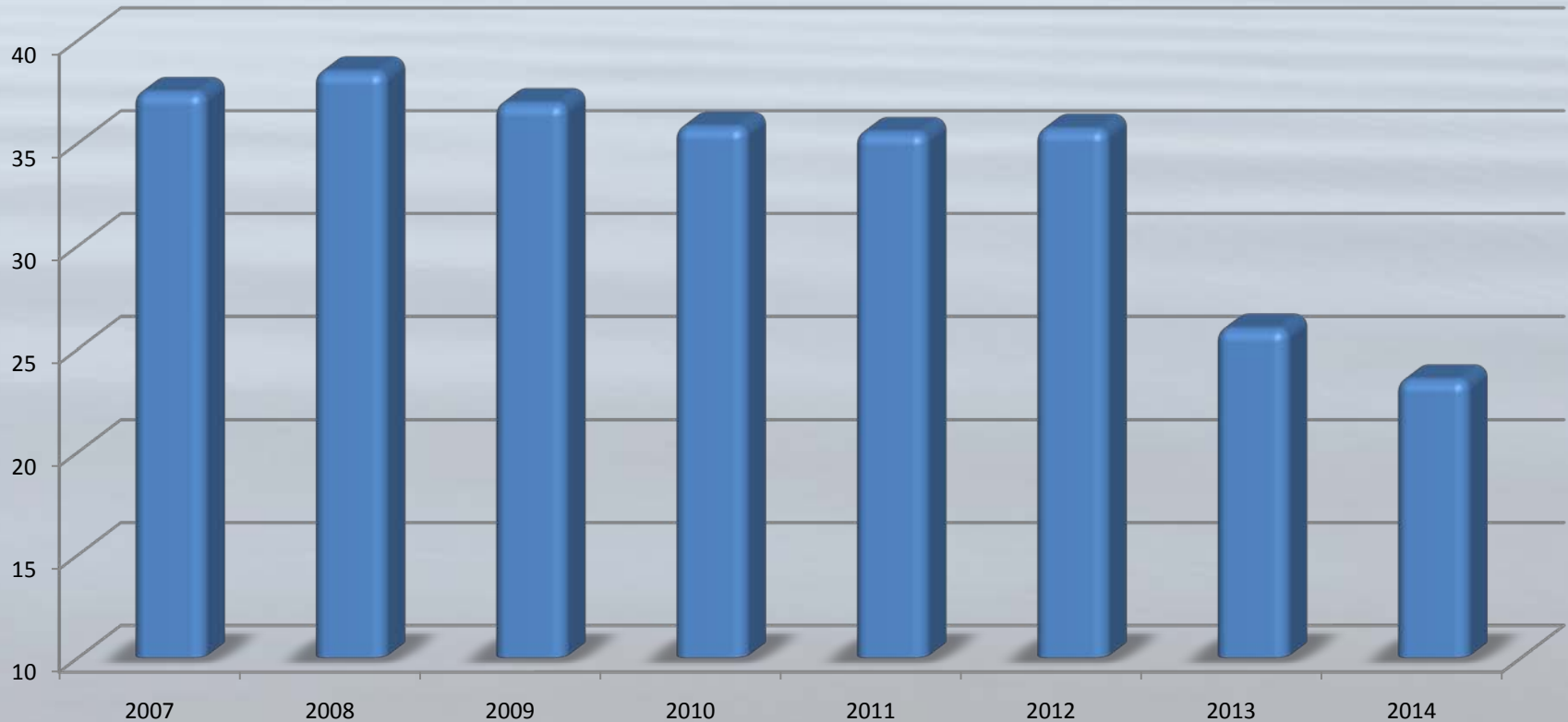
Fraser Marine & Industrial

Specialty Steel Fabrication
& Ship Repair



- Algoma is the largest owner and operator of vessels on the Great Lakes / St. Lawrence Waterway
- Aggressively investing in new Equinox Class ships
- Fraser is the largest top-side ship repair company covering the Great Lakes

AVERAGE FLEET AGE – DOMESTIC DRY-BULK



Retirement of 8 ships since 2007 and addition of Equinox fleet will see the average age of our Domestic Dry-Bulk fleet reduced substantially by 2014.

DIVERSIFIED, LONG-TERM CUSTOMERS



Diversified Customer Base



U.S. Steel

Favourable Contract Terms

- Excess of 90% of Algoma's revenue is under contract
- Average length of 3-5 years
- Typically commit customers to using the Company to fill a minimum percentage of its shipping needs
- Include price escalation clauses, typically tied to inflation rates
- Fuel cost risk is borne by the customer

PRODUCT TANKER SEGMENT



Algoma Tankers Limited

Owns and operates 7 domestic product tankers



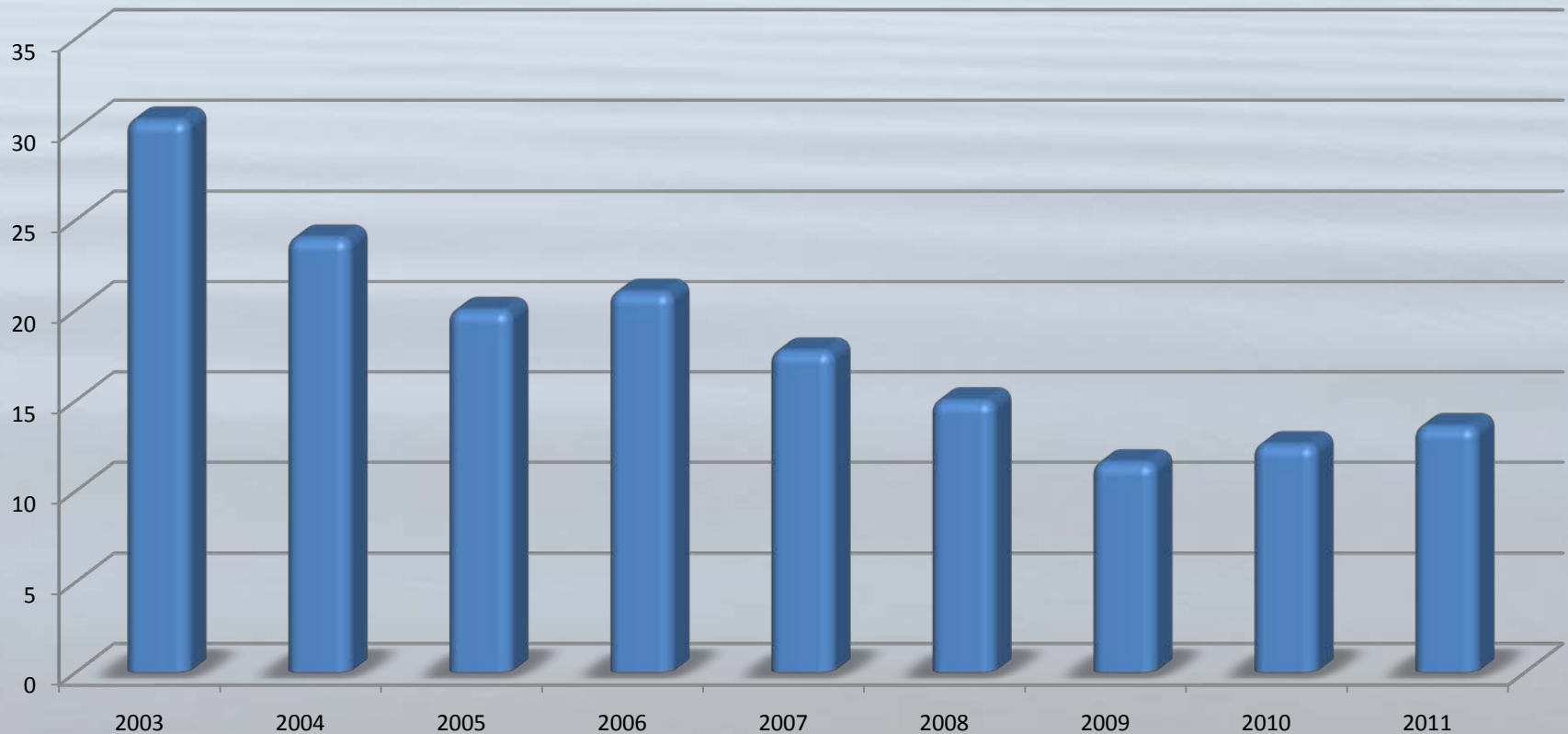
Algoma Tankers International Inc.

Owns and operates 1 foreign-flag product tanker



- Algoma owns and operates the largest fleet of product tankers on the Great Lakes / St. Lawrence Waterway
- Invested \$200 million since 2000 in double – hulled vessels

AVERAGE FLEET AGE – DOMESTIC TANKERS



Algoma's investment in double-hulled vessels has also reduced the age of our Domestic Tanker fleet.

LONG-TERM RELATIONSHIP WITH IMPERIAL OIL



Established Key Customer Relationship

Invested to Improve Fleet

- Fleet originally acquired from Imperial Oil in 1998
- Algoma has since invested to replace and upgrade all ships with double-hulled vessels
- Acquired the *Algonova* and *AlgoCanada*, two new product tankers, in 2009/2010
- Expanded capacity to enable Algoma Tankers to service other oil majors in the market



Imperial Oil

OCEAN SHIPPING SEGMENT



Algoma Shipping Inc.

Owns and operates 2 foreign-flag self-unloaders



Marbulk Canada Inc.

/ Marbulk Shipping

Owns and operates 5 foreign flag self-unloaders



- Ocean Shipping vessels are members of the world's largest pool of ocean-going self-unloaders
- Trade primarily on east and west coasts of the Americas



INTERNATIONAL POOL CUSTOMERS

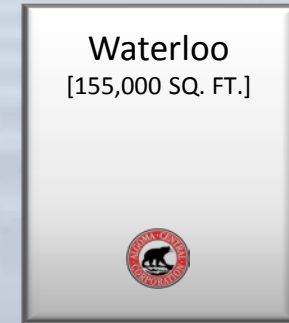
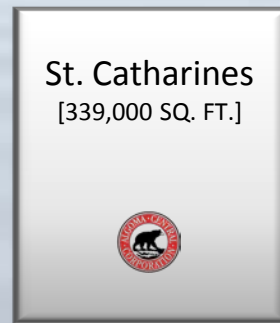
Diversified Customer Base



Favourable Contract Terms

- As a ship owner, Algoma Ocean Shipping participates as a member in the CSL International Pool
- The Pool has long relationships with top-ranked industrial customers
- Aggregates, salt, gypsum, and coal are the primary commodities
- Most customers are under long-term (three to five year) contracts
- Some contracts contain volume thresholds, others are exclusive or preferred provider style contracts

REAL ESTATE SEGMENT



- Owner and manager of commercial real estate in mid-market Ontario cities
- Conservative, value-oriented investor
- All real estate is unencumbered, allowing for flexibility

REAL ESTATE HOLDINGS

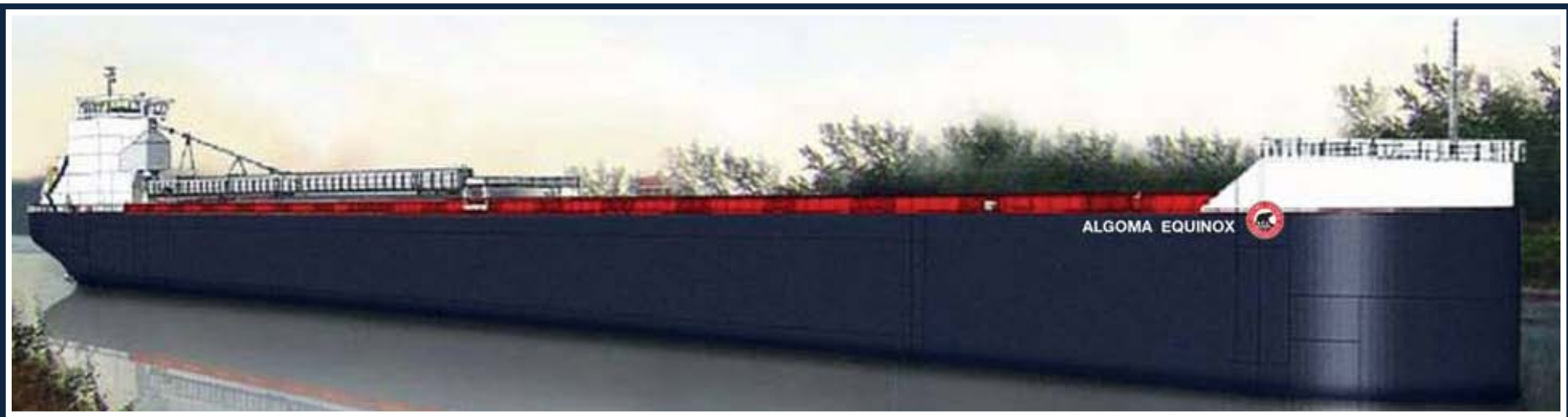


- Sault Ste. Marie:
 - shopping mall, hotel, two office buildings, and a residential apartment building in key waterfront location. Hotel is managed by Delta
- St. Catharines:
 - four office buildings, two commercial plazas, and a light industrial plaza
- Waterloo:
 - three office buildings in a technology park complex
- The estimated market value of the real estate assets at December 2010 was \$170 million





Financial Results



CONSOLIDATED RESULTS

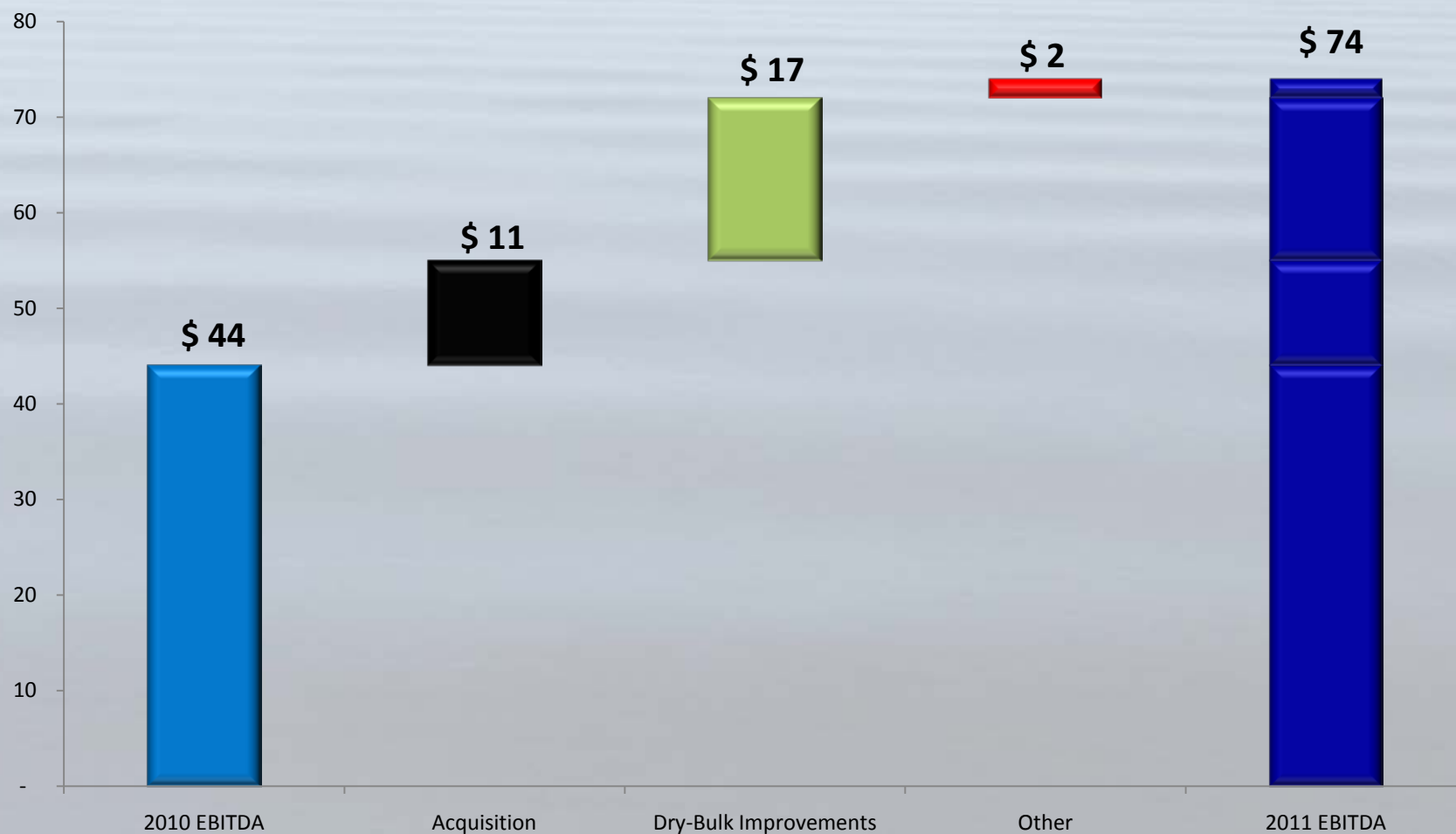


- Continued improvement over 2010
- ULG Transaction has had a significant impact on reported results
- Earnings in first quarter include significant costs associated with annual winter maintenance on domestic dry-bulk fleet

	Nine Months	
	2011	2010
Revenues	\$ 398	\$ 271
EBITDA	\$ 74	\$ 44
Net Earnings	\$ 35	\$ 11
Earnings per Share	\$ 9.12	\$ 2.79
Dividends per Share	\$ 1.35	\$ 1.35



EBITDA Bridge – 2010 to 2011





DOMESTIC DRY-BULK

- Revenues for 2010 reflect only our 59% interest in Seaway Marine Transport
- EBITDA increase reflects addition of former ULG vessels to fleet, improving markets, and integration synergies
- Asset growth reflects the ULG Transaction and transfer of three ocean-class freighters to lake service, along with instalment payments on Equinox Class ships

Domestic Dry-Bulk	Nine Months	
	2011	2010
Revenues	\$ 256	\$ 128
BU EBITDA	\$ 47	\$ 16
Assets *	\$ 392	\$ 230

* 2011 assets at September 30,

* 2010 assets as at December 31



PRODUCT TANKER

- Improved results from continued improvement in market demand
- *Algonova* and *Algocanada* qualified for duty remission, resulting in decreased capital cost

Product Tankers	Nine Months	
	2011	2010
Revenues	\$ 65	\$ 54
BU EBITDA	\$ 25	\$ 21
Assets *	\$ 193	\$ 213

* 2011 assets at September 30,

* 2010 assets as at December 31



OCEAN SHIPPING

- Ocean Shipping activity has been steady through the North American downturn
- Long-term nature of contracts means limited impact from fluctuation in the Baltic Dry Index
- 2011 impacted by scheduled dry-docking (out-of-service period)

Ocean Shipping	Nine Months	
	2011	2010
Revenues	\$ 55	\$ 67
BU EBITDA	\$ 17	\$ 19
Assets *	\$ 81	\$ 83

* 2011 assets at September 30

* 2010 assets as at December 31

REAL ESTATE



- Refurbishment of Station Mall in Sault Ste. Marie is on-going
- SportChek location opened in September and Wal-Mart expected to open in the current Zellers location in 2012

Real Estate	Nine Months	
	2011	2010
Revenues	\$ 22	\$ 22
BU EBITDA	\$ 6	\$ 6
Assets *	\$ 76	\$ 74

* 2011 assets at September 30,

* 2010 assets as at December 31

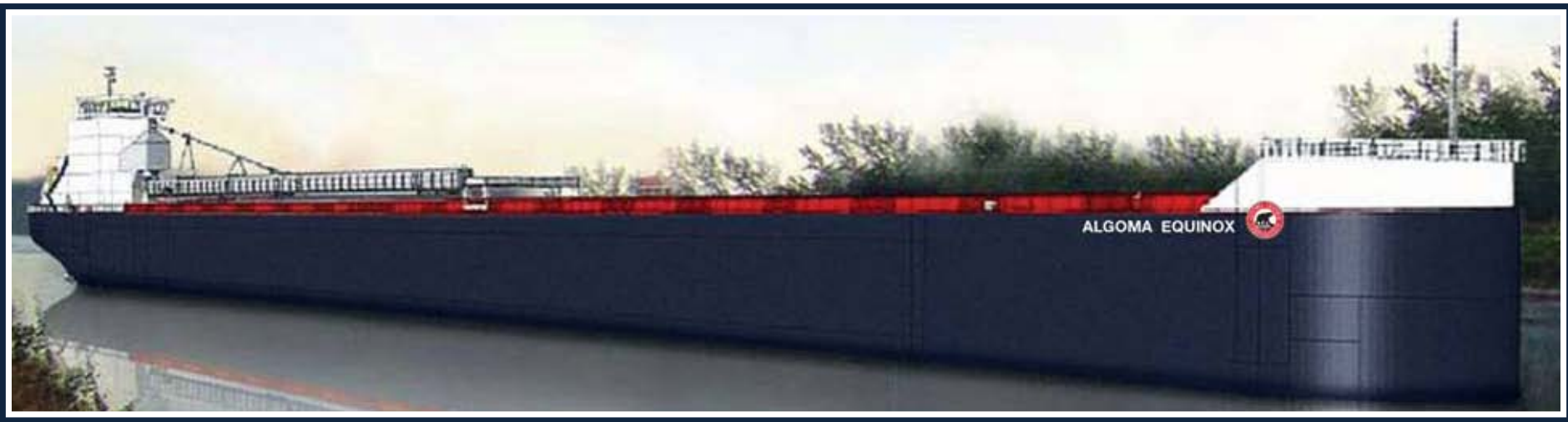
SUMMARY FINANCIAL POSITION



	Sept. 2011	Dec. 2010
<ul style="list-style-type: none"> ■ Strong cash position as a result of re-financing – debt to total capital is 34% ■ Increase in capital assets reflects ships acquired from Upper Lakes ■ Other long-term assets includes \$37 of deposits on cancelled tankers ■ Long-term debt includes Notes, Debentures, and existing ship loans. The revolver is currently undrawn 		
Cash	\$ 77	\$ 43
Total current assets	\$ 177	\$ 126
Capital assets	600	536
Other long-term assets	49	3
Total assets	<u>\$ 826</u>	<u>\$ 665</u>
Current liabilities (ex-debt)	\$ 76	\$ 67
Long-term debt	235	118
Other liabilities	67	70
Total liabilities	<u>378</u>	<u>255</u>
Total equity	<u>448</u>	<u>410</u>
Total liabilities and equity	<u>\$ 826</u>	<u>\$ 665</u>
Debt to Total Capital	34 %	22 %



Building for the Future





BUILDING BLOCKS FOR THE FUTURE

Four effective contracts for Algoma



Algoma/ULS Announcement



Closing of ULG Transaction



New credit facility and USPP Notes



Equinox Class 1st Steel Cutting



10/10/01

10/12/21

11/02/08

11/02/25

11/04/06

11/04/14

11/04/15

11/07/19

11/08/25

11/09/10

Duty removal Announcement



Two effective contracts for CWB
One effective contract for ULS



Convertible debenture issue



Restructuring of SMT



Algoma Mariner Christening



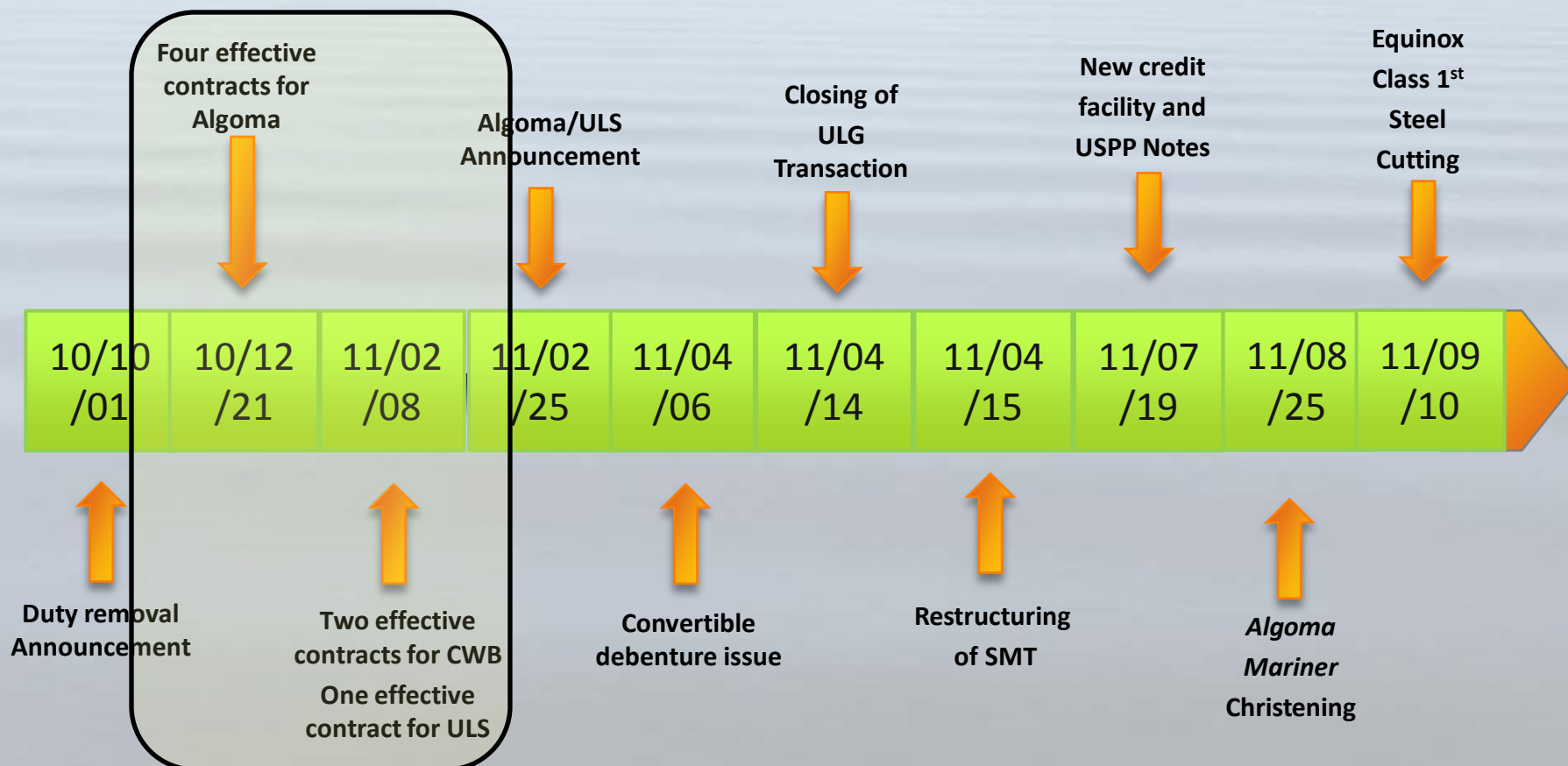
DUTY REMOVAL ANNOUNCED



- October 1, 2010, the Canadian Government removed the 25% import duty
- Announcement made in St. Catharines
- Final critical pre-condition for our Equinox purchase

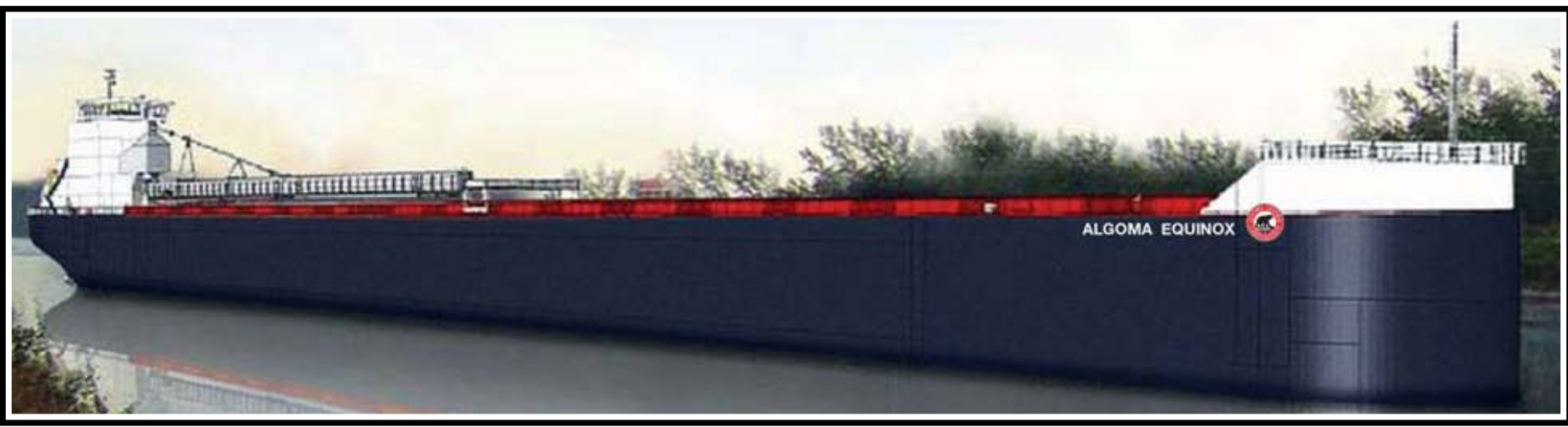


BUILDING BLOCKS FOR THE FUTURE



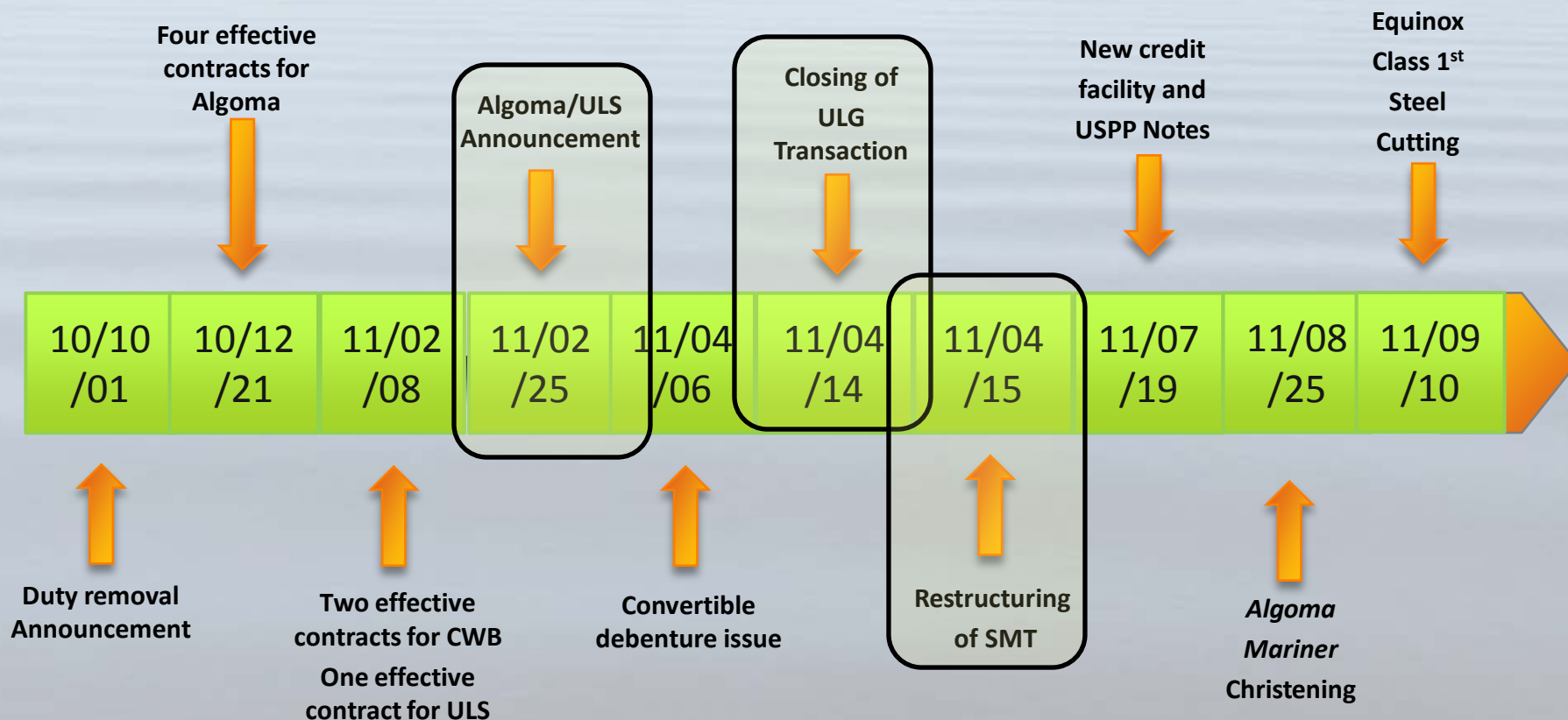


Algoma Equinox Class Video





BUILDING BLOCKS FOR THE FUTURE



April 14, 2011 – ULG TRANSACTION



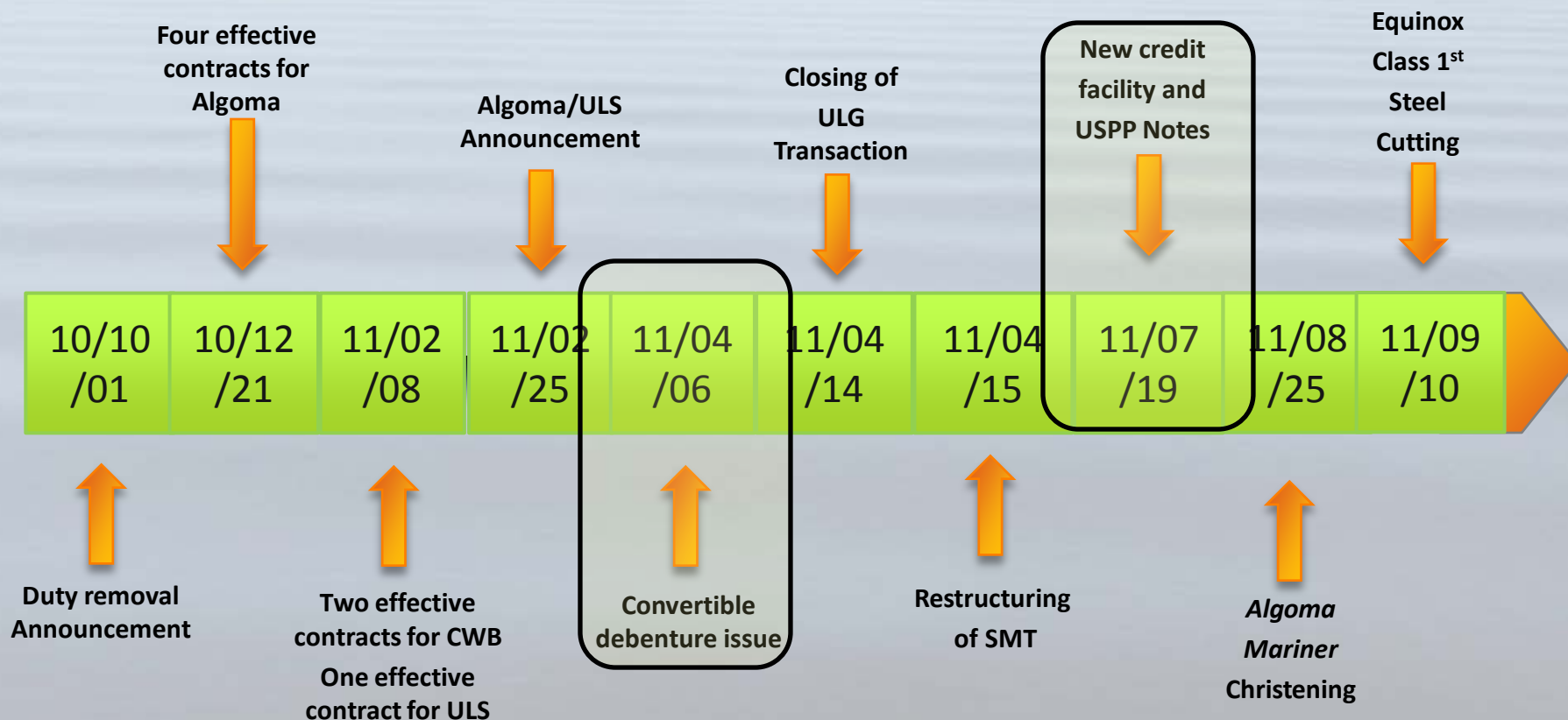
ALGOMA CENTRAL CORPORATION

**Acquires Upper Lakes Group Interest in Seaway
Marine Transport and 11 Vessels to form
Algoma Domestic Dry-Bulk**





BUILDING BLOCKS FOR THE FUTURE



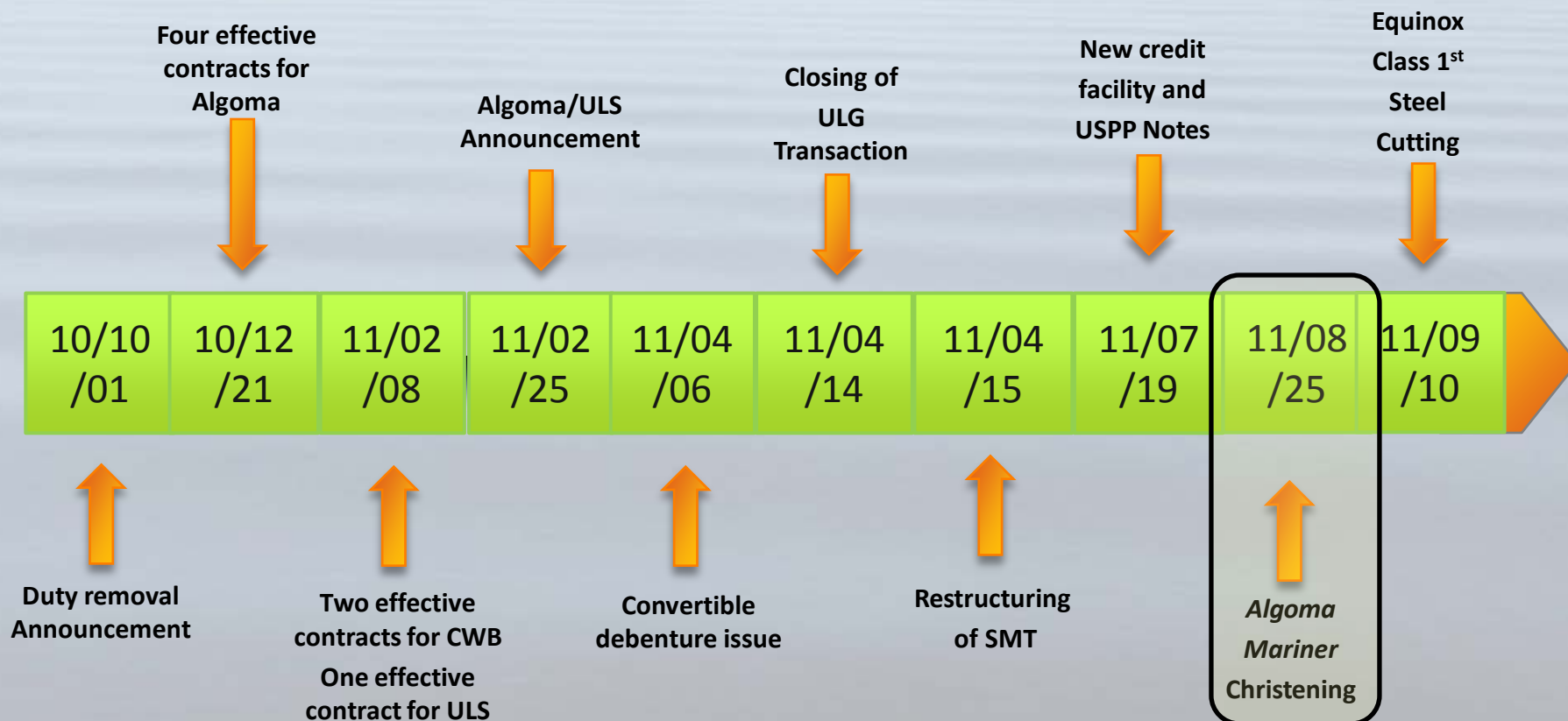
ALGOMA 2011 RE-FINANCING



- Long-term fixed portion - \$250M, comprising
 - \$69M of convertible debentures at 6%
 - \$150 of private placement notes (C\$75M @ 5.52% + US\$75M @ 5.11%)
 - \$30M from existing bi-laterals
- Revolving portion - \$150M traditional bank revolver
- Tenure
 - Debentures at 7 years - 17%
 - Notes at 10 years (bullet) – 37.5%
 - Bi-laterals (amortizing) – 8%
 - Revolver at 5 years – 37.5%



BUILDING BLOCKS FOR THE FUTURE

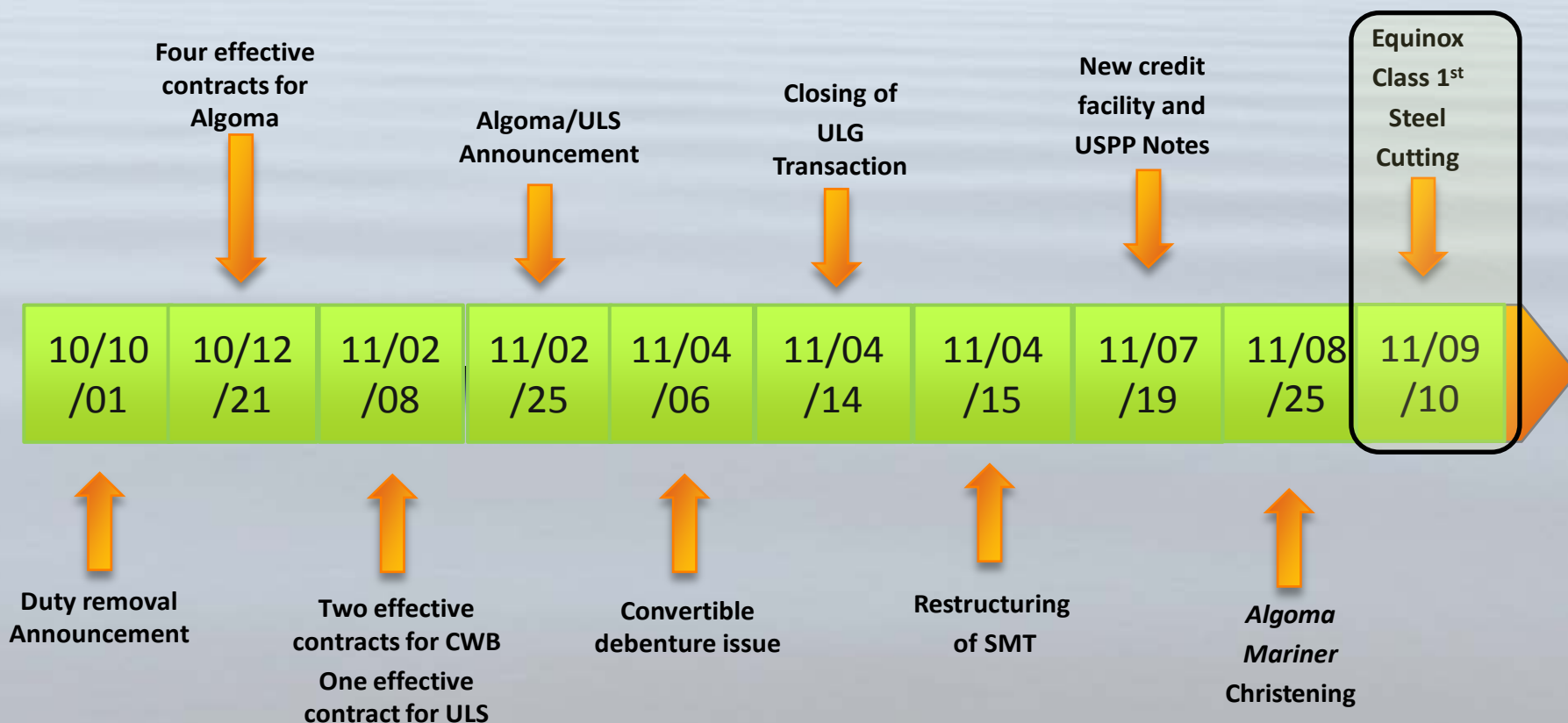


2010 & 2011 - TWO NEW MAX-SEAWAY SIZE COASTAL SELF-UNLOADERS ADDED

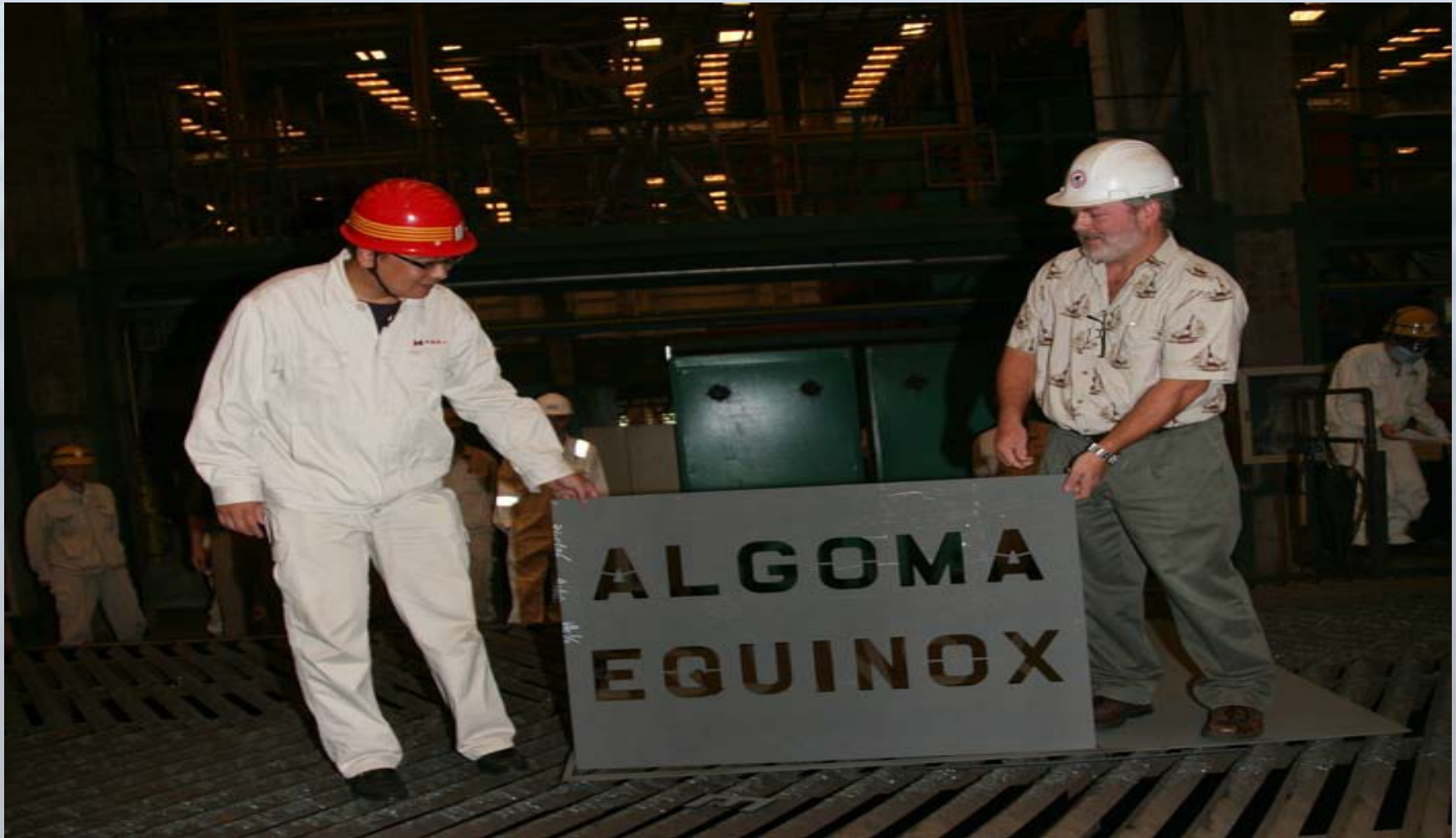




BUILDING BLOCKS FOR THE FUTURE

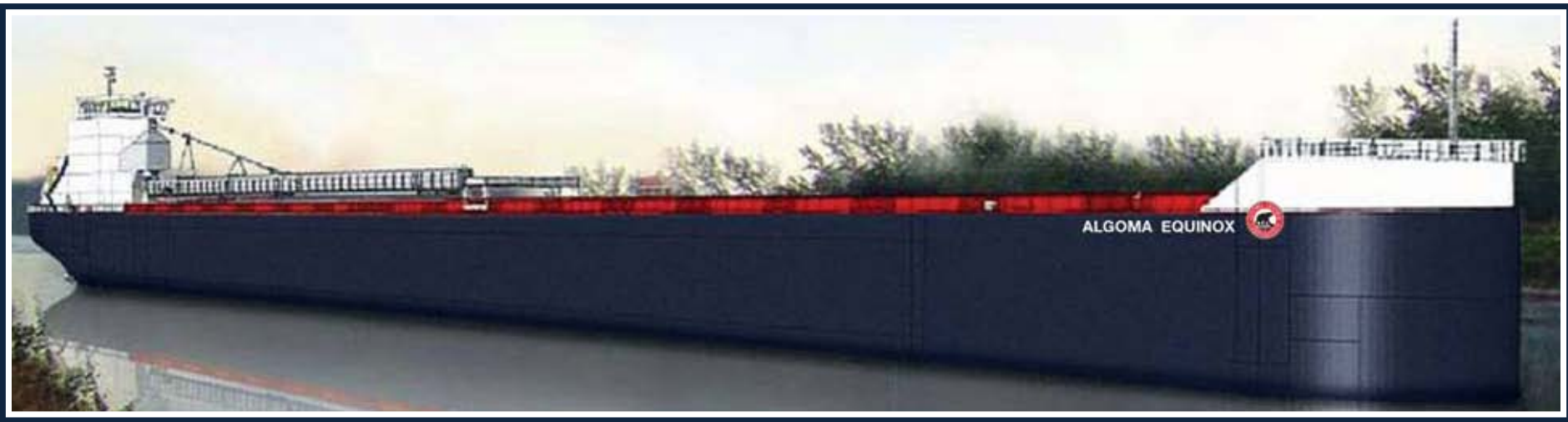


STEEL CUTTING for ALGOMA EQUINOX





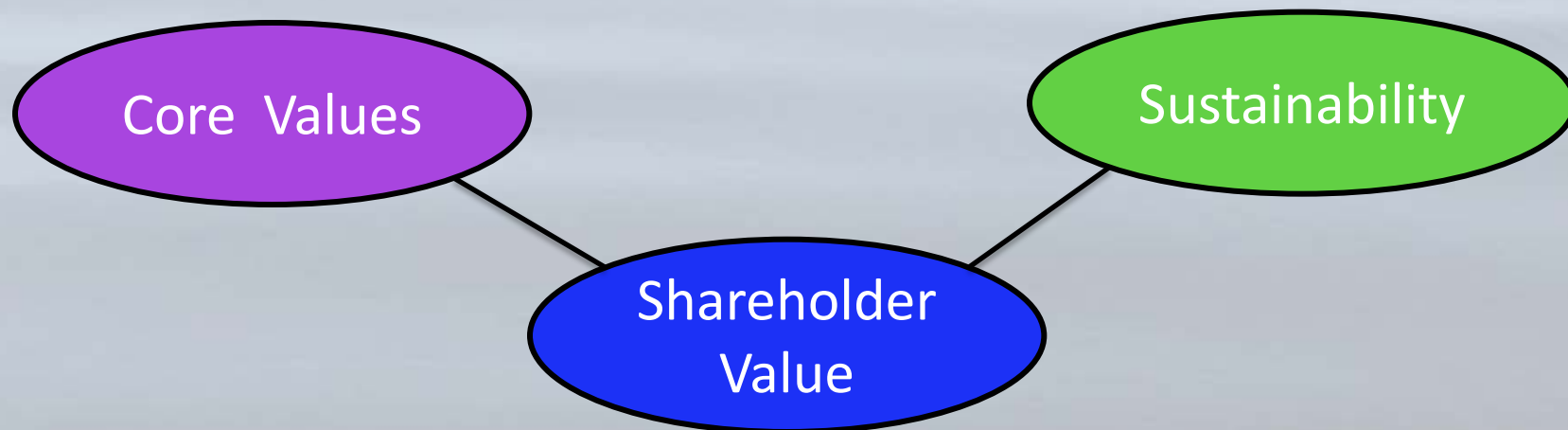
Algoma's Strategy





CORPORATE VISION

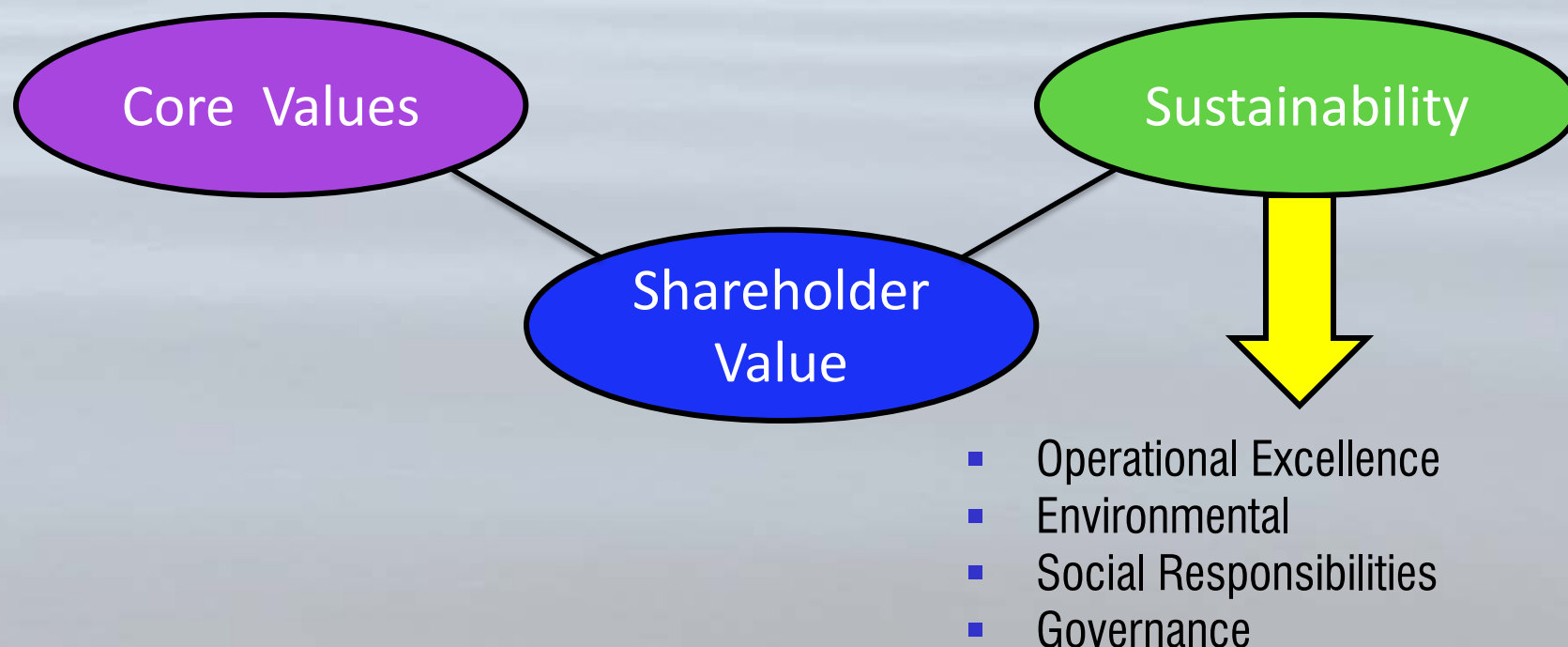
- Continual growth of **long-term shareholder value** while operating in a **sustainable manner** and always being governed by our **core values**





CORPORATE VISION

Continual growth of *long-term shareholder value* while operating in a *sustainable manner* and always being governed by our *core values*



SUSTAINABILITY

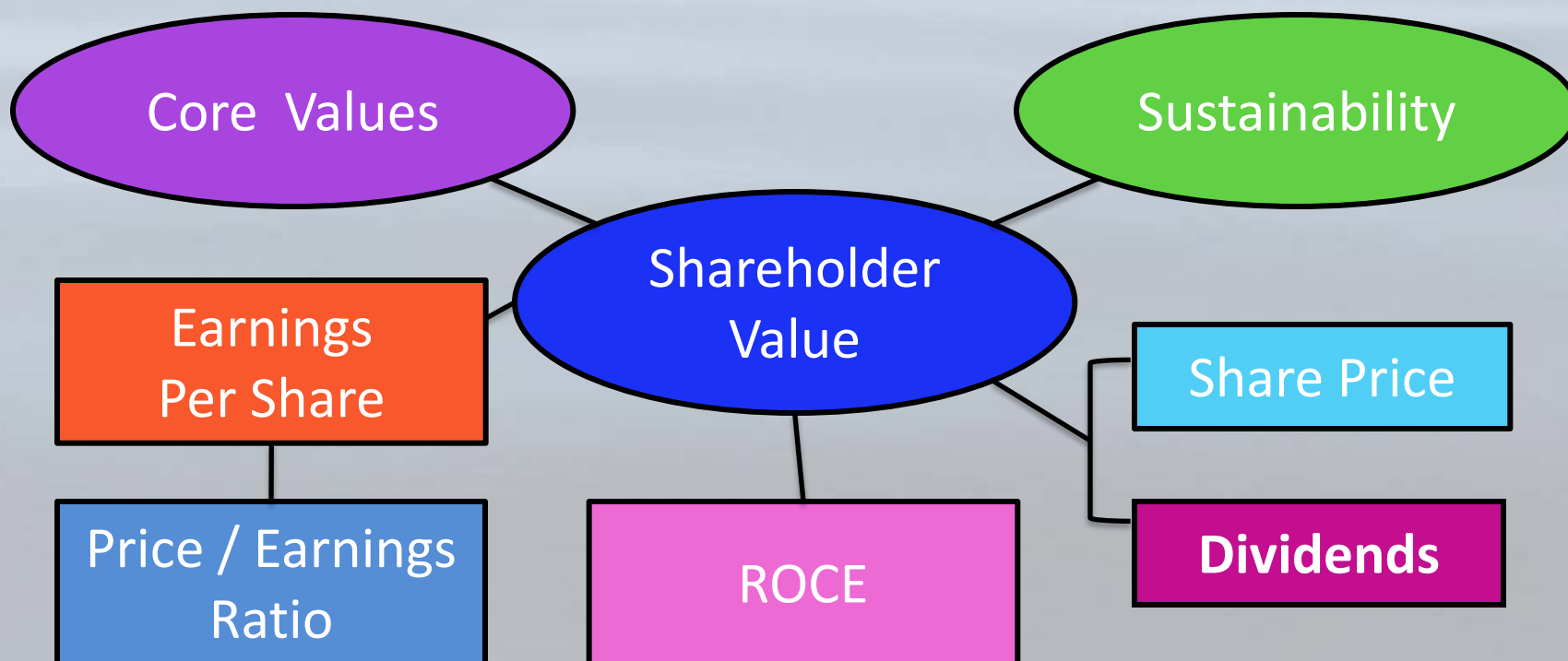


- Operations Excellence
 - Quality performance including cost control, reduced incidents and minimized non-productive time.
Don't hurt • Don't spill • Don't damage
 - Operate modern assets (vessels / buildings).

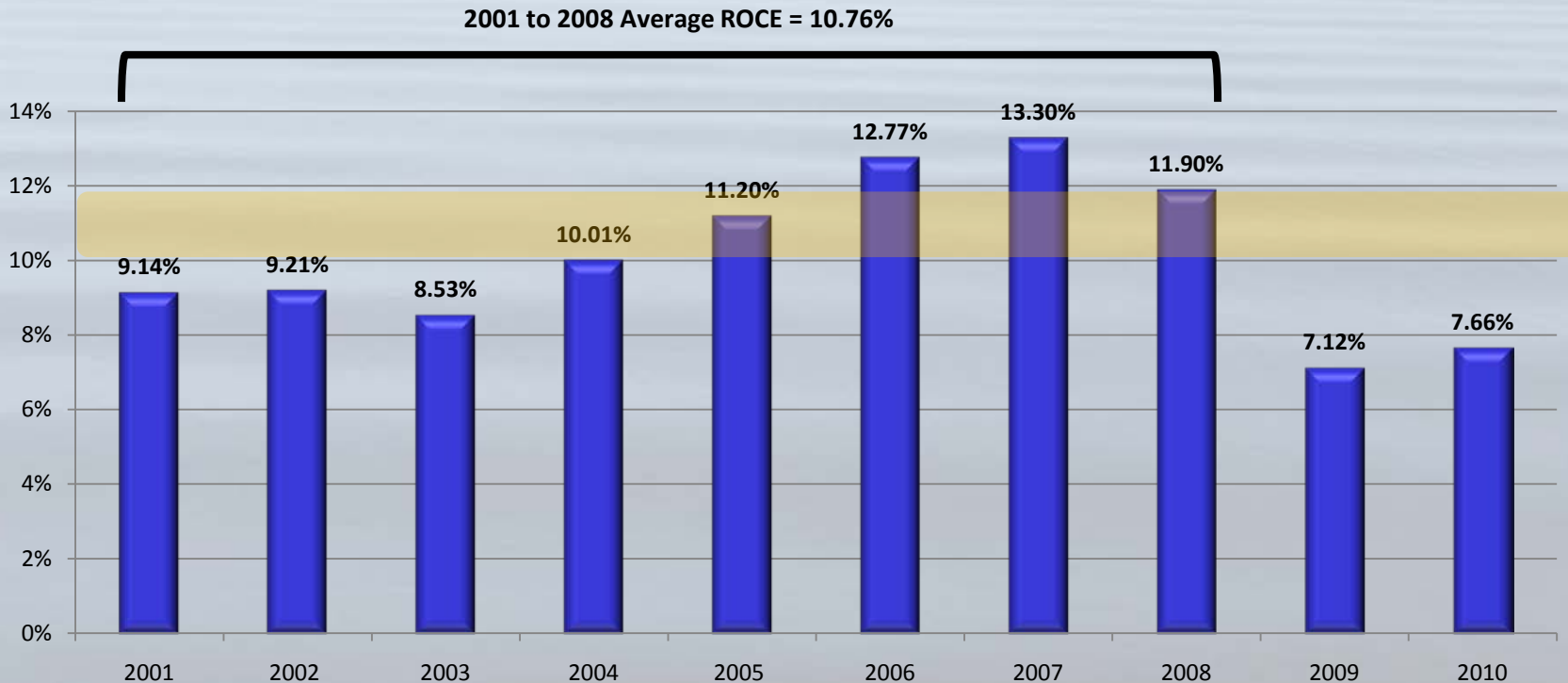


SHAREHOLDER VALUE

The Algoma Board of Directors has determined that Return on Capital Employed or ROCE is the appropriate earnings measure for Management.



RETURN ON CAPITAL EMPLOYED



- Long-term ROCE target is 10% to 12%
- Capital employed is adjusted (reduced) to account for excess cash and vessel construction deposits that do not produce current operating earnings
- Net earnings and therefore ROCE recovering from 2009 recession lows



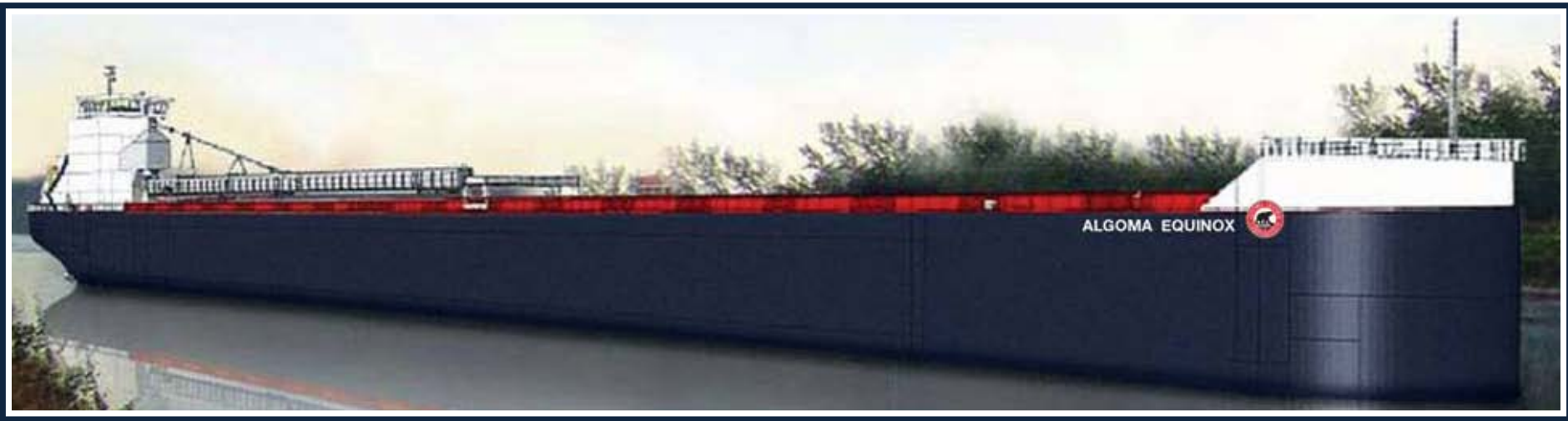
ROCE IMPROVEMENT PLAN

(FOR EXISTING FLEET)

- Restructure Domestic Fleet operations
 - Integrate technical management and commercial management of the domestic dry-bulk and product tanker fleets
- Combine back office activities and eliminate duplication
- Operations Excellence
 - Cost control
 - Reduced incidents
 - Minimized unproductive time
 - Improved vessel utilization
- In addition, the introduction of Equinox Class vessels beginning in 2013 will result in further operating efficiencies



Business Challenges



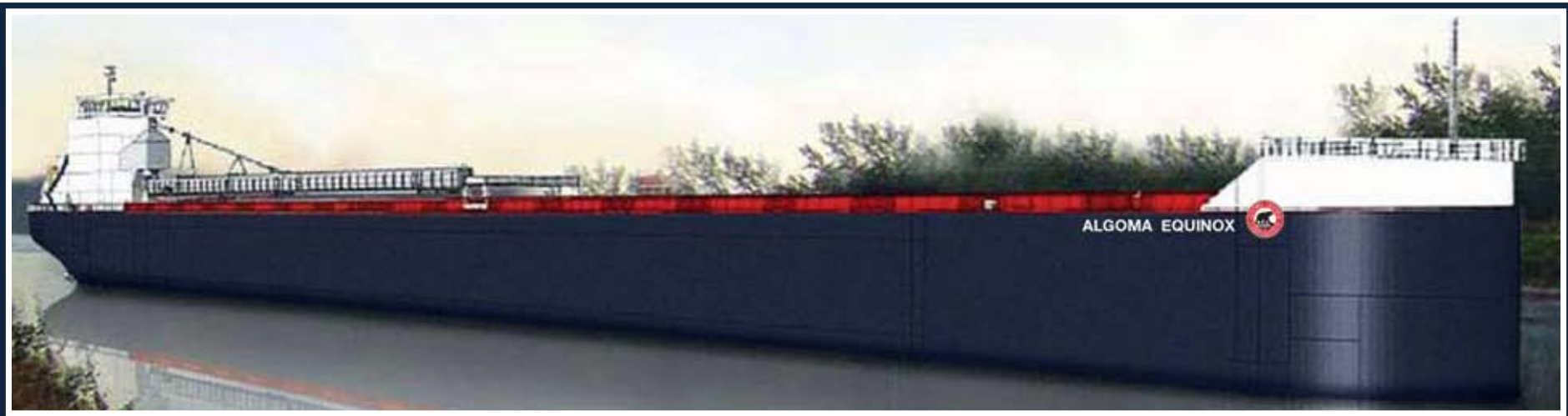


BUSINESS CHALLENGES

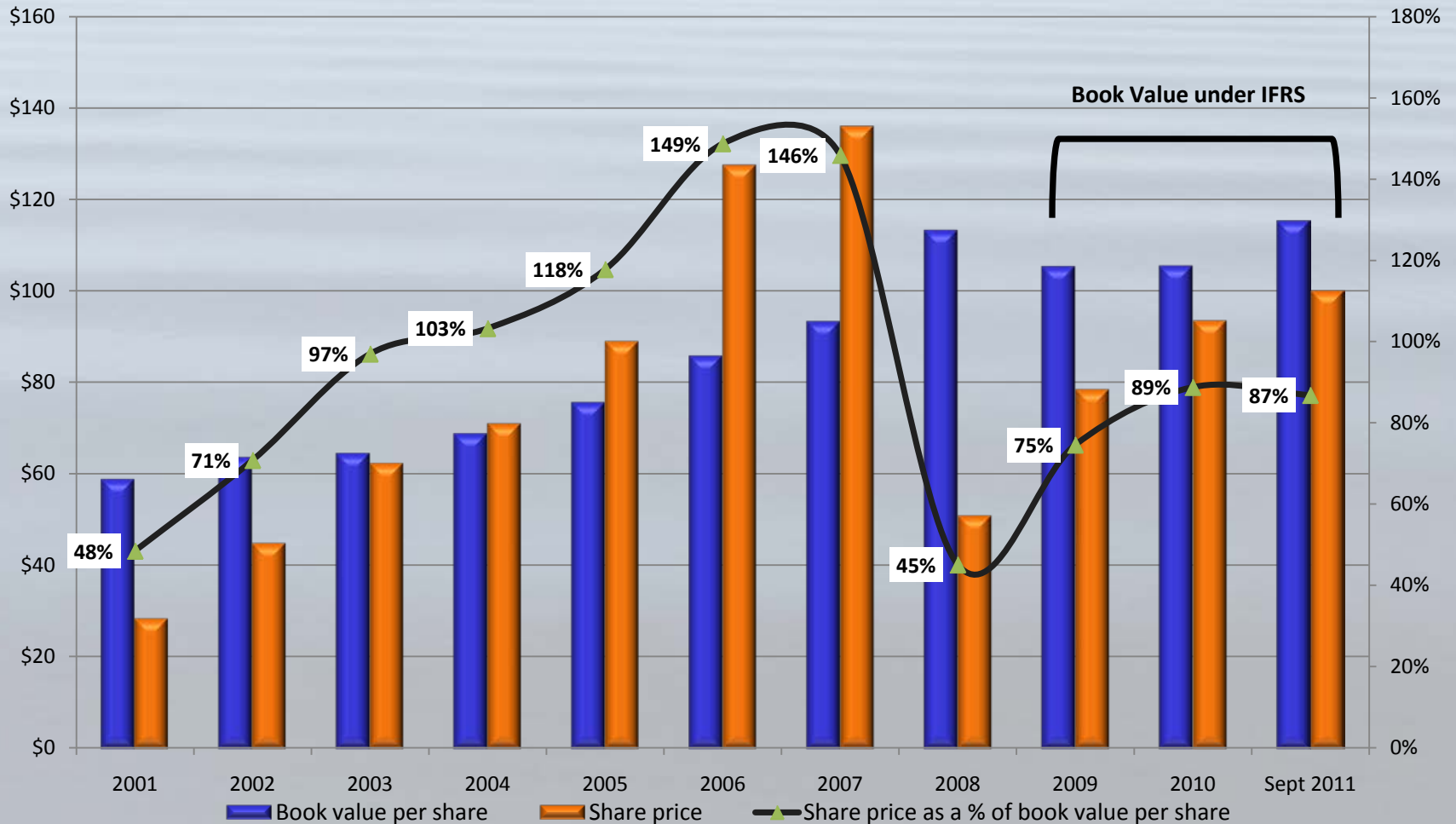
- Continued uncertainty in the North American economy
 - While improvement has been steady, confidence is weak
- Government regulations, particularly around environmental issues
 - Industry needs predictability and consistency to plan and invest
- Skilled labour shortage
 - Trained employees will be needed as older crews retire
 - We continue to work with Marine Schools to attract students and develop meaningful programs



Conclusion



SHARE PRICE TO BOOK VALUE



September 2011 based on \$100 share price

INVESTMENT THESIS



Leader in Our Markets

Solid Financial and Operating Performance

Diversified, Dependable Customer Base

Well Capitalized

Investing for the Future

Strong History of Dividends



Thank you

www.algonet.com
TSX:ALC

Honourable Henry Jackman arriving Boston Harbour