



**Severstal North America Announces Sales Agreement for
Select Northern Steel Group Assets to
Focus on Core Steelmaking Strategy**

DEARBORN, Mich., April 27, 2010 – Severstal North America has entered into a definitive agreement to sell certain assets operated under Northern Steel Group, Inc., a leading steel services business, to an affiliate of Aurora Resurgence, a Los Angeles, Calif. private equity fund.

The agreement is for the sale of Miami Valley Steel Service, Piqua, Ohio; Premier Resource Group, Lombard, Ill.; Electric Coating Technology, East Chicago, Ind., and U.S. Metals and Supply, St. Louis, Mo.

“The sale of these Northern Steel Group businesses will allow us to more fully focus on our core strategy of building competitive and efficient steelmaking assets in the United States,” said Sergei Kuznetsov, Chief Executive Officer of Severstal North America.

Net proceeds from the sale would be used by Severstal North America for general corporate purposes.

The remaining businesses under Northern Steel Group will be retained by Severstal North America. They include Independent Steel, Valley City, Ohio, and Sun Steel and Century Steel, both of Chicago Heights, Ill.

The transaction is expected to be completed during the second quarter of 2010 pending the expiration or early termination of the waiting period under the Hart-Scott-Rodino Act and other customary closing conditions.

Lazard Freres & Co. LLC and Raymond James acted as financial advisors to OAO Severstal. Skadden, Arps, Slate, Meagher & Flom LLP acted as OAO Severstal’s legal advisor.

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**About Northern Steel Group:**

Northern Steel Group, with headquarters in Chicago, Ill., is engaged in the processing and distribution of value-added steel products with about 1.0 million tons of current processing capacity serving more than 1,500 customers in the Midwest. Northern Steel Group is the holding company for seven businesses that operate under different names and employs 400 people. The group was acquired by Severstal through its purchase of Esmark in August 2008.

About Severstal North America:

Severstal North America is part of OAO Severstal international division (Severstal International) and is the fourth largest steelmaker in the United States and specializes in the full range of the highest quality light flat rolled products. Fully integrated operations are located in Michigan, Maryland, Ohio and West Virginia. A new state-of-the-art electric arc furnace operation in Mississippi serves the growing demand for steel in the southeastern United States. Severstal North America also has several joint ventures for the highest quality coated products.

About OAO Severstal:

OAO Severstal is one of the world's leading vertically integrated steel and mining companies with a listing on the Russian Trading System, Moscow Interbank Currency Exchange, and the London Stock Exchange. The company operates high-quality assets in Russia, North America and Europe. In 2009, Severstal produced 16.7 million tonnes of steel with revenue of \$13.05 billion and EBITDA of \$844 million.

About Aurora Capital Group:

Aurora is a Los Angeles-based private equity firm managing over \$2.0 billion with two distinct investment strategies. Aurora Resurgence invests in debt and equity securities of middle-market companies and targets complex situations that are created by operational or financial challenges either within a company or a broader industry. Aurora Equity focuses principally on control-investments in middle-market industrial, manufacturing and selected service oriented businesses. For more information about Aurora Capital Group, visit www.aurorares.com or www.auroracap.com.

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