
Severstal restates interest in acquiring Esmark for USD 17 per share

Sunday, 22 Jun, 2008

Russian steel giant Severstal has sent the following letter to the board of directors of Esmark Incorporated with respect to Severstal's previously announced all cash USD 17 per share tender offer to acquire all of the outstanding shares of Esmark common stock.

The text of the letter is as under

Dear Mr Bouchard

We would like to reiterate our continued strong interest in acquiring Esmark Incorporated pursuant to our previously announced tender offer for all outstanding shares of Esmark common stock. We also believe that Severstal is uniquely positioned to promptly consummate an acquisition of Esmark, given the full and enthusiastic support of our proposal by the United Steelworkers and your majority shareholder.

We understand that the arbitrator in the United Steelworkers' right to bid grievance arbitration with Esmark may consider setting aside Esmark's Memorandum of Agreement with Essar Steel Holdings Limited.

If the arbitrator sets aside the Memorandum of Agreement, Severstal is aware of and understands Esmark's financing issues with respect to the loan agreements you entered into with Essar Steel and your other financing agreements. This is to confirm that we are prepared to immediately replace the Essar financing in a manner that satisfies Esmark's obligations to all credit parties and does not jeopardize Esmark's business.

We stand ready to conclude a transaction expeditiously.

We look forward to hearing from you.

Sincerely,

Mr Gregory Mason
Chief Operating Officer OAO SEVERSTAL

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