



NEWS RELEASE

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BAYOU STEEL CORPORATION

FOR IMMEDIATE RELEASE

BAYOU STEEL CORPORATION ANNOUNCES \$45 MILLION DEBTOR-IN-POSSESSION FINANCING

LaPlace, Louisiana (March 3, 2003) --- Bayou Steel Corporation (AMEX:BYX), a leading producer of light structural and merchant bar steel shapes, today announced that it has received from the Bankruptcy Court final approval of a \$45 million debtor-in-possession financing facility from Congress Financial and GE Credit Corporation. Based upon the borrowing formula, approximately \$9 to \$10 million would now be available. The facility, which matures in a year, will be used to fund the ongoing business operations of Bayou Steel, which filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

Jerry Pitts, President and Chief Operating Officer, stated, "This financing, together with cash flow from our business, will be a significant source of liquidity for Bayou Steel and will contribute to our ability to continue normal business operations as we organize for the future. It also provides a measure of reassurance to our employees, customers and suppliers of materials and services. We appreciate the loyalty and dedication of our employees and the continued support of our suppliers and customers."

This release contains various "forward-looking" statements which represent the Company's expectation or belief concerning future events. The Company cautions that a number of important factors could, individually or in the aggregate, cause actual results to differ materially from those included in the forward-looking statements. Any forward looking statements contained in this document speak only as of the date hereof, and the Company disclaims any intent or obligation to update such forward looking statements.

Bayou Steel Corporation manufactures light structural and merchant bar products in LaPlace, Louisiana and Harriman, Tennessee. The Company also operates three stocking locations along the inland waterway system near Pittsburgh, Chicago, and Tulsa.