



NEWS RELEASE

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BAYOU STEEL CORPORATION

FOR IMMEDIATE RELEASE

Bayou Steel Corporation Receives Extension of Exclusive Periods

Company Now Has Exclusive Right to File Plan of Reorganization through October 1, 2003

LaPlace, Louisiana (June 2, 2003) --- Bayou Steel Corporation ("Bayou") announced that on May 27, 2003, the U.S. Bankruptcy Court for the Northern District of Texas approved the company's request for an extension of the exclusive periods during which only Bayou may file a plan of reorganization and solicit acceptances for that plan. These exclusivity periods, which had been scheduled to expire on May 21, 2003 and July 20, 2003, have now been extended to October 1, 2003 and January 15, 2004, respectively. Bayou's request to extend the exclusive periods was endorsed by representatives of Bayou's major creditor constituencies.

Jerry Pitts, Bayou's president and chief operating officer, said: "We are pleased that there were no objections to the exclusivity extension request and that the court has granted this extension. Bayou's dedicated management and employee team remains committed to emerging from bankruptcy as a viable company that continues to provide quality steel products and services to our valued customers."

Bayou has continued to work over the last several months to implement improvements to its business. Sales, customer service, and operational efficiency initiatives have been and are being implemented. Through these efforts and the continued support of its dedicated suppliers and loyal customers, Bayou hopes to reach positive cash flow imminently and return to profitability in the near future. Although Bayou will also seek investor capital, Bayou remains committed to restructuring its business operations and emerging as a stronger company from chapter 11 by year end.

Bayou Steel Corporation filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Texas on January 22, 2003. The filing allows Bayou Steel to resolve short-term liquidity issues while enabling the company to reorganize on a sound financial basis to support its continuing businesses.

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.