



# NEWS RELEASE

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## BAYOU STEEL CORPORATION

### *FOR IMMEDIATE RELEASE*

#### **BAYOU STEEL CORPORATION PURCHASES DILUTIVE WARRANT**

LaPlace, Louisiana (July 12, 2000) --- Bayou Steel Corporation (AMEX:BYX) announced that it purchased for \$1,750,000 an outstanding warrant to acquire 822,422 shares of Bayou's common stock at a nominal price. The Company essentially paid \$2.13 per share to acquire this potential block of 822,422 shares.

BYX President, Jerry Pitts said, "We believe that the privately negotiated purchase of the warrant at the prevailing market price for our stock is an excellent transaction relative to the true underlying value. The overhang of the potential sale of this large block (over a long period of time) is now removed. Furthermore, the dilutive effect of these common stock equivalents on our EPS calculations is now eliminated. We believe that our stockholders will benefit from the transaction."

The acquisition of the warrant will give the Company more flexibility in issuing shares for general corporate purposes and acquisitions. At present, Bayou has 12,890,607 common shares outstanding.

Bayou Steel Corporation operates a steel minimill and a stocking warehouse on the Mississippi River in LaPlace, Louisiana which produces merchant bar and light structural steel products. Its wholly-owned subsidiary, Bayou Steel Corporation (Tennessee), produces merchant bar and bar shapes, and consists of a rolling mill and warehousing operation. The Company also operates three stocking locations along the inland waterway system near Pittsburgh, Chicago, and Tulsa where its products are inventoried. Bayou Steel's customers include steel service centers, distributors, original equipment manufacturers and fabricators.