



NEWS RELEASE

Financial: Richard J. Gonzalez, CFO-BSC
Phone: (504) 652-4900 Fax: (504) 652-0485
E-Mail Address: fna@bayousteel.com
Web Page: <http://www.bayousteel.com>
PO Box 5000, LaPlace LA 70069-1156

BAYOU STEEL CORPORATION

FOR IMMEDIATE RELEASE

BAYOU STEEL CORPORATION ANNOUNCES NEW CREDIT FACILITY

LaPlace, Louisiana (April 19, 2001) --- Bayou Steel Corporation (AMEX:BYX) today announced the completion of a \$50 million revolving credit agreement with Congress Financial Corporation (Southwest). The five year revolving credit facility is secured by accounts receivable and inventory and will be used for general corporate purposes.

“This new credit facility provides Bayou with excellent liquidity to weather the present market conditions,” stated President and Chief Operating Officer, Jerry Pitts. “Our outlook is that the domestic steel industry will continue to experience challenges that have resulted from the inventory overhang started by imports and exacerbated by a slowdown in manufacturing and construction spending. Under our new credit facility, we currently have \$40 million in immediately available funds. This coupled with the \$10 million we have in cash on hand in high quality investments provides \$50 million in liquidity,” Pitts stated.

Although Bayou Steel has no borrowings under its new or previous credit facilities, the adverse market conditions caused the company to be in technical default of its previous credit facility limiting its availability to \$10 million. The new credit facility only has one financial covenant, a net worth test, which is tested when available funds are less than \$20 million. The net worth amounts have been established based on the current industry conditions and anticipated prolonged difficult market conditions.

Pitts continued, “Within the next month we will announce disappointing results for our second fiscal quarter which were driven almost entirely by high fuel prices, depressed shipments, and weak selling prices. However, through our concentrated focus on obtaining this new credit facility, aggressive cost control measures, and stringent working capital management, we have provided Bayou and its stakeholders ample liquidity with flexible and favorable terms which will position us to take advantage of more favorable market conditions in the future,” concluded Pitts.

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.

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.