



# NEWS RELEASE

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## BAYOU STEEL CORPORATION

### *FOR IMMEDIATE RELEASE*

#### **BAYOU STEEL ANNOUNCES CLOSING OF ACQUISITION**

LaPlace, Louisiana (June 1, 2006). Bayou Steel Corporation announced today that the previously announced acquisition of Bayou Steel by an entity managed by Black Diamond Capital Management, L.L.C. ("Black Diamond") had been completed.

After taking into account certain adjustments at closing, including an adjustment for working capital, the total per share purchase price for the Bayou Steel shares is \$78.31 in cash. Payment of the purchase price is expected to be made to Bayou Steel stockholders promptly.

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

#### **About Black Diamond Capital Management, L.L.C.**

Black Diamond Capital Management, L.L.C. is an alternative asset management firm with in excess of \$8 billion under management in a combination of private equity, hedge funds and structured vehicles. It was founded in 1995 by its principals, James Zenni and Stephen Deckoff. Its investors are largely comprised of leading institutional investors, including pension funds, endowments and insurance companies. Black Diamond has offices in Lake Forest, Illinois, Greenwich, Connecticut, and London, England.

#### **Forward-Looking Statements**

Statements in this press release regarding Bayou Steel Corporation which are not historical facts are "forward-looking statements" that involve risks and uncertainties. There can be no assurance that future results will be achieved and actual results could differ materially from forecasts and estimates. Bayou Steel does not assure the future results or outcomes of the matters described in forward-looking statements; rather, these statements merely reflect current expectations of the approximate outcomes of the matters discussed.