



NEWS RELEASE

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BAYOU STEEL CORPORATION ***FOR IMMEDIATE RELEASE***

BAYOU STEEL CORPORATION'S BOARD OF DIRECTORS **ADOPTS SECOND AMENDMENT TO STOCKHOLDER RIGHTS PLAN**

LaPlace, Louisiana (March 11, 2005) – Bayou Steel Corporation today announced that its Board of Directors has adopted a Second Amendment to the Company's Stockholder Rights Plan (the "Second Amendment"), effective March 8, 2005.

The Second Amendment lowers the previous Right Plan's trigger threshold from 15% of the Company's outstanding common stock to 4.99% of the Company's outstanding common stock in order to protect the Company's net operating loss carryforwards ("NOLs") for tax purposes. NOLs are past losses that a corporation can use to reduce its current or future taxable income. The Company's ability to use the NOLs would be significantly limited if the Company experiences an "ownership change," as defined under Section 382 of the Internal Revenue Code (the "Code"). As of February 18, 2004, the Company had NOLs of approximately \$73.4 million available to offset current and future taxable income provided there was no limitation as described above. It is likely that an "ownership change" has not occurred since emerging from bankruptcy on February 18, 2004; however, the Company is still gathering the necessary data and seeking guidance on the proper application of the ownership change rules to its specific fact pattern in making a final determination.

The Second Amendment discourages, with certain exceptions, existing 4.99 percent or greater beneficial owners from acquiring any additional shares of the Company's Common Stock. In general, under Section 382 of the Code, a company experiences an "ownership change" if the 5 percent shareholders increase their aggregate ownership interest in the Company over a three-year testing period by more than 50 percentage points. Stockholders owning 4.99% or greater of the Company's Common Stock as of March 8, 2005, may continue to own their current share percentages without triggering the Rights Plan.

The Second Amendment was adopted in response to the Company's concern that acquisitions of Common Stock by an existing 5 percent stockholder or a new 5 percent stockholder can cause a technical "ownership change" under the Code and thereby significantly limit the availability of the NOLs to the Company. The terms of the Second Amendment do, however, permit the Board of Directors, in its discretion, to determine that a particular person's beneficial ownership of 4.99% or more of the Company's Common Stock will not jeopardize or endanger the Company's NOLs, and to exempt such person's ownership of shares from triggering the Rights Plan.

The Rights Plan also continues to assure that all of the Company's stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers, squeeze-outs, open market accumulations and other abusive tactics to gain control of the Company without addressing the legitimate interests of the Company and its stockholders. The Board of Directors will continue to administer the Rights Plan in a manner that best promotes the interests of the Company's stockholders.

The Second Amendment does not affect the acquisition or ownership of common stock by the Company, any subsidiary or any employee benefits plan of the Company.

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.