



**FOR IMMEDIATE RELEASE**

**OPTIMA SPECIALTY STEEL, INC. TO ACQUIRE KENTUCKY ELECTRIC STEEL**

MIAMI, FLORIDA, November 19, 2012 - Optima Specialty Steel, Inc. ("Optima Specialty Steel"), a portfolio company of Optima Acquisitions, LLC ("Optima Acquisitions"), announced today that it has entered into a definitive merger agreement with ALJ Regional Holdings, Inc. ("ALJ"), to acquire 100% of KES Acquisition Company dba Kentucky Electric Steel ("KES").

KES is a value-added manufacturer of Special Bar Quality ("SBQ") and Merchant Bar Quality ("MBQ") flat steel products. KES has been a supplier to Optima Specialty Steel and contributes to Optima Specialty Steel's long-term strategy alongside its current wholly owned subsidiaries Niagara LaSalle Corporation ("Niagara LaSalle") and Michigan Seamless Tube, LLC ("MST"). Niagara LaSalle is a specialty steel processor and is North America's largest independent manufacturer of high quality engineered cold finished steel bars. MST is a specialty steel processor and a leading independent manufacturer of value-added precision-tolerance, cold drawn seamless tubes.

Kevin Stevick, CEO and President of Optima Specialty Steel stated:

"I am pleased that KES will become a part of the Optima Specialty Steel family. KES fits perfectly into Optima Specialty Steel's long-term strategy of building a leading specialty steel producer that delivers the best steel products to our customers. Optima Specialty Steel, its management team and employees are delighted by this opportunity to continue to solidify its position in the specialty steel industry and to strengthen relationships with its customers and suppliers."

The transaction is subject, among other conditions, to an ALJ shareholder vote, obtaining necessary regulatory approvals and arrangement of financing by Optima. The transaction is expected to close in December 2012.

Jefferies & Company, Inc. acted as the financial advisor and Baker & McKenzie acted as legal counsel to Optima. Houlihan Lokey Capital, Inc. and Roth Capital Partners, LLC acted as the financial advisors and Morrison & Foerster LLP acted as legal counsel to ALJ Regional Holdings, Inc. and KES Acquisition Company.

About Optima Acquisitions, LLC

Optima Acquisitions, LLC is a U.S.-based investment firm with affiliated holdings in steel, ferroalloys, mining, real-estate and other industries. Current affiliated companies in the steel and metals industry include Optima Specialty Steel, Inc., Warren Steel Holdings, LLC, Steel Rolling Holdings, Inc., CC Metals & Alloys, LLC, Felman Production, Inc. and Felman Trading, Inc.

About Optima Specialty Steel, Inc.:

Optima Specialty Steel, Inc., headquartered in Miami, FL, is one of North America's leading independent manufacturers of high quality cold drawn seamless tubes and cold finished steel bars. As a steel processing specialist, the company leverages its technical expertise, skilled workforce and sophisticated equipment to produce highly engineered products including pressure-carbon, pressure-alloy, mechanical-carbon and mechanical-alloy tubing and specialty bars that meet its clients' exact order specifications. Optima Specialty Steel is operated by its two wholly-owned subsidiaries: South Lyon, MI-based [Michigan Seamless Tube](#), LLC and Hammond, IN-based [Niagara LaSalle Corporation](#).

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This release contains certain “forward-looking statements” made pursuant to the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the Company’s actual results to be materially different from those expressed or implied by such statements. The forward-looking statements made herein are only made as of the date of this release, and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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Media Contacts:

ICR for Optima Specialty Steel  
Jason Chudoba, 646-277-1249  
[Jason.Chudoba@icrinc.com](mailto:Jason.Chudoba@icrinc.com)

Or  
ICR for Optima Specialty Steel  
John McKenna, 203-682-8252  
[John.McKenna@icrinc.com](mailto:John.McKenna@icrinc.com)