



## Lakeside Provides Update on Non-Binding Transaction Proposal

WELLAND, Ont. January 20, 2012 – Lakeside Steel Inc. (TSX-V: LS) (“Lakeside” or the “Company”) today announced that the extended period in which the Company has agreed to negotiate exclusively with the potential purchaser regarding an acquisition or similar transaction has been extended until 9:00 a.m. on Monday, January 23, 2012 in order to allow the parties to finalize definitive transaction agreements.

Since the previous announcement by the Company on January 10, 2012, the potential purchaser has completed all material due diligence inquiries. The proposed acquisition remains subject to certain conditions including the execution of a definitive transaction agreement between the Company and the purchaser as well as the execution of support agreements with directors of the Company and certain significant shareholders. There is no assurance that definitive transaction agreements will be executed by the parties or that the proposed acquisition will be consummated.

### **About Lakeside Steel Inc.**

Lakeside is a 2011 TSX Venture Exchange 50 company and the parent company of Lakeside Steel Corporation, Lakeside Steel Alabama Inc. and Lakeside Steel Texas Inc. Lakeside has operating facilities located in Welland, Ontario, and Corpus Christi, Texas, and three facilities currently being constructed in Thomasville, Alabama. Lakeside is a diversified steel pipe and tubing manufacturer with a focus on manufacturing and upgrading Oil Country Tubular Goods. Lakeside's list of customers includes large oil and gas end users as well as distributors across North America.

Lakeside Steel Alabama will be a diversified steel pipe manufacturer with end-finishing and heat treat capabilities strategically situated in the southern United States on successful completion of construction of the new facilities in Thomasville, Alabama. Construction of the Alabama facilities is currently underway.

*This press release may contain forward-looking statements with respect to the Company, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of the Company discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in the Management's Discussion, and Analysis, Annual Information Form and Filing Statement of the Company which are available at [www.sedar.com](http://www.sedar.com). The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their*

*behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the Company has no obligation to update such statements.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Lakeside was recognized as a TSX Venture 50® company in 2010 and 2011. TSX Venture 50 is a trade-mark of TSX Inc. and is used under license.*

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