



PRESS RELEASE

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Great Lakes Ship Gets Green Makeover

Port Dover, Ontario (November 17, 2010) — A \$15-million conversion of the Great Lakes steam-powered vessel SS Michipicoten to diesel power will reduce its fuel consumption and carbon emissions by more than 40 per cent.

The 1952-built ship, which trades from Marquette, Michigan to Sault St. Marie, Ontario and is the primary mover of iron ore for Essar Steel, will be repowered over the winter and be operational by mid-April with a considerably improved environmental footprint. The new system is also expected to reduce nitrogen oxide (NO_x) emissions by 33 per cent and sulphur oxide (SO_x) emissions by 46 per cent. This will help reduce emission contributions to smog and acid rain.

The SS Michipicoten, which was bought by Port Dover, Ontario-based Lower Lakes Towing Ltd. in 1993, is the last steam-powered vessel in its fleet. The conversion will involve installing a state-of-art engine and automated control systems.

Captain Scott Bravener, President of Lower Lakes Towing Ltd., said: "The SS Michipicoten has always operated in the fresh water environment of the Great Lakes and as a result has experienced very little structural deterioration over the years. This repowering will add another 20 years to the lifespan of this ship, improve its annual carrying capacity and significantly reduce its environmental footprint."

Bravener added that the design of the new engine room will leave space to accommodate scrubbing technology that is expected to further reduce emissions in the future. "Scrubbing technology is currently being developed around the world. At the moment, the technology for vessels operating in a fresh water environment is still being trialed. However, we are hopeful that it will be available to use within the next few years. The SS Michipicoten will likely be our first ship we install with this technology."

The conversion of the SS Michipicoten will take place at Central Machine & Marine in Sarnia, Ontario using an equipment package provided by Toronto-based Toromont Marine Power Systems.

"The 'SS Michipicoten' repower is the third conversion from steam to diesel power we have worked on with Lower Lakes Towing Ltd," notes Ken Westcar, Marine Market Manager for Toromont Marine Power Systems. "Each project has been successful because we have fully utilized skills

within the Great Lakes marine community from initial planning through return-to-revenue service. The goal is to make sure that it meets or exceeds all performance, financial and environmental objectives. These jobs are critical in making Lower Lakes Towing and other Canadian and U.S. fleets highly competitive and sustainable over the long term."

Lower Lakes group of companies, which also includes the U.S. subsidiary Lower Lakes Transportation, carries approximately 18 million tonnes of iron ore, salt, milling grain and construction materials annually on its 12 vessels through the Great Lakes/St. Lawrence Seaway System to markets such as Cleveland, Saginaw, Toledo and the Sarnia-Windsor corridor.

Including this project, since the acquisition of Lower Lakes Towing by New York-based Rand Logistics Inc. in 2006, the Company has invested more than U.S. \$100 million in fleet expansion, life extension and operating improvement projects. These investments have reduced its annualized fleet fuel consumption by 32 per cent. The total sulphur content in the fuel consumed by the fleet annually (sulphur content in fuel is directly linked to SOx emissions) has decreased from 1.75 per cent to 1.45 per cent — this is significantly below the current international standards of 4.5 per cent set out by the United Nations body, the International Maritime Organization.

By spring 2011, further enhancements including the Michipicoten repowering will lower that annualized fleet number to 1.29 per cent.

Bravener said: "Even though marine shipping is one of the most environmentally friendly ways to transport goods, we still have an impact. As a company, we're committed to reducing that environmental footprint as much as possible."

Lower Lakes Towing Ltd. is also a proud member of Green Marine, which is a voluntary, bi-national program that aims to improve the marine industry's environmental performance beyond regulatory compliance. Participants — who represent nearly half of the activity in the Great Lakes-Seaway region — are taking concrete steps to improve their record in seven key environmental areas. Their results are independently verified by a third party and shared publicly to demonstrate their environmental commitment.