



**NEWS**

**FOR IMMEDIATE RELEASE**

**RUSSEL METALS ANNOUNCES CLOSING OF  
\$175 MILLION PUBLIC OFFERING OF CONVERTIBLE DEBENTURES**

**NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.**

TORONTO, CANADA – October 8, 2009 -- Russel Metals Inc. (RUS – TSX) today announced that it has closed its offering of \$175 million of convertible unsecured subordinated debentures (the "Debentures") with a syndicate of underwriters co-led by GMP Securities L.P. and RBC Capital Markets and including Scotia Capital Inc. and TD Securities Inc.

The Debentures are direct unsecured obligations of Russel Metals, subordinated to other indebtedness of the Company for borrowed money and ranking equally with all other unsecured subordinated indebtedness. The Debentures mature on September 30, 2016 and accrue interest at the rate of 7.75% per annum payable semi-annually on March 31 and September 30 commencing on March 31, 2010. At the holder's option, the Debentures may be converted into common shares of Russel Metals at any time based on a conversion price of \$25.75 for each common share, subject to adjustment in certain circumstances.

The Debentures will not be redeemable before September 30, 2015. From September 30, 2015 through the maturity date Russel Metals may, at its option, redeem the Debentures at par plus accrued and unpaid interest.

Subject to specified conditions, Russel Metals has the right to repay the outstanding principal amount of the Debentures, on maturity or redemption, through the issuance of common shares of the Company. Additionally, on conversion Russel Metals has the option, subject to prior agreement of the holders, to settle its obligations by way of a cash payment of equivalent value.

Russel Metals intends to use the net proceeds of the offering for working capital, potential acquisitions and general corporate purposes.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registrations requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

Russel Metals is one of the largest metals distribution companies in North America. It carries on business in three distribution segments: metals service centers, energy tubular products and steel distributors, under various names including Russel Metals, A.J. Forsyth, Acier Leroux, Acier Loubier, Acier Richler, Arrow Steel Processors, B&T Steel, Baldwin International, Comco Pipe and Supply, Fedmet Tubulars, JMS Russel Metals, Leroux Steel, McCabe Steel, Mégantic Métal, Métaux Russel, Métaux Russel Produits Spécialisés, Milspec Industries, Norton Metals, Pioneer Pipe, Russel Metals Specialty Products, Russel Metals Williams Bahcall, Spartan Steel Products, Sunbelt Group, Triumph Tubular & Supply, Wirth Steel and York-Ennis.

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Russel Metals, or developments in Russel Metals' business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Russel Metals cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, the expected use of proceeds of the offering and the expected closing date of the offering. The risks and uncertainties that may affect forward-looking statements include, among others: economic market conditions; and other risks detailed from time to time in Russel Metals' filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and, except as required by law, Russel Metals does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

**For further information, contact:**

Marion E. Britton, C.A.

Vice President and

Chief Financial Officer

Russel Metals Inc.

(905) 819-7407

E-mail: [info@russelmetals.com](mailto:info@russelmetals.com)

Website: [www.russelmetals.com](http://www.russelmetals.com)

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