

RUSSEL METALS INC.

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions attaching to the 7.5% cumulative redeemable convertible Class II preferred shares, Series C (the "Series C Shares") of Russel Metals Inc. (the "Corporation"), the Corporation hereby calls for redemption on March 22, 2004 (the "Redemption Date"), all 1,200,000 of its issued and outstanding Series C Shares. The Corporation will pay to or to the order of the registered holders of the Series C Shares the redemption price (the "Redemption Price") of \$25.00 per Series C Share, together with all accrued and unpaid cumulative preferential dividends, which has been calculated as the further sum of \$0.04 per Series C Share representing the dividend accumulating for the period from March 15, 2004 (being the last dividend payment date) to the day immediately prior to the Redemption Date, being a total redemption price of \$25.04 per Series C Share, upon presentation and surrender at either of the principal offices of CIBC Mellon Trust Company in Toronto, as set out on the reverse side of the Letter of Transmittal, of the certificate(s) for such Series C Share.

NOTICE IS HEREBY FURTHER GIVEN that from and after the Redemption Date the Series C Shares will not be entitled to dividend payments and the holders thereof will not be entitled to exercise any of the rights of shareholders in respect thereof except the right to receive the Redemption Price.

The Corporation has the right at any time after the mailing of this notice to deposit the Redemption Price of the Series C Shares called for redemption as aforesaid or of such of the said shares represented by certificate(s) which have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account at the principal office of CIBC Mellon Trust Company in Toronto, to be held in trust for the respective holders of Series C Shares upon presentation and surrender at the said office of CIBC Mellon Trust Company of certificate(s) representing the same. Upon such deposit being made or upon the Redemption Date, whichever is the later, the Series C Shares in respect of which such deposit shall have been made will be redeemed and the rights of the holders thereof after such deposit or the Redemption Date, as the case may be, shall be limited to receiving without interest the proportionate part of the total Redemption Price so deposited against presentation and surrender of the said certificate(s) held by them respectively.

All of the Series C Shares held by the person to whom this notice is addressed are to be redeemed.

A Letter of Transmittal under which shareholders may transmit to CIBC Mellon Trust Company share certificate(s) representing Series C Shares to be redeemed accompanies this notice. The address of the principal offices of CIBC Mellon Trust Company to which the Series C Shares and completed Letter of Transmittal may be sent and other instructions relating to its completion and deposit are set out on the reverse side of the Letter of Transmittal.

DATED as of the 20th day of February, 2004.

RUSSEL METALS INC.

By: (Signed) Brian R. Hedges

Brian R. Hedges

Executive Vice President and Chief Financial Officer

LETTER OF TRANSMITTAL

**REDEMPTION OF RUSSEL METALS INC.
7.5% CUMULATIVE REDEEMABLE CONVERTIBLE
CLASS II PREFERRED SHARES, SERIES C (the "SERIES C SHARES")**

This form together with your share certificate(s) should be delivered or sent by registered mail to CIBC Mellon Trust Company at one of its offices as indicated on the reverse.

If you wish receipt of your cheque, dated March 22, 2004, by mail on or before **March 22, 2004**, this Letter of Transmittal and your share certificate(s) should be received by CIBC Mellon Trust Company by **March 8, 2004**.

If this Letter and your share certificate(s) are hand delivered to CIBC Mellon Trust Company at an office listed on the reverse by **March 15, 2004** with instructions that your cheque should be held for pick-up, it will be ready on **March 22, 2004** at that office.

The undersigned hereby surrenders for redemption the following certificate(s) representing Series C Shares at the price of \$25.04 per share (\$25.00 redemption price plus \$0.04 accrued and unpaid dividends):

| Certificate Number | Number of Shares | Registered in the Name of |
|---------------------------|-------------------------|----------------------------------|
| | | |
| | | |
| | | |

DIRECTION TO CIBC MELLON TRUST COMPANY

Please forward the cheque for the proceeds of redemption of the Series C Shares represented by the above certificate(s) as follows:

| | | |
|--|-------------------------|--------------------------------|
| Name | | |
| Address | | |
| | | |
| | | |
| Telephone (Business Hours) | Social Insurance Number | Taxpayer Identification Number |
| | | |
| U.S. residents/citizens must provide their Taxpayer Identification Number | | |

Date: _____

Signature of Shareholder

INSTRUCTIONS

1. This Letter of Transmittal should be duly signed and completed and returned together with the appropriate certificate(s) representing the Series C Shares to CIBC Mellon Trust Company at one of the following addresses:

FOR DELIVERY BY MAIL

P.O. Box 1036
Adelaide Street Post Office
Toronto, ON M5C 2K4

FOR DELIVERY BY HAND OR BY COURIER

199 Bay Street
Commerce Court West, Securities Level
Toronto, ON M5L 1G9

2. The Corporation reserves the right, if it so elects in its absolute discretion, to instruct CIBC Mellon Trust Company to waive any defect or irregularity contained in any Letter of Transmittal received by it.
3. Series C Share certificate(s) registered in the name of the person by whom or on whose behalf this Letter of Transmittal is signed need not be endorsed or accompanied by a share transfer power other than the Letter of Transmittal itself. Series C Share certificate(s) not so registered must be endorsed by the registered holder thereof or be accompanied by a share transfer power duly and properly completed by its registered holder, with the signature guaranteed in either case by a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Exchange Inc. Medallion Signature Program (MSP). The signature of the registered holder must correspond in every respect with the name of the registered holder appearing on the face of the share certificate(s).
4. Where the Letter of Transmittal is executed on behalf of a corporation, partnership or association or by an agent, executor, administrator, trustee, tutor, curator, guardian or any person acting in a representative capacity, the Letter of Transmittal must be accompanied by satisfactory evidence of the representative's authority to act.
5. The method of delivery of the Letter of Transmittal and the appropriate Series C Share certificate(s) to CIBC Mellon Trust Company is at the option and risk of the shareholder but, if delivery by mail is used, registered mail with return receipt requested, properly insured, is recommended.
6. Additional copies of the Letter of Transmittal may be obtained from CIBC Mellon Trust Company at either of its addresses listed above.
7. ***Lost Share Certificates.*** If a share certificate has been lost or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded to CIBC Mellon Trust Company together with a letter stating the loss. CIBC Mellon Trust Company will contact you to advise of the replacement requirements.
8. Any questions should be directed to CIBC Mellon Trust Company at 1-800-387-0825 or 416-643-5500 in the Toronto area or send an e-mail to inquiries@cibcmellon.com.