



NEWS

FOR IMMEDIATE RELEASE

**RUSSEL METALS ENTERS INTO A LETTER OF INTENT TO ACQUIRE ALBERTA
BASED APEX DISTRIBUTION**

TORONTO, CANADA – August 29, 2012 -- Russel Metals Inc. (RUS - TSX) today announced that it has entered into a Letter of Intent with Apex Distribution Inc. pursuant to which Apex Distribution has agreed to deal exclusively with Russel Metals until October 31, 2012 and the parties have agreed to negotiate in good faith to enter into a definitive agreement for the acquisition by Russel Metals of Apex Distribution and related companies. The purchase price will consist of cash at closing and an earn out based on future earnings.

Apex Distribution is a leading Canadian oilfield supply company servicing the energy segment in Western Canada. Apex Distribution's annual revenues for fiscal 2012 were approximately \$500 million and its earnings before interest and taxes were approximately \$42 million.

Apex Distribution employs approximately 473 people of whom 374 are in Canada. It operates 58 branches, 44 in Canada and 14 in the U.S.

Brian Hedges, President and CEO of Russel Metals stated "Apex Distribution is the largest Canadian owned oilfield supply company in Western Canada. The addition of Apex Distribution would complement our existing energy tubular products segment and would provide a new channel of distribution into the Western Canadian oil and gas industry along with immediate growth opportunities in the U.S. market through Apex Remington, a start-up operation in the U.S. We view this as one of the fastest growing segments of the oil and gas industry and the addition of Apex Distribution would complement our existing Alberta based energy operations Comco Pipe and Supply, Fedmet Tubulars and Triumph Tubular & Supply and our U.S. based

companies Pioneer Pipe and Spartan Energy Tubulars. This is the most exciting opportunity we have seen for our shareholders since our acquisitions of JMS Russel Metals in 2007 and Leroux Steel in 2003. We believe that Apex Distribution's entrepreneurial culture would be an excellent fit with our culture. Apex Distribution will continue to operate as a standalone unit, lead by Don White, its current President and CEO."

Don White, President and CEO of Apex Distribution commented "We are excited about our opportunity to contribute to the Russel Metals group of companies. Our combination accomplishes our shareholders' objectives, while offering our employees and stakeholders advantageous future opportunities available through the strength and diversity of one of the largest metals distribution companies in North America."

Marion Britton, Vice President and CFO commented "The acquisition would be funded from our current cash position and would enable the Company to effectively employ the funds from our recent issue of \$300 million 6% Canadian Senior Notes. 2012 has been a very active year for Russel Metals with the acquisitions of Siemens Laserworks and Alberta Industrial Metals. We expect that the acquisition of Apex Distribution would be on terms that would be immediately accretive to earnings and would support our dividend."

Russel Metals is one of the largest metals distribution companies in North America. It carries on business in three metals 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, Alberta Industrial Metals, 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, Norton Metals, Pioneer Pipe, Russel Metals Specialty Products, Russel Metals Williams Bahcall, Siemens Laserworks, Spartan Energy Tubulars, Sunbelt Group, Triumph Tubular & Supply, Wirth Steel and York-Ennis.

Statements contained in this press release that relate to Russel Metals' beliefs or expectations as to certain future events are not statements of historical fact and are forward-looking statements.

Russel Metals cautions readers that it has not entered into a definitive agreement with respect to the acquisition of Apex Distribution. Further, there are important factors, risks and uncertainties, including but not limited to economic, competitive and governmental factors affecting Russel Metals' ability to consummate the acquisition of Apex Distribution and, if consummated, affecting Russel Metals' post-acquisition operations, markets, products, services and prices that could cause its actual results, performance or achievements to be materially different from those forecasted or anticipated in such forward-looking statements. The forward-looking statements in this press release reflect management's current beliefs and are based on information currently available to management. The material assumptions applied in making the forward-looking statements in this document include the following: demand from the manufacturing, resource and construction segments of the Canadian economy remains at current levels and these conditions will continue in the foreseeable future; and oil and gas prices, the price of steel and the value of the Canadian dollar relative to the U.S. dollar will be at similar levels with what we experienced during the second quarter of 2012. Although the forward-looking statements contained in this document are based upon what management believes to be reasonable estimates and assumptions, Russel Metals cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements and does not intend to update any forward-looking statement other than required by law.

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For further information, contact:

Marion E. Britton
Vice President and Chief Financial Officer
Russel Metals Inc.
(905) 819-7777
E-mail: info@russelmetals.com
Web site: www.russelmetals.com