



Universal Stainless Announces Surcharge Increase

BRIDGEVILLE, Pa., Sept. 19, 2006 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) today announced that it is increasing the nickel premium component of its surcharge mechanism to \$0.38 per pound over the London Metal Exchange price for nickel from \$0.30 per pound. The change in the surcharge will go into effect with shipments beginning October 1, 2006. All other factors in the calculation will remain unchanged.

Richard Hack, Vice President of Sales and Marketing, commented, "Strong market demand for nickel-based products has contributed to the rise in nickel premiums charged to us by our suppliers, which we need to pass on to our customers in order to maintain our profitability and continue to reinvest in our operations to serve our customers' needs."

About Universal Stainless & Alloy Products, Inc.

Universal Stainless & Alloy Products, Inc., headquartered in Bridgeville, Pa., manufactures and markets a broad line of semi-finished and finished specialty steels, including stainless steel, tool steel and certain other alloyed steels. The Company's products are sold to rerollers, forgers, service centers, original equipment manufacturers and wire redrawers.

Forward-Looking Information Safe Harbor

Except for historical information contained herein, the statements in this release are forward-looking statements that are made pursuant to the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from forecasted results. Those risks include, among others, risks associated with the receipt, pricing and timing of future customer orders, risks associated with significant fluctuations that may occur in raw material and energy prices, risks associated with the manufacturing process and production yields, risks related to property, plant and equipment and risks related to the ultimate outcome of the Company's current and future litigation and regulatory matters. Certain of these risks and other risks are described in the Company's filings with the Securities and Exchange Commission (SEC) over the last 12 months, copies of which are available from the SEC or may be obtained upon request from the Company.

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