



Universal Stainless & Alloy Products, Inc. Announces Natural Gas Surcharge

BRIDGEVILLE, PA, October 5, 2000 -- Universal Stainless & Alloy Products, Inc. (Nasdaq:USAP) announced today that effective with orders placed October 15, 2000, it is implementing a surcharge to offset the increase in cost of natural gas used in the production of its specialty steel products. A monthly surcharge factor will be determined by comparing the previous month's average NYMEX daily settlement price to a base rate of \$2.20 per MCF of natural gas. The surcharge will be applied to each grade group and product form, based on the amount of energy used in production. Mac McAninch, President and Chief Executive Officer of Universal Stainless, stated "Given the recent unprecedented rise in natural gas prices, we feel this action is necessary to recover increased costs and maintain our profit levels. We believe that a surcharge based on the monthly average of the NYMEX settlement price is the fairest method to achieve this, while not subjecting our customers to an across the board price increase. If the energy costs revert to previous levels, the surcharge will dissipate."

Universal Stainless & Alloy Products, Inc., headquartered in Bridgeville, Pa., manufactures and markets semi-finished and finished specialty steels, including stainless steel, tool steel and certain other alloyed steels. The Company's products are sold to rollers, forgers, service centers and original equipment manufacturers, which primarily include the power generation and aerospace industries.

Except for historical information contained herein, the statements in this release are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties which 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 and timing of future customer orders, risks associated with the manufacturing process and production yields, risks related to property, plant and equipment. 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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