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SHERRITT RESPONDS TO ANNOUNCEMENT OF PEBERCAN

TORONTO, January 26, 2009 – Sherritt International Corporation (“Sherritt”) (TSX:S) announced today that it has been advised by Peberco Limited (“Peberco”) that Peberco has entered into an arrangement with a Cuban state organization in respect of the termination of the production sharing contract for Block 7 for aggregate cash consideration of U.S. \$140 million.

Sherritt's Oil business in Cuba comprises 100%-owned production sharing arrangements, a 40-45% interest in several fields in Block 7 pursuant to a joint operating agreement between Sherritt and Peberco, and a significant amount of wholly-owned drilling and operating equipment and associated inventories. Sherritt's share of net oil production from Block 7 is approximately 4,500 bopd or 26% of Sherritt's overall Cuban net oil production. As a result of the arrangements entered into by Peberco, Sherritt expects to receive approximately U.S. \$60 million as its share of the proceeds upon closing of that transaction in respect of its interests in Block 7. Sherritt continues to own and operate its 100%-owned production sharing arrangements.

About Sherritt

Sherritt is a diversified natural resource company that produces nickel, cobalt, thermal coal, oil, gas and electricity. It also licenses its proprietary technologies to other metals companies. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol “S”.

Forward-looking Statements

This press release contains certain forward-looking statements. Forward-looking statements generally can be identified by the use of statements that include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “projected”, “continue” or other similar words or phrases. Similarly, statements with respect to expectations concerning assets, prices, costs, dividends, foreign-exchange rates, earnings, production, market conditions, capital expenditures, commodity demand, risks, availability of regulatory approvals, the impact of investments in asset-backed commercial paper, corporate objectives and plans or goals, are or may be forward-looking statements. These forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that those assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections. Sherritt cautions readers of this press release not to place undue reliance on any forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. By their nature, forward-looking statements require Sherritt to make assumptions and are subject to inherent risks and uncertainties. Key factors that may result in material differences between actual results and developments and those contemplated by this press release include business

and economic conditions in Canada, Cuba, Madagascar, and the principal markets for Sherritt's products. Other such factors include, but are not limited to, uncertainties in the development and construction of large mining projects; risks related to the availability of capital to develop the Ambatovy Project; risks associated with Sherritt's joint venture partners; potential interruptions in transportation; Sherritt's reliance on key personnel and skilled workers; the possibility of equipment and other unexpected failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainties in oil and gas exploration; risks related to collecting accounts receivable and repatriating profits and dividends from Cuba; risks related to foreign-exchange controls on Cuban government enterprises to transact in foreign currency; risks associated with the United States embargo on Cuba and the Helms-Burton legislation; development programs; uncertainties in reserve estimates; uncertainties in asset retirement and reclamation cost estimates; Sherritt's reliance on significant customers; foreign exchange and pricing risks; uncertainties in commodity pricing; credit risks; competition in product markets; Sherritt's ability to access markets; risks in obtaining insurance; uncertainties in labour relations; uncertainties in pension liabilities; the ability of Sherritt to enforce legal rights in foreign jurisdictions; the ability of Sherritt to obtain government permits; risks associated with government regulations and environmental health and safety matters; and other factors listed from time to time in Sherritt's continuous disclosure documents.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and except as required by law, Sherritt undertakes no obligation to update any forward-looking statements.

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