
Press release

Sherritt reports 2010 first-quarter results

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TORONTO, APRIL 27, 2010

Sherritt International Corporation (“Sherritt” or the “Corporation”) (TSX: S) today announced first-quarter 2010 results.

- **Net earnings** for first-quarter 2010 were \$59.7 million (\$0.20 per share), compared to a net loss of \$42.9 million (\$0.15 per share) for first-quarter 2009.
- **Consolidated sales volumes** for first-quarter 2010 (Sherritt’s share) totaled 9.4 million pounds of nickel, 0.9 million pounds of cobalt, 9.8 million tonnes of thermal coal, 1.1 million barrels of oil and 172 GWh of electricity.
- **Consolidated cash**, cash equivalents and short-term investments were \$764.8 million at March 31, 2010. Of the cash balance, \$32.0 million (50% basis) was held by the Moa Joint Venture and \$76.0 million (100% basis) was held by the Ambatovy Joint Venture.
- **Operating cash flow** was \$145.2 million for first-quarter 2010, and compares to operating cash flow of \$95.3 million for first-quarter 2009.
- **Capital expenditures** totaled \$362.1 million for first-quarter 2010, including \$315.9 million for the Ambatovy Project (100% basis).
- In **Madagascar**, 14,000 people were on-site at the Ambatovy Project during the quarter. Engineering for the Project is complete and all site activity is now directed to construction and commissioning.
- At March 31, 2010, **total debt** approximated \$3.0 billion, of which approximately \$1.6 billion (100% basis) related to the limited-recourse Ambatovy senior project finance and \$0.5 billion to the non-recourse partner loans to Sherritt.

Summary Financial Data

(millions of dollars, except per share amounts and ratios)

	Q1 2010	Q1 2009 ⁽³⁾
Revenue	\$ 393.3	\$ 349.6
EBITDA⁽¹⁾	143.1	96.5
Operating earnings	82.6	27.8
Net earnings (loss)	59.7	(42.9)
Basic earnings (loss) per share	0.20	(0.15)
Diluted earnings (loss) per share	0.20	(0.15)
Net working capital⁽²⁾	819.3	643.2
Capital expenditures	362.1	416.9
Total assets	9,934.7	10,091.4
Shareholders’ equity	3,437.6	3,816.6
Long-term debt to capitalization	35%	29%
Weighted average number of shares (millions)		
Basic	294.0	293.1
Diluted	296.5	293.1

(1) EBITDA is a non-GAAP measure. See the “Non-GAAP Measures” section at the end of this release.

(2) Net working capital is calculated as total current assets less total current liabilities.

(3) Amounts for the three months ended March 31, 2009 have been amended to include the results of Mineral Products which had previously been accounted for as a discontinued operation.

Summary Sales Data

(units as noted)	Q1 2010	Q1 2009
Sales volumes		
Nickel (thousands of pounds, 50% basis)	9,392	8,736
Cobalt (thousands of pounds, 50% basis)	907	998
Thermal coal - Prairie Operations (millions of tonnes)	9.3	8.5
Thermal coal - Mountain Operations (millions of tonnes, 50% basis)	0.5	0.4
Oil (boepd, net production)	12,370	14,339
Electricity (GWh, 100% basis)	515	541
Average realized prices		
Nickel (\$/lb)	\$ 9.20	\$ 5.68
Cobalt (\$/lb)	20.16	16.22
Thermal coal - Prairie Operations (\$/tonne)	14.86	14.99
Thermal coal - Mountain Operations (\$/tonne)	69.45	98.76
Oil (\$/boe)	52.83	35.72
Electricity (\$/MWh)	42.67	50.46

Review of Operations

Metals

	Q1 2010	Q1 2009
Production (tonnes, 50% basis)		
Mixed sulphides	4,659	4,686
Nickel	4,265	4,073
Cobalt	468	469
Sales (thousands of pounds, 50% basis)		
Nickel	9,392	8,736
Cobalt	907	998
Reference prices (US\$/lb)		
Nickel	\$ 9.11	\$ 4.74
Cobalt ⁽¹⁾	20.11	13.37
Realized prices (\$/lb)		
Nickel	\$ 9.20	\$ 5.68
Cobalt	20.16	16.22
Unit operating costs (\$/lb)		
Mining, processing and refining costs	\$ 4.68	\$ 5.00
Third-party feed costs	0.38	0.35
Cobalt by-product credits	(1.87)	(1.48)
Other	0.26	0.25
Net direct cash costs of nickel ⁽²⁾	\$ 3.45	\$ 4.12

Metals (cont.)

	Q1 2010	Q1 2009
Revenue (\$millions)		
Nickel	\$ 86.4	\$ 49.7
Cobalt	18.3	16.2
Fertilizer and other	11.1	13.8
	\$ 115.8	\$ 79.7
EBITDA (\$ millions)⁽³⁾	\$ 48.1	\$ (1.4)
Operating earnings (\$ millions)	\$ 39.9	\$ (8.8)
Capital expenditures (\$ millions)		
Moa Joint Venture (50% basis)	\$ 5.5	\$ 5.5
Ambatovy Joint Venture (100% basis)	315.9	376.9
Total	\$ 321.4	\$ 382.4

(1) Average Metal Bulletin: Low Grade cobalt published price.

(2) Net direct cash cost of nickel after cobalt and by-product credits.

(3) EBITDA is a non-GAAP measure. See the "Non-GAAP Measures" section at the end of this release. EBITDA excludes depreciation and amortization of \$6.3 million and \$4.5 million for the three-month periods ended March 31, 2010 and March 31, 2009, respectively.

Mixed sulphides production for first-quarter 2010 was 9,318 tonnes (100% basis), largely unchanged from first-quarter 2009. First-quarter 2010 finished nickel production of 8,529 tonnes (100% basis) was 5% (383 tonnes) higher, and finished cobalt production of 936 tonnes (100% basis) was comparable to first-quarter 2009, reflecting increased feed availability, a higher nickel-to-cobalt ratio, and the positive impact of the autoclave replacement program at Fort Saskatchewan, completed in fourth-quarter 2009.

First-quarter nickel sales volumes (50% basis) were 8% (0.7 million pounds) higher than the prior-year period, reflecting the higher production and greater relative market demand for finished nickel. Cobalt sales volumes (50% basis) were 9% (0.1 million pounds) lower than first-quarter 2009, primarily reflecting the timing of sales.

The average nickel reference price in first-quarter 2010 was 92% (US\$4.37/lb) higher, and the average cobalt reference price was 50% (US\$6.74/lb) higher, than first-quarter 2009. The increases are reflective of stronger demand for finished metal in first-quarter 2010 relative to the prior-year period.

The net direct cash cost of nickel for first-quarter 2010 was 16% (US\$0.67/lb) lower than first-quarter 2009, primarily as the result of lower input commodity costs and higher cobalt prices which increase the cobalt by-product credits.

Capital expenditures in first-quarter 2010 for the Moa Joint Venture were comparable to first-quarter 2009.

The Ambatovy Project

Ambatovy Project capital expenditures for first-quarter 2010 were \$315.9 million (100% basis), 16% (\$61.0 million) lower than the prior-year period. Total cumulative project expenditures to March 31, 2010 were US\$3.7 billion, excluding financing charges and capitalized interest, and represent over 80% of the projected total project expenditures. The Corporation remains confident that project spending will remain within the US\$4.52 billion estimate. During the quarter, engineering was completed and construction activity neared its peak, with approximately 14,000 people engaged in all areas of the Project. During first-quarter 2010, US\$38.0 million (100%) was provided by the Ambatovy Partners and US\$22.0 million was drawn on the senior project financing to finance project expenditures. The Project is designed to produce 60,000 tonnes (100% basis) of nickel and 5,600 tonnes (100% basis) of cobalt annually at capacity. The majority of systems are expected to be turned over to commissioning teams by the end of 2010, with mechanical completion expected in early 2011.

Coal

	Q1 2010	Q1 2009
Production (millions of tonnes)		
Prairie Operations	8.8	8.5
Mountain Operations (50% basis) ⁽¹⁾	0.4	0.5
Sales (millions of tonnes)		
Prairie Operations	9.3	8.5
Mountain Operations (50% basis) ⁽¹⁾	0.5	0.4
Realized prices (\$/tonne, excluding royalties)		
Prairie Operations	\$ 14.86	\$ 14.99
Mountain Operations	69.45	98.76
Unit operating costs (\$/tonne)		
Prairie Operations	\$ 11.18	\$ 11.62
Mountain Operations	78.42	59.11
Revenue (\$millions)		
Prairie Operations		
Mining revenue	\$ 138.5	\$ 127.9
Coal royalties	11.1	12.9
Potash royalties	3.3	4.3
Mountain Operations and Other Assets (50% basis) ^{(1),(2)}	35.4	43.8
Total	\$ 188.3	\$ 188.9
EBITDA (\$ millions) ⁽³⁾		
Prairie Operations	\$ 47.7	\$ 44.3
Mountain Operations and Other Assets (50% basis) ^{(1),(2)}	(5.7)	15.7
Total	\$ 42.0	\$ 60.0
Operating earnings (\$ millions)	\$ 17.3	\$ 34.8
Capital expenditures (\$ millions)		
Prairie Operations	\$ 8.0	\$ 9.1
Mountain Operations (50% basis) ⁽⁴⁾	1.1	4.4
Activated Carbon Project (50% basis)	7.2	1.8
Total	\$ 16.3	\$ 15.3

(1) Mountain Operations include the results of the Coal Valley and Obed Mountain mines, which are primarily involved in the export of thermal coal, and are presented on a 50% basis.

(2) Other Assets include certain undeveloped reserves, coal reserves that produce coal-bed methane and technologies under development, including the Dodds-Roundhill Coal Gasification Project, and are presented on a 50% basis.

(3) EBITDA is a non-GAAP measure. See the "Non-GAAP Measures" section at the end of this release. Combined EBITDA excludes depreciation and amortization of \$13.3 million and \$15.1 million for the three-month periods ended March 31, 2010 and March 31, 2009, respectively.

(4) Capital expenditures for Mountain Operations for first-quarter 2009 include \$1.2 million of capital expenditures related to the Obed Mountain mine prior to its reopening in July 2009.

First-quarter 2010 production volumes at Prairie Operations were 4% (0.3 million tonnes) higher than the prior-year period largely due to lower strip ratios (ratios of overburden to coal) at the Genesee mine. Production volumes at Mountain Operations were 15% (0.1 million tonnes) lower than the prior-year period primarily due to lower plant yields resulting from continued issues with coal quality at the Coal Valley mine which more than offset the additional production from the Obed Mountain mine.

Sales volumes for first-quarter 2010 were higher at both Prairie Operations (9% or 0.8 million tonnes) and Mountain

Operations (15% or 0.1 million tonnes) when compared to the prior-year period, mainly due to increased customer demand at the Boundary Dam, Genesee and contract mines in Prairie Operations, and the addition of sales from the Obed Mountain mine in Mountain Operations.

Realized pricing (excluding royalties) for first-quarter 2010 in Prairie Operations was relatively unchanged from the prior-year period. Realized pricing in Mountain Operations in first-quarter 2010 was 30% (\$29.31/tonne) lower than first-quarter 2009 due to reduced pricing on export coal contracts that were in effect in the April 2009 – March 2010 coal contract year relative to the record high prices in the April 2008 – March 2009 coal contract year, and the foreign exchange impact of a stronger Canadian dollar.

Unit operating costs at Prairie Operations were 4% (\$0.44/tonne) lower for first-quarter 2010 relative to the prior-year period largely due to the impact of increased sales volumes, particularly at the Boundary Dam and Genesee mines. Unit operating costs at Mountain Operations were 33% (\$19.31/tonne) higher for first-quarter 2010 mainly as a result of the low plant yield at the Coal Valley and Obed Mountain mines related to permitting delays.

Total royalties for first-quarter 2010 were 16% (\$2.8 million) lower than the prior-year period. Lower coal royalties were the result of reduced mining activity in royalty assessable areas, and potash royalties were impacted by lower potash pricing.

Capital expenditures in Prairie Operations were 12% (\$1.1 million) lower for the quarter mainly due to the timing of mining equipment purchases and a shop expansion that took place in 2009. Capital expenditures in Mountain Operations were 75% (\$3.3 million) lower in first-quarter 2010 than in the prior-year period, as first-quarter 2009 expenditures included \$1.2 million related to the Obed Mountain mine re-opening that occurred in mid-2009. In addition, capital expenditures are being delayed later into 2010 in order to match available cash flows. Spending on the Activated Carbon Project peaked in first-quarter 2010 and was 300% (\$5.4 million, 50% basis) higher than the prior-year period. Commissioning of the plant is scheduled for second-quarter 2010. Sales contracts for 100% of the output are being finalized, and sales under these contracts are expected to commence by June 2010.

At March 31, 2010, Coal Valley Resources Inc. (CVRI), a subsidiary of the Coal Valley Partnership (in which the Corporation has a 50% interest) was not in compliance with two financial covenants applicable to the \$38.0 million (100% basis) 3-year non-revolving term facility used to finance the re-opening of the Obed Mountain mine. The covenant breach resulted from the reduction of working capital and tangible net worth in CVRI due to sales delays arising from a contract dispute with the counter party to the off-take agreement for the additional production related to the Obed Mountain mine as well as unexpected production shortfalls in first-quarter 2010. The contract dispute has been resolved, sales volumes are being delivered under the off-take contract, and the financial institution providing the facility has granted a waiver with respect to these covenants to March 31, 2010.

Oil and Gas

	Q1 2010	Q1 2009
Production (boepd)⁽¹⁾		
Gross working-interest – Cuba ^{(2),(3)}	22,019	21,687
Net working-interest ⁽⁴⁾		
Cuba – cost recovery	3,687	8,180
Cuba – profit oil	7,772	5,486
Cuba - total	11,459	13,666
Spain	546	303
Pakistan	365	370
Total	12,370	14,339
Reference prices (US\$/bbl)		
U.S. Gulf Coast Fuel Oil No. 6	\$ 70.37	\$ 38.86
Brent crude	76.62	44.60

Oil and Gas (cont.)

	Q1 2010	Q1 2009
Realized prices		
Cuba (\$/bbl)	\$ 53.00	\$ 36.01
Spain (\$/bbl)	79.70	55.69
Pakistan (\$/boe)	7.39	8.94
Weighted average (\$/boe)	52.83	35.72
Unit operating costs		
Cuba (\$/bbl)	\$ 7.97	\$ 9.03
Spain (\$/bbl)	27.10	55.55
Pakistan (\$/boe)	1.22	1.32
Weighted average (\$/boe)	8.61	9.82
Revenue (\$millions)	\$ 59.3	\$ 46.6
EBITDA (\$ millions) ⁽⁵⁾	\$ 43.1	\$ 27.2
Operating earnings (\$ millions)	\$ 23.8	\$ -
Capital expenditures (\$ millions)	\$ 13.2	\$ 12.1

- (1) Oil production is stated in barrels per day ("bpd"). Natural gas production is stated in barrels of oil equivalent per day ("boepd"), which is converted at 6,000 cubic feet per barrel.
- (2) In Cuba, Oil and Gas delivers all of its gross working-interest oil production to Union Cubapetroleo (CUPET) at the time of production. Gross working-interest oil production excludes production from wells for which commerciality has not been established in accordance with production-sharing contracts.
- (3) Gross working-interest oil production is allocated between Oil and Gas and CUPET in accordance with production-sharing contracts. The Corporation's share, referred to as 'net oil production', includes (i) cost recovery oil (based upon the recoverable capital and operating costs incurred by Oil and Gas under each production-sharing contract) and (ii) a percentage of profit oil (gross working-interest production remaining after cost recovery oil is allocated to Oil and Gas). Cost recovery pools for each production-sharing contract include cumulative recoverable costs, subject to certification by CUPET, less cumulative proceeds from cost recovery oil allocated to Oil and Gas. Cost recovery revenue equals capital and operating costs eligible for recovery under the production-sharing contracts.
- (4) Net production (equivalent to net sales volume) represents the Corporation's share of gross working-interest production. In Spain and Pakistan, net oil production volumes equal 100% of gross working-interest production volumes.
- (5) EBITDA is a non-GAAP measure. See the "Non-GAAP Measures" section at the end of this release.

First-quarter 2010 net working-interest production in Cuba was 16% (2,207 bpd) lower than first-quarter 2009, due to higher prices in 2010 as well as the inclusion of non-recurring facilities costs to cost recovery in first-quarter 2009. The scheduled contractual expiry of the Varadero production-sharing contract (PSC) occurred in March 2010. The Varadero PSC had accounted for approximately 2,250 bpd of gross working-interest (GWI) production (464 bpd net working-interest production) prior to expiry. Spanish production was 80% higher in first-quarter 2010 compared to the prior year period due to the production benefits of the workovers conducted in 2009. Production in Pakistan remained relatively unchanged quarter to quarter.

Average realized prices in first-quarter 2010 were substantially higher than first-quarter 2009 in Cuba (47%, \$16.99/bbl) and Spain (43%, \$24.01/bbl), as the benefit of increased reference pricing more than offset the impact of a strengthening Canadian dollar.

First-quarter 2010 unit operating costs were lower than the prior-year period in all jurisdictions. In Cuba, the decline in unit operating costs (12%, \$1.06/bbl) reflected the impact of foreign exchange, while the reduction in unit operating costs in Spain (51%, \$28.45/bbl) was attributable to the weakening of the US dollar and the impact of increased production on unit costs.

Capital expenditures in first-quarter 2010 were 9% (\$1.1 million) higher than in the prior-year period. The change largely reflects the increase in drilling activity in Cuba, which was suspended in first-quarter 2009 due to the lack of available cash

flow resulting from timing delays in the receipt of cash related to Cuban receivables in early 2009.

Power

	Q1 2010	Q1 2009
Electricity sold (GWh, 100% basis) ⁽¹⁾	515	541
Realized price (\$/MWh)	\$ 42.67	\$ 50.46
Unit cash operating cost (\$/MWh)	9.81	\$ 17.78
Net capacity factor (%)	68	75
Revenue (\$millions)	\$ 28.0	\$ 30.4
EBITDA (\$ millions) ⁽²⁾	\$ 21.3	\$ 19.7
Operating earnings (\$ millions)	\$ 13.3	\$ 12.1
Capital expenditures (\$ millions)		
Cuba	\$ 6.3	\$ 5.6
Other	-	3.4
Total	\$ 6.3	\$ 9.0

(1) Including non-controlling interests' share.

(2) EBITDA is a non-GAAP measure. See the "Non-GAAP Measures" section at the end of this release.

Electricity production for first-quarter 2010 was 5% (26 GWh, 100% basis) lower and the net capacity factor was 9% lower than the prior-year period, due mainly to the intermittent gas supply shortages at Boca de Jaruco and Varadero. The peak-power plant at Varadero (20 MW) reached the end of its 10-year lease in March 2010 and the lease was not renewed. The plant was only operated during peak periods and therefore the impact of the lease expiry on electricity production going forward will be minimal.

First-quarter 2010 unit cash operating costs were 45% (\$7.79/MWh) lower than the prior-year period due to the impact of a turbine failure in first-quarter 2009 and business interruption insurance recoveries recorded during the current quarter.

Capital expenditures were 30% (\$2.7 million) lower than the prior-year period, as there was no spending in Madagascar in first-quarter 2010 and spending on construction and engineering for the potential Phase 8 expansion in Cuba has slowed.

Cash, Debt and Financing

Cash, cash equivalents and short-term investments were \$764.8 million at March 31, 2010. Of that amount, \$32.0 million (50% basis) was held by the Moa Joint Venture and \$76.0 million (100% basis) was held by the Ambatovy Joint Venture. These funds are for the use of each joint venture, respectively.

At December 31, 2009, the amount of credit available under various facilities, inclusive of approximately US\$500 million (100% basis) under the Ambatovy senior project financing, was \$0.9 billion.

Outlook

Sherritt's projected production volumes, royalties and capital expenditures for the year 2010 are shown below.

For the 12 months ending	December 31 2010
Production volumes	
Mixed sulphides (tonnes, 100% basis)	37,000
Nickel (tonnes, 100% basis)	33,500
Cobalt (tonnes, 100% basis)	3,700
Coal - Prairie Operations (millions of tonnes)	36
Coal - Mountain Operations (millions of tonnes, 100% basis)	5
Oil - Cuba (gross working interest, bpd)	20,500
Oil - All operations (net working interest, boepd) ⁽¹⁾	12,600
Electricity (GWh)	2,040
Royalties (\$ millions)	
Coal	\$ 37
Potash	15
Capital expenditures (\$ millions)	
Metals - Moa Joint Venture (50% basis)	\$ 66
Coal - Prairie Operations	73
Coal - Mountain Operations (50% basis)	24
Coal - Activated Carbon (50% basis)	14
Oil and Gas - Cuba	98
Oil and Gas - Other	39
Power - Cuba ⁽²⁾	31
	\$ 345
Metals - Ambatovy (US\$ millions, 100% basis)	\$ 1,100

(1) Net oil production is predicated on the Fuel Oil No.6 price remaining consistent with recent historical levels.

(2) Includes \$5 million of progress payments that will be recorded as other assets.

- In Metals, full-year 2010 production of mixed sulphides, finished nickel and cobalt is expected to be near 2009 levels, consistent with previous guidance. Finished metals production guidance reflects the impact of a planned total shutdown of the refinery currently scheduled for second-quarter 2010. Capital expenditure guidance is 11% (\$8 million) lower than previously provided. The decrease reflects an anticipated delay in the construction of the 2,000 tonne per day sulphuric acid plant at Moa, which remains subject to securing adequate financing. Construction activities related to the 9,000 tonne Phase 2 Expansion are not currently scheduled for 2010.
- At Ambatovy, the majority of systems are expected to be turned over to commissioning teams by the end of 2010, with mechanical completion expected in early 2011.
- In Coal - Prairie Operations, guidance remains unchanged from last quarter. Production is expected to remain near 2009 levels. Potash royalties are expected to increase approximately 50% from 2009 levels due to production curtailments in the industry at the end of 2009 and their impact on pricing. Coal royalties are expected to decrease approximately 27% from 2009 as mining plans have less overlap with royalty assessable areas. Capital expenditures are expected to be slightly higher than 2009 as a result of the cyclical timing of equipment purchases. The Activated Carbon Plant remains on schedule for commissioning in second-quarter 2010.

In Coal - Mountain Operations, production guidance remains consistent with last quarter. The permitting delays

preventing mining in the Mercoal West permit area are expected to be resolved, and mining to commence in the permit area, by mid-year 2010. Mountain Operations plans to compensate for most of the production volume shortfall experienced in the first half of 2010. However, should permitting delays continue beyond mid-year or the resulting yields prove insufficient, production may fall short of the current estimate. Approximately 70% of Coal Valley mine's contract year production will be linked to the Newcastle FOB settlement price. Contract prices are expected to settle within the next several weeks. Current market prices for export thermal coal are significantly higher than the prior-year period, indicating potential for a higher contract price than was achieved in the previous contract year (April 2009 – March 2010). These contracts are denominated in US dollars, and therefore the results will be impacted by the relative movement of the Canadian and US currencies.

- In Oil and Gas, 2010 GWI oil production in Cuba is expected to be approximately 4% (800 bpd) higher than previous guidance. The increase is based on the positive results of wells drilled and workovers completed in first-quarter 2010. Capital expenditures reflect three additional development wells to be drilled in Cuba this year, which were not included in the previous guidance.
- In Power, production levels in 2010 are expected to remain largely consistent with first-quarter levels, based on current gas availability.

Non-GAAP Measures

The Corporation discloses EBITDA in order to provide an indication of revenue less cash operating expenses. Operating earnings is a measure used by Sherritt to evaluate the operating performance of its businesses as it excludes interest charges, which are a function of the particular financing structure for the business, and certain other charges. EBITDA and operating earnings do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and, therefore, they may or may not be comparable with similar measures presented by other issuers.

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. Specifically, forward-looking statements in this document include statements respecting certain future expectations about the Corporation's capital expenditures; capital project commissioning and completion dates; production volumes; scheduled maintenance and shutdown of production facilities; realized prices for production; royalty revenues; sales of activated carbon; debt repayments; permitting for the Coal – Mountain Operations; and other corporate objectives, plans or goals for 2010. 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, global economic conditions, business, economic and political 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 undertake capital initiatives; changes in capital

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cost estimates in respect of the Corporation's capital initiatives; risks associated with Sherritt's joint-venture partners; future non-compliance with financial covenants; potential interruptions in transportation; political, economic and other risks of foreign operations; 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 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; risks related to the Cuban government's ability to make certain payments to the Corporation; 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; differences between Canadian GAAP and IFRS; 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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