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***SHERRITT INTERNATIONAL CONFIRMS DRILLING SUCCESS IN SANTA CRUZ PROSPECT, ANNOUNCES CLOSING OF OFFER TO PURCHASE SENIOR UNSECURED NOTES***

TORONTO, Dec 30, 2004 (Canada NewsWire via COMTEX) -- Sherritt International Corporation confirmed today that initial results of exploratory drilling in the Santa Cruz prospect in Block 7 off the northwest coast of Cuba are promising.

Sherritt holds a 45% working interest in Block 7, and contributed to the acquisition and analysis of seismic data near Santa Cruz del Norte in the western portion of the Block. Sherritt has supported Pebercan, the operator and holder of the remaining 55% working interest, in the exploratory well and appraisal operations, which initially demonstrated a 1,300 barrel per day flow of 18 degree API oil. Additional delineation of the reservoir and further appraisal wells are to be undertaken in 2005.

Sherritt International Corporation, with assets of \$2.4 billion, is a diversified Canadian natural resource company that operates in Canada, Cuba and internationally. Sherritt is the largest foreign oil producer in Cuba and has developed extensive expertise in complex fold and thrust belt geology and directional drilling.

Sherritt also announced the expiry of its previously announced offer to purchase, in aggregate, up to \$100,000,000 par value of its 9.875% senior unsecured notes due March 31, 2010 for \$101 cash per \$100 par value of principal amount of Notes. No Notes have been deposited for repurchase under the offer and no Notes will be taken up by Sherritt.

The Offer was made only by reason of a technical requirement in the Note Indenture governing the Notes, and the offer price of \$101 per \$100 principal amount of Notes was below market price for the Notes at the time the Offer was made.

Sherritt's 131 million common shares, \$200 million of 6% convertible debentures and \$300 million of 7% convertible debentures trade on the Toronto Stock Exchange under the symbols S, S.DB and S.DB.A respectively. Sherritt's \$105 million of 9.875% senior unsecured debentures trade on the over-the-counter bond market.

This news release contains forward-looking statements. These forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and other factors that are more fully discussed in Sherritt's continuous disclosure documents such as our annual report, annual information form and management information circular. These risks, uncertainties and other factors could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

VIEW ADDITIONAL COMPANY-SPECIFIC INFORMATION:  
<http://www.newswire.ca/en/releases/orgDisplay.cgi?okey=31865>

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