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## **Sherritt Announces Redemption and Exchange Offer for 9.875% Senior Notes**

Toronto, December 9, 2005- Sherritt International Corporation (TSX: S) announced today its intention to redeem all of its outstanding 9.875% senior unsecured notes due March 31, 2010 ("Notes"). Redemption will occur on January 16, 2006 at a redemption price of \$109.875 of cash per \$100 principal amount of Notes, plus any accrued and unpaid interest on the Notes up to the redemption date.

Sherritt also announced that it will offer Noteholders the opportunity to exchange their Notes for new 7.875% senior unsecured debentures Series A, due November 26, 2012 ("New Debentures") at a rate of \$108.787 principal amount of New Debentures for each \$100 principal amount of Notes. The exchange amount of \$108.787 principal amount of New Debentures has a market value of \$110.922, based on the ten day average price in the over-the-counter bond market ending December 8, 2005 of \$101.963 for each \$100 principal amount of New Debentures. The market price of the New Debentures is subject to change prior to the effective date of the exchange.

The exchange offer is open for acceptance until December 28, 2005, unless extended. Noteholders can exchange their Notes for New Debentures on a commission-free basis.

The New Debentures to be issued under the exchange offer are the same series as the \$175 million of New Debentures issued on November 25, 2005.

Sherritt is mailing a notice of redemption to the holders of Notes, together with the exchange offer and a prospectus document containing details of the New Debentures. Noteholders are encouraged to read these materials in their entirety and to determine whether to tender under the exchange offer, or await a cash redemption of their Notes.

National Bank Financial Inc. has been retained as financial advisor and soliciting dealer manager for the exchange offer.

Sherritt International Corporation is a diversified resource company involved in the production of thermal coal, nickel, cobalt, oil and electricity. Its success is built on utilizing innovative technologies and the breadth of its financial and operational expertise to increase productivity and profitability. Sherritt continues to explore opportunities to grow its \$2.8 billion asset base through expansion of its existing businesses and strategic acquisitions.

Sherritt's 155 million common shares and \$300 million 7% convertible debentures trade on the Toronto Stock Exchange under the symbols S and S.DB.A respectively. Sherritt's \$105 million of 9.875% senior unsecured notes and \$175 million of 7.875% senior unsecured debentures trade on the over-the-counter bond market.

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