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Sherritt Announces Completion of Redemption of 7% Debentures

TORONTO, December 19, 2006 - Sherritt International Corporation (TSX: S) announced today the completion of the redemption of all of its remaining 7% convertible unsecured subordinated debentures due December 15, 2013 (the "Debentures"). The redemption was effected by the issuance of 243,852 common shares of Sherritt ("Shares").

Prior to the December 19, 2006 redemption date, holders of Debentures had the right to convert all or any portion of the principal amount of their Debentures into Shares. Since November 15, 2006, the date of announcement of the redemption, a total of 19,969,711 Shares were issued to holders of Debentures who elected to convert their Debentures into Shares.

On November 15, 2006, Sherritt also announced a substantial issuer bid for up to 7.5 million Shares at a price of \$11.65 per Share (the "Offer"). This Offer expires at noon (Toronto time) on December 22, 2006.

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 \$2.5 billion asset base through expansion of its existing businesses and strategic acquisitions.

Sherritt's 173 million common shares trade on the Toronto Stock Exchange under the symbol S. Sherritt's \$274 million principal amount of 7.875% Senior Unsecured Debentures Series A due November 26, 2012 trade on the over the counter bond market.

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For further information, please contact:
Investor Relations
Sherritt International Corporation
(416) 924-4551
www.sherritt.com