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Sherritt announces new offer to purchase 7% convertible debentures

Toronto, May 17, 2006 - Sherritt announced today its intention to offer to purchase for cancellation up to \$100 million principal amount of its outstanding 7% convertible debentures. Sherritt will launch a substantial issuer bid, via a dutch auction, to offer to purchase these securities at a price range of not less than \$1,700 and not more than \$1,870 for each \$1,000 principal amount of debentures. This price range represents a premium of up to 10% to the closing price on May, 16, 2006.

As previously announced, given its strong earnings and cash flow generation, Sherritt considers this offer to be an effective use of its cash while still providing the Corporation with the flexibility to pursue growth opportunities. The repurchase reduces the dilution to shareholders which will occur if the Corporation elects to give notice of redemption on or after the first call date of December 16, 2006. The Corporation expects to mail the offer to purchase and an issuer bid circular on or about May 19, 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 \$2.8 billion asset base through expansion of its existing businesses and strategic acquisitions.

Sherritt's 151 million common shares and \$293 million 7% convertible debentures trade on the Toronto Stock Exchange under the symbols S and S.DB.A respectively. Sherritt's \$274 million of 7.875% senior unsecured debentures trade on the over-the-counter bond market.

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