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Sherritt Announces New Offer to Purchase 7% Convertible Debentures

TORONTO, September 13, 2006 - Sherritt International Corporation (TSX: S, S.DB.A) announced today its intention to offer to purchase for cancellation up to \$50 million principal amount of its outstanding 7% convertible unsecured subordinated debentures due December 15, 2013 (the "Debentures"). The purchase price to be paid by Sherritt will be determined by way of dutch auction and will be not less than \$1,470 and not more than \$1,610 for each \$1,000 principal amount of Debentures. This price range represents a premium of up to 10% to the closing price of the Debentures on September 12, 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 Company with the flexibility to pursue growth opportunities. The purchase will reduce the dilution to shareholder equity which would occur if the Company elects to give notice of redemption of the Debentures on or after the first call date of December 16, 2006. Sherritt expects to mail the offer to purchase and issuer bid circular on or about September 15, 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 \$2.4 billion asset base through expansion of its existing businesses and strategic acquisitions.

Sherritt's 151 million common shares and \$192 million principal amount of Debentures trade on the Toronto Stock Exchange under the symbols S and S.DB.A respectively. 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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