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Record Revenues in Coal, Strong Earnings in Oil at Sherritt

Highlights

- Record production, sales and revenues in Coal
- Strong EBITDA in Oil and Gas
- 85 MW Power expansion project starts increased generation
- Construction begins at Moa for expanded Metals production

Financial Highlights (unaudited)

(millions of dollars, except per share amounts)	Three months ended March 31	
	2006	2005 (restated) ⁽³⁾
Revenue	259.6	257.1
EBITDA ^{(1) (2)}	112.2	123.1
Net earnings	35.7	35.4
Basic earnings per share	0.24	0.25
Diluted earnings per share	0.20	0.21
Weighted average number of shares (millions)		
Basic	151.1	139.1
Diluted	194.3	198.6
Total cash, cash equivalents and short-term investments	437.0	474.5

⁽¹⁾. Reference should be made to the Summary Financial Results by Segment later in this news release for a description of the above financial measures and for a reconciliation of these measures to GAAP measures.

⁽²⁾. The Corporation discloses EBITDA, which is a non-GAAP measure, in order to provide an indication of revenue less cash operating expenses. EBITDA does not have any standardized meaning prescribed by Canadian generally accepted accounting principles and is, therefore, unlikely to be comparable with similar measures presented by other issuers.

⁽³⁾. Comparable periods have been restated to reflect a change in the methodology of accounting for income taxes in the Cuban oil and gas business to provide a clearer presentation of income taxes in that business and a reclassification of certain selling expenses in the Metals business, which were previously netted against revenue, to operating, selling, general and administrative costs.

All amounts in this press release represent Sherritt's 100% interest unless otherwise indicated. Amounts relating to Coal and Metals reflect the Corporation's 50% interest in these businesses. Amounts relating to Power and a soybean-based food processing business reflect 100% of those businesses in accordance with variable interest entity accounting. Sherritt's interest is one-third in the Power business and 49% in the soybean-based food processing business. The non-controlling interests are disclosed separately in the consolidated financial statements.

Toronto, Ontario. May 2, 2006. Sherritt International Corporation today announced first quarter results. Increased revenues in Oil and Gas and Coal contributed to higher consolidated revenues than in the same period last year and the previous quarter, partially offset by lower revenues in Metals. Net earnings of \$35.7 million or \$0.24 per share represent an increase of 27% over the \$28.1 million in net earnings, excluding certain items, in the previous quarter. Earnings before interest, taxes, depreciation and amortization (EBITDA) at \$112.2 million increased by \$19 million over the fourth quarter, but decreased over the same period last year primarily as a result of lower realized prices for nickel, cobalt and electricity.

Together with its partner, the Ontario Teachers' Pension Plan, Sherritt continues to examine options for the monetization of the mature and stable cash flow streams of its prairie mines and royalties, including the possibility of an income trust offering.

In response to an issuer bid, in April 2006 the Corporation repurchased \$7.1 million principal amount of its outstanding 7% convertible unsecured subordinated debentures due December 15, 2013, at a price of \$1,620 per \$1,000 principal for a total consideration of \$11.7 million, including accrued interest.

Capital expenditures of \$50.6 million in the first quarter were primarily directed to the completion of the 85 megawatt expansion in Power, drilling activity and facilities construction in Oil and Gas, and completion of basic engineering studies for the 16,000 tonne (100% basis) expansion project in Metals. Total cash was \$437 million at the end of the quarter.

Outlook for 2006

The focus on business growth in 2006 continues to be directed at expansion projects in Metals (16,000 tonnes, 100% basis) and Power (65 MW). In April, 2006, Sherritt took part in a groundbreaking ceremony to mark the start of construction for the expansion of the mining and processing facilities at Moa.

Sherritt remains committed to a series of long term initiatives to develop its substantial coal reserves in Canada with a view to supplying energy, in the form of power, steam, or gases such as hydrogen, through gasification. These initiatives also relate to Sherritt's plan to lever its experience in power generation and industrial operations.

Sherritt anticipates that prices for nickel, coal and oil will continue to be above historical averages and that cobalt prices may increase due to higher demand. High energy, raw materials, and labour costs are also expected to be sustained in 2006, impacting operations and projects in development. Total anticipated capital expenditures for the year are expected to be approximately \$390 million, and \$112 million for the second quarter.

Coal – Although production volumes increased at the Coal Valley mine in the first quarter, Coal is evaluating the optimal production profile for the mine while implementing various initiatives to improve operating performance and efficiencies. Rail service availability and rail costs, which have a potential impact on margins, are currently under negotiation.

On the development of the Bow City mine and power project in southern Alberta, potential partners have been identified and are in discussions.

Capital expenditures for the year are estimated at \$16 million, devoted mainly to sustaining expenditures. Projected expenditures for the second quarter are \$4.5 million.

Metals — While continuing to maximize production from its existing facilities, Metals' primary focus in 2006 is the expansion of its business by approximately 50% to 49,000 tonnes per annum from Moa (100% basis). Basic engineering for the expansion at Moa was completed in the first quarter, and is scheduled for completion by the end of the second quarter for the refinery at Fort Saskatchewan. Procurement of major equipment is proceeding. Construction has commenced at the Moa mine and processing facilities and is planned for the Fort Saskatchewan refinery in the third quarter this year. Commissioning is expected to begin in mid 2008.

Taking into consideration process bottlenecks related to current ore characteristics, finished nickel production in 2006 is anticipated to be below 2005 levels. Finished cobalt production is expected to be similar to 2005 levels as a result of supplemental feed with higher cobalt content.

Total 2006 capital expenditures, assuming no significant fluctuations in foreign exchange rates, are planned at \$162 million. Capital expenditures for the second quarter are anticipated to be approximately \$58 million.

Oil and Gas — Fuel oil reference prices reached record levels of over U.S. \$50/barrel in April 2006, having averaged a record U.S. \$45.86 during the first quarter of 2006. Sherritt expects some moderation in fuel oil prices in the coming months, although average fuel oil reference prices for 2006 are anticipated to be higher than 2005. Sherritt still expects 2006 capital expenditures for Oil and Gas to be in the region of \$140 million, even though capital spending during the first quarter was lower than expected. Capital expenditures for the second quarter are expected to be approximately \$35 million. The outlook for net oil production in 2006 is dependent on several factors, including fuel oil reference prices, gross working interest production volumes and capital spending. Assuming that these factors are in line with expectations, average net oil production for 2006 will be comparable to 2005 levels.

Following on the declaration of commerciality of the Santa Cruz field this quarter, Oil and Gas will be implementing a full development drilling program at Santa Cruz this year. In addition, Oil and Gas plans to drill development wells in the Canasi, Seboruco, Yumuri and Varadero West fields. Facility development projects include completion of the Canasi water treatment facility and construction of the Yumuri gas transmission line and other infrastructure projects to tie in and optimize production. As part of its enhanced oil recovery initiative, Sherritt is installing the first of a series of high volume pumps which are expected to mitigate the impact of natural reservoir declines. In addition, Sherritt is continuing with engineering and permitting of major initiatives for the Canasi and Puerto Escondido areas, including high volume lift production strategies and thermal projects that have the potential to increase production rates and recoverable reserves in future years.

Exploration drilling of the Playa Larga prospect on Block 10 commenced in mid-April. On Block 9, Sherritt continues to test the San Anton exploration well, where drilling finished in January, and plans to carry out an appraisal drilling program on the Majaguillar-Corajol deposit, which was discovered several years ago. The results of the exploratory wells drilled in 2005 at the Tarara and Guanabo prospects continue to be evaluated.

Sherritt also holds a 15.8% interest in the Badar Mining Lease in south central Pakistan, which came into production on April 8, at approximately 2.2 mmcf (350 boe) per day. Selling prices are indexed against a basket of crude oils and are projected to be \$2.00 per mcf.

Power — The addition of three turbines in the first quarter with a total capacity of 85 MW is expected to result in record electricity production for 2006 of 1.9 million MWh. For the second quarter, electricity production is expected to be consistent with the first quarter as increased production from the turbines brought online in the first quarter will be offset by planned maintenance. Production levels are anticipated to be higher in the second half of the year. As production from the new turbines expands, realized prizes are also expected to increase.

Equipment orders and detailed engineering have commenced for a 65 MW expansion which is expected to be completed in the second quarter of 2007. The total cost of the project is estimated to be \$60 million, with approximately \$52 million being incurred during 2006. This expansion will bring Power's total capacity to 376 MW. A further expansion at Boca de Jaruco, which would include the addition of a combined cycle facility, will also proceed subject to confirmation of economic feasibility and sufficiency of gas reserves from oil fields in Cuba. A decision on this expansion is expected in the second half of 2006.

Capital expenditures for 2006, including the 65 MW expansion project, are estimated to be \$71 million. In the second quarter, capital expenditures are expected to be about \$14 million, related mainly to the 65 MW expansion.

Forward-Looking Information

By its nature, this Outlook section contains forward-looking information, and actual experience and results may differ. Among those factors which may cause such differences, and in respect of which Sherritt has made assumptions reflected in the foregoing, are commodity prices for nickel, cobalt, coal, oil, energy and raw materials prices, prevailing exchange rates, and the availability of regulatory approvals. More generally, actual results may be impacted by the wide range of factors described at the conclusion of this press release.

Summary of First Quarter Results by Division

Coal

	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Full Year 2005
Coal Sales (mm of tonnes)						
Prairie mines ⁽¹⁾	4.9	4.8	4.5	4.3	4.8	18.4
Coal Valley mine	0.3	0.1	0.2	0.2	0.2	0.7
	5.2	4.9	4.7	4.5	5.0	19.1
Production (mm of tonnes)						
Prairie mines ⁽¹⁾	5.0	4.9	4.5	4.4	4.8	18.6
Coal Valley mine	0.4	0.1	0.1	0.2	0.3	0.7
	5.4	5.0	4.6	4.6	5.1	19.3
EBITDA (mm of \$)	\$ 18.8	\$ 15.8	\$ 14.5	\$ 14.0	\$ 21.0	\$ 65.3
Realized Prices (\$ per tonne)						
Prairie mines ⁽¹⁾ (excludes royalty income)	\$ 11.31	\$ 11.10	\$ 11.15	\$ 11.14	\$ 10.73	\$ 11.02
Coal Valley mine	46.45	45.77	50.85	53.08	47.94	50.34
Capital Expenditures	\$ 3.1	\$ 21.5	\$ 17.9	\$ 5.8	\$ 1.3	\$ 46.5

⁽¹⁾ Prairie mines include the two contract operations, five mine mouth operations, and the Bienfait mine and Char plant.

Total coal sales and production for the quarter were a record 5.2 million and 5.4 million tonnes respectively. At the Prairie mine operations, total sales and production at approximately 5 million tonnes were slightly higher than any quarter in the past year. At Coal Valley, production and sales volumes increased over the previous year reflecting the wash plant expansion undertaken in 2005 to increase annual production capacity to 2.0 million tonnes.

Coal achieved record quarterly revenues of \$73.8 million in the quarter, \$8.3 million higher than the previous record.

EBITDA of \$18.8 million in the quarter increased by \$3.0 million over the fourth quarter of 2005. At the Prairie mine operations, EBITDA was \$16.8 million for the quarter unchanged from the prior year period of \$16.9 million. Royalty income was unchanged from the prior year period at \$4.4 million. EBITDA in the current quarter at Coal Valley was negative \$2.2 million compared to negative EBITDA of \$0.1 million in the first quarter of 2005, the difference attributable mainly to lower margins on higher sales at Coal Valley.

Business development costs of \$0.2 million were comparable to the prior quarter. Capital spending for the quarter totalled \$3.1 million, directed for the most part to remaining expansion expenditures at the Coal Valley mine. Additionally, equipment worth \$2.3 million was acquired at Coal Valley via capital lease.

Metals

	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Full Year 2005
Production (tonnes)						
Nickel	3,681	3,854	3,825	4,349	3,911	15,939
Cobalt	409	409	417	453	417	1,696
Sales (thousands of pounds)						
Nickel	8,283	9,275	7,619	9,715	8,955	35,564
Cobalt	923	963	955	984	829	3,731
EBITDA (mm of \$)	\$ 30.1	\$ 20.5	\$ 34.3	\$ 62.3	\$ 49.3	\$ 166.4
Realized Prices ⁽¹⁾						
Nickel (\$/lb)	\$ 7.77	\$ 6.91	\$ 8.02	\$ 9.22	\$ 8.65	\$ 8.22
Cobalt (\$/lb)	14.56	16.08	17.64	19.65	21.87	18.71
Reference Prices						
Nickel (US\$/lb)	\$ 6.72	\$ 5.73	\$ 6.61	\$ 7.44	\$ 6.97	\$ 6.68
Cobalt (US\$/lb) ⁽²⁾	12.43	12.50	13.41	15.03	17.27	14.49
Capital Expenditures	\$ 15.1	\$ 12.8	\$ 10.8	\$ 5.4	\$ 8.2	\$ 37.2

⁽¹⁾ Comparable periods have been restated to reflect the change in accounting for certain selling expenses which were previously netted against revenues and have now been reclassified to operating, selling, general and administrative costs

⁽²⁾ Average Metal Bulletin: 99.3% cobalt published price

EBITDA increased by close to \$10 million over the previous quarter due to higher realized prices for nickel. Continued strong demand from China and increased stainless steel production resulted in an increase in the London Metal Exchange (LME) nickel price by over 17% from the previous quarter to U.S. \$6.72 per pound. EBITDA was down from the same quarter last year, reflecting a stronger Canadian dollar and lower nickel sales volumes, along with lower nickel and cobalt prices.

The average Metal Bulletin 99.3% free market cobalt price declined slightly from the previous quarter to U.S. \$12.43 per pound, attributable to weak consumer demand. However, prices strengthened later in the quarter.

Mixed sulphide production at Moa decreased as a result of throughput limitations in the processing facilities. This in turn impacted total first quarter nickel production.

While feed availability resulted in lower nickel sales, cobalt inventory levels were drawn down to take advantage of strong spot demand which resulted in increased sales above levels reported in the same period last year.

Capital expenditures, excluding the expansion, of \$9.3 million in the first quarter of 2006 were primarily directed toward sustaining and upgrading the facilities at both Moa and Fort Saskatchewan, combined with various compliance and environmental initiatives. In addition, \$5.8 million was spent on completion of basic engineering related to the expansion of the facilities at Moa and Fort Saskatchewan.

Oil and Gas

	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Full Year 2005
Production (barrels per day)						
Gross working interest production in Cuba ^{(1) (2)}	30,891	29,714	29,600	32,095	32,104	30,868
Net production ^{(1) (3)}						
Cuba						
Cost recovery	7,303	6,189	5,765	11,357	8,294	7,889
Profit oil	<u>9,215</u>	<u>9,255</u>	<u>9,408</u>	<u>8,126</u>	<u>9,229</u>	<u>9,006</u>
Total Cuba	16,518	15,444	15,173	19,483	17,523	16,895
Spain	<u>495</u>	<u>592</u>	<u>569</u>	<u>461</u>	<u>462</u>	<u>522</u>
Total net oil production	<u>17,013</u>	<u>16,036</u>	<u>15,742</u>	<u>19,944</u>	<u>17,985</u>	<u>17,417</u>
EBITDA (mm of \$)	\$ 56.2	\$ 49.1	\$ 52.1	\$ 57.4	\$ 40.7	\$ 199.3
Realized Prices						
Cuba (per bbl)	\$ 43.14	\$ 38.28	\$ 39.65	\$ 36.52	\$ 28.40	\$ 35.56
Spain (per bbl)	71.28	65.96	73.49	63.81	58.99	66.01
Reference Prices						
U.S. Gulf Coast Fuel Oil #6 (US\$ per bbl)	\$ 45.86	\$ 40.31	\$ 39.88	\$ 35.84	\$ 27.57	\$ 35.90
Capital Expenditures	\$ 23.7	\$ 28.9	\$ 27.9	\$ 36.8	\$ 28.5	\$ 122.1

⁽¹⁾ Production figures exclude production from wells for which commerciality has not been established.

⁽²⁾ Gross working interest production in Cuba is allocated to the Corporation and agencies of the Cuban government in accordance with production-sharing arrangements and joint venture agreements.

⁽³⁾ Net oil production (equivalent to net sales volume) represents the Corporation's share of gross working interest production. Net oil production for each production-sharing contract is comprised of cost recovery oil (based upon the Corporation's recoverable costs within each block) and profit oil (based upon a percentage of gross production less cost recovery oil). Recoverable costs, subject to certification by agencies of the Cuban government, are accumulated in cost recovery pools for each production-sharing contract and reduced by the allocation of cost recovery oil to the Corporation. Cost recovery revenue equals capital and operating costs eligible for recovery under the production sharing contracts, therefore cost recovery oil volumes increase as a result of higher capital expenditures and decrease when selling prices increase. At higher oil prices, the reduction in cost recovery oil volumes is partially offset by an increase in profit oil barrels, after deducting the Cuban government's share, which is analogous to royalty interests in Canadian hydrocarbon fiscal regimes.

Oil and Gas achieved near record EBITDA of \$56.2 million during the first quarter of 2006, a 38% increase over the same quarter last year and 14% higher than the preceding quarter. Record fuel oil reference prices were the primary reason for this increase, partially offset by the stronger Canadian dollar.

Gross working interest production volumes during the first quarter of 2006 were comparable to average volumes during 2005. Net production in Cuba of 16,518 bpd in the first quarter of 2006 was up by close to 7% over the preceding quarter, primarily due to retroactive production allocated from the new Santa Cruz field, but 1,005 bpd lower than the same quarter last year, due to lower gross working interest production volumes. Net oil production volumes in Cuba are dependent on several factors, including fuel oil reference prices, gross working interest production volumes and capital spending.

During the first quarter of 2006, six drilling rigs were active compared with four active rigs during the same period in 2005. The Seboruco 13 development well was completed during the quarter as well as the San Anton exploration well on Block 9, which is currently under evaluation to determine its commercial potential. One development well is currently underway in the Varadero West area, another is being drilled at Yumuri, and one exploration well is being drilled at Playa Larga.

Commissioning of the Canasi land-based treatment and ocean disposal system is now underway, together with construction of pipelines to connect the Yumuri and Seboruco areas to the Cuban gas gathering system. The Canasi water system will enable Sherritt to optimize oil production volumes in the future as produced water rates increase, while the tie-in of gas production from the Yumuri battery will enable the Cuban government to eliminate flaring and conserve natural gas production for electricity generation at Energas and domestic uses.

Power

	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Full Year 2005
Electricity Generation (000's of MWh)	431	409	377	426	419	1,631
EBITDA (mm of \$)	\$ 15.1	\$ 14.4	\$ 18.7	\$ 15.0	\$ 19.6	\$ 67.7
Realized price per MWh	\$ 44.61	\$ 44.57	\$ 50.67	\$ 55.20	\$ 54.80	\$ 51.39
Capital Expenditures	\$ 8.1	\$ 9.2	\$ 19.6	\$ 30.9	\$ 18.2	\$ 77.9

Electricity production in the first quarter of 2006 was higher than the first quarter of 2005 and the fourth quarter of 2005 due to initial production from the recently completed 85MW expansion project. Production from the new turbines was partly offset by increased planned maintenance outages in the first quarter of 2006 relative to the prior year periods.

With the repayment of financing provided by Power for the construction of the first 226 MW of facilities at Varadero and Boca de Jaruco in September 2005, the tariff for electricity sold from these facilities decreased to U.S. \$38/MWh from U.S. \$45/MWh. The tariff for the new production is U.S. \$45/MWh until financing is repaid.

Capital expenditures for the quarter of \$8.1 million related mainly to remaining expenditures on the 85 MW expansion of the Power facilities in Cuba. In addition to expenditures classified as capital, Power also incurred expenditures of \$8.8 million, mainly in respect of progress payments for turbines relating to the new 65 MW expansion expected to be completed in 2007.

Other Businesses

Sherritt's soybean-based food processing business generated revenue of \$13.8 million and EBITDA of \$1.2 million in the first quarter of 2006, compared to revenue of \$17.2 million and EBITDA of \$2.7 million for the comparative quarter in 2005. The decrease in revenue and EBITDA was due to lower realized prices. Capital expenditures for the quarter were \$0.5 million, and are estimated at \$1 million for 2006.

Summary Financial Results by Segment (unaudited)

The tables below present EBITDA and operating earnings from continuing operations by segment and reconciles these non-GAAP measures to earnings before income taxes. The Corporation discloses EBITDA in order to provide an indication of revenue less cash operating expenses. Operating earnings is a measure used by Sherritt to evaluate the operating performance of its businesses as it excludes interest charges, which are a function of the particular financing structure for the business, and certain other charges. EBITDA and operating earnings do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and are, therefore, unlikely to be comparable with similar measures presented by other issuers.

Three months ended March 31, 2006

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other ⁽¹⁾	Corporate	Consolidated
Revenue	\$ 73.8	\$ 81.1	\$ 68.7	\$ 22.2	\$ 13.8	\$ -	\$ 259.6
Operating, selling, general and administrative	55.0	51.0	12.5	7.1	12.6	9.2	147.4
EBITDA	18.8	30.1	56.2	15.1	1.2	(9.2)	112.2
Depletion, amortization and accretion	14.0	4.6	20.6	6.3	0.8	1.2	47.5
Operating earnings (loss)	4.8	25.5	35.6	8.8	0.4	(10.4)	64.7
Share of earnings of equity accounted investments							0.6
Net financing expense							(8.3)
Income taxes							(18.0)
Non-controlling interests							(3.3)
Net earnings							35.7
Current income tax expense	0.3	5.7	12.9	2.7	-	0.1	21.7
Capital expenditures	\$ 3.1	\$ 15.1	\$ 23.7	\$ 8.1	\$ 0.5	\$ 0.1	\$ 50.6

Three months ended March 31, 2005 (restated)⁽²⁾

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other ⁽¹⁾	Corporate	Consolidated
Revenue	\$ 62.9	\$ 100.9	\$ 50.4	\$ 25.7	\$ 17.2	\$ -	\$ 257.1
Operating, selling, general and administrative	41.9	51.6	9.7	6.1	14.5	10.2	134.0
EBITDA ⁽¹⁾	21.0	49.3	40.7	19.6	2.7	(10.2)	123.1
Depletion, amortization and accretion	13.8	5.0	18.9	5.2	0.7	1.1	44.7
Operating earnings (loss)	7.2	44.3	21.8	14.4	2.0	(11.3)	78.4
Share of earnings of equity accounted investments							0.5
Net financing expense							(15.1)
Income taxes							(19.6)
Non-controlling interests							(8.8)
Net earnings							35.4
Current income tax expense	0.4	17.3	8.3	-	-	0.3	26.3
Capital expenditures	\$ 1.3	\$ 8.2	\$ 28.5	\$ 18.2	\$ 0.1	\$ 1.4	\$ 57.7

⁽¹⁾ Other includes the results of the soybean-based food processing business.

⁽²⁾ Comparable periods have been restated to reflect a change in the methodology of accounting for income taxes in the Cuban oil and gas business to provide a clearer presentation of income taxes in that business and a reclassification of certain selling expenses in the Metals business, which were previously netted against revenue, to operating, selling and administrative costs.

Sherritt International Corporation is a diversified resource company involved in the production of coal, nickel, cobalt, oil and electricity. Its success is built upon 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.

A leader in employee health and safety, Sherritt is also dedicated to ensuring that its operations meet the highest standards in environmental stewardship.

Sherritt's 151 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 \$274 million of 7.875% senior unsecured debentures trade on the over-the-counter bond market.

The Corporation's first quarter management's discussion and analysis and interim consolidated financial statements can be found on the Corporation's web site at www.sherritt.com

This news release contains forward-looking statements. These forward-looking statements are not based on historic facts, but rather on Sherritt International Corporation's current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that are beyond the Corporation's ability to control or predict. Actual results and developments may differ materially from those contemplated by this news release depending on, among others, such key factors as business and economic conditions in Canada, Cuba and the principal markets for Sherritt's products.

Key factors that may result in material differences between actual results and developments and those contemplated by this news release also include the supply, demand and prices for Sherritt's products; dependence on significant customers; deliveries; production levels, production and other anticipated and unanticipated costs and expenses; energy costs; premiums or discounts realized over LME cash and other benchmark prices; interest rates; foreign exchange rates; rates of inflation; changes in tax legislation; the timing, capital costs and financing arrangements associated with development projects; the timing of the receipt of government and other approvals; political unrest or instability in the countries where Sherritt is active; risks related to collecting accounts receivable and repatriating profits and dividends from Cuba; risks related to foreign exchange controls on Cuban government enterprises to transact in foreign currency; risks associated with the United States embargo on Cuba and the Helms-Burton Act; risks associated with mining, processing and exploration activities; potential imprecision of reserve estimates; market competition; developments affecting labour relations; environmental regulation and other risk factors listed from time to time in Sherritt's continuous disclosure documents such as its annual report, annual information form and management information circular.

For further information, please contact:

Investor Relations

Sherritt International Corporation

416-924-4551

www.sherritt.com

Supplementary Information

The tables below present EBITDA and operating earnings from continuing operations by segment and reconciles these non-GAAP measures to earnings before income taxes. The Corporation discloses EBITDA in order to provide an indication of revenue less cash operating expenses. Operating earnings is a measure used by Sherritt to evaluate the operating performance of its businesses as it excludes interest charges, which are a function of the particular financing structure for the business, and certain other charges. EBITDA and operating earnings do not have any standardized meaning prescribed by Canadian generally accepted accounting principles and are, therefore, unlikely to be comparable with similar measures presented by other issuers.

Three months ended December, 2005

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other ⁽¹⁾	Corporate	Consolidated
Revenue	\$ 62.7	\$ 98.0	\$ 58.6	\$ 22.0	\$ 17.4	\$ -	\$ 258.7
Operating, selling, general and administrative	46.9	77.5	9.5	7.6	17.2	6.8	165.5
EBITDA	15.8	20.5	49.1	14.4	0.2	(6.8)	93.2
Depletion, amortization and accretion	14.8	5.1	22.5	5.6	0.7	1.3	50.0
Operating earnings (loss)	1.0	15.4	26.6	8.8	(0.5)	(8.1)	43.2
Share of earnings of equity accounted investments							-
Net financing expense							(30.8)
Income taxes							2.6
Non-controlling interests							(5.9)
Net earnings							9.1
Capital expenditures	\$ 21.5	\$ 12.8	\$ 28.9	\$ 9.2	\$ 0.5	\$ 0.3	\$ 73.2

Three months ended September 30, 2005 (restated) ⁽²⁾

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other ⁽¹⁾	Corporate	Consolidated
Revenue	\$ 64.8	\$ 86.6	\$ 60.8	\$ 24.2	\$ 20.9	\$ -	\$ 257.3
Operating, selling, general and administrative	50.3	52.3	8.7	5.5	19.4	21.0	157.2
EBITDA	14.5	34.3	52.1	18.7	1.5	(21.0)	100.1
Depletion, amortization and accretion	14.2	4.8	19.8	5.6	0.8	1.0	46.2
Operating earnings (loss)	0.3	29.5	32.3	13.1	0.7	(22.0)	53.9
Share of earnings of equity accounted investments							0.1
Net financing expense							(5.3)
Income taxes							(15.2)
Non-controlling interests							(7.4)
Net earnings							26.1
Capital expenditures	\$ 17.9	\$ 10.8	\$ 27.9	\$ 19.6	\$ -	\$ 0.3	\$ 76.5

Three months ended June 30, 2005 (restated) ⁽²⁾

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other ⁽¹⁾	Corporate	Consolidated
Revenue	\$ 65.3	\$ 143.3	\$ 67.7	\$ 26.6	\$ 19.6	\$ -	\$ 322.5
Operating, selling, general and administrative	51.3	81.0	10.3	11.6	17.8	4.5	176.5
EBITDA	14.0	62.3	57.4	15.0	1.8	(4.5)	146.0
Depletion, amortization and accretion	14.3	5.2	20.1	5.4	0.7	1.0	46.7
Operating earnings (loss)	(0.3)	57.1	37.3	9.6	1.1	(5.5)	99.3
Share of earnings of equity accounted investments							-
Net financing expense							(13.8)
Income taxes							(25.8)
Non-controlling interests							(6.0)
Net earnings							53.7
Capital expenditures	\$ 5.8	\$ 5.4	\$ 36.8	\$ 30.9	\$ 0.1	\$ 0.1	\$ 79.1

⁽¹⁾ Other includes the results of the soybean-based food processing business.

⁽²⁾ Comparable periods have been restated to reflect a change in the methodology of accounting for income taxes in the Cuban oil and gas business to provide a clearer presentation of income taxes in that business and a reclassification of certain selling expenses in the Metals business, which were previously netted against revenue, to operating, selling and administrative costs.