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Sherritt Reports Record First Quarter 2007 Results

Highlights

- Record revenue of $310.1 million and EBITDA of $172.9 million
- Record net earnings of $89.1 million and earnings per share of $0.52
- Sherritt to acquire Dynatec and its Ambatovy nickel project in Madagascar

Financial Highlights (unaudited)

(millions of dollars, except per share amounts)	Q1 2007	Q4 2006	Q1 2006 [3]
Revenue	$ 310.1	$ 304.2	$ 247.5
EBITDA [1]	172.9	159.0	111.0
Net earnings	89.1	78.6	35.7
Basic earnings per share	0.52	0.51	0.24
Diluted earnings per share	0.52	0.47	0.20
Basic book value per share [2]	9.61	9.17	8.88
Total cash and short-term investments	397.9	369.7	436.4
Total assets	2,682.0	2,553.5	2,757.7
Weighted average number of shares (millions)			
Basic	172.0	155.0	151.1
Diluted	172.8	174.2	194.3

(1) EBITDA is a non-GAAP measure. Reference should be made to the Summary Financial Results by Segment later in this news release for a description of EBITDA and for reconciliation to GAAP measures. EBITDA does not have a standardized meaning and is, therefore, unlikely to be comparable with similar measures presented by other issuers.

(2) Basic book value per share, a non-GAAP measure, is calculated by dividing shareholders' equity by the outstanding number of shares of 172.0 million as at March 31, 2007, 172.0 million as at December 31, 2006 and 151.1 million as at March 31, 2006.

(3) Total cash and short-term investments exclude $0.6 million from the discontinued operation. Total assets include $52.8 million from the discontinued operation.

TORONTO, May 2, 2007 - Sherritt International Corporation ("Sherritt" or the "Corporation") today announced record 2007 first-quarter results. Record net earnings of $89.1 million or $0.52 per share were achieved in the first quarter of 2007, compared with net earnings of $35.7 million or $0.24 per share in the first quarter of 2006. These record results were mainly due to higher nickel prices. Earnings per share in the quarter were net of higher stock-based compensation costs ($0.06 per share) due to the higher share price and the shipment delays in Coal and Metals resulting from the CN Rail strike ($0.03 per share). Excluding the impact of these two items, Sherritt's earnings per share were $0.61. The effects of the delayed shipments should be recovered during the year. All of Sherritt's operations are running optimally and the Corporation is looking forward to a record year in safety, productivity and profitability.

Total assets at March 31, 2007, were $2.7 billion. Cash and short-term investments totalled $397.9 million, an increase of $28.2 million over the fourth quarter of 2006. First quarter 2007 capital expenditures amounted to $88.9 million and were mainly in support of expansion projects in Metals and Power, development and exploration drilling in Oil and Gas and the purchase of $18.1 million of capital assets associated with the Santa Cruz field for which Sherritt assumed operatorship.

Sherritt announced a transaction on April 20, 2007, whereby under a Plan of Arrangement Sherritt will acquire all of the issued and outstanding common shares of Dynatec Corporation. Among Dynatec's assets is the Ambatovy nickel project in Madagascar, one of the world's largest nickel projects under development. The Dynatec shareholders' meeting to vote on the proposed transaction is scheduled for June 8, 2007, with the close anticipated shortly thereafter.

Outlook for 2007

Sherritt remains on track to deliver bottom-line earnings growth in 2007. Full-year capital expenditures across all of Sherritt's business units for 2007 are expected to be approximately $470 million. The combination of cash flow from operations and cash on hand will fund operating and expansion capital expenditure commitments in 2007.

Metals

In Moa, Cuba, the Metals expansion is progressing according to plan. Phase 1, which will add 4,000 tonnes per year (100% basis) of mixed sulphide capacity, is forecast to be completed by the end of 2007 and will reduce reliance on less profitable third-party feed materials. At the Fort Saskatchewan facility, Phase 1 is expected to be completed by the end of 2007. Once operational, this incremental production will allow the Metals refinery to process additional mixed sulphide feed from Moa.

Phase 2, which will add an additional 9,000 tonnes (100% basis) of mixed sulphide capacity, remains on schedule for 2009.

Nickel continues to trade at record levels, with long-term supply/demand metrics remaining positive.

Mixed sulphide production in 2007 remains on track to meet full-year guidance of 33,000 tonnes (100% basis). Expectations for full-year finished nickel and cobalt production remain at approximately 32,000 tonnes of nickel and 3,500 tonnes of cobalt (100% basis), respectively.

Capital expenditures in the second quarter are expected to be approximately $77 million. For the full year, Sherritt's share of capital expenditures in Metals will be approximately $295 million, of which $190 million relates to the Metals expansion and

$60 million to the sulphuric acid plant. Projections have increased from previous guidance due to the acceleration of the commencement of Phase 2.

Coal

Royal Utilities remains on track to meet 2007 per unit cash distribution guidance. Discussions continue on SaskPower's proposed clean coal unit at Boundary Dam, which may generate an additional 300 megawatts of power for Saskatchewan and could result in sales of up to 2.5 million additional tonnes of coal from the Boundary Dam mine. Royal Utilities also continues to review the feasibility of providing contract mining services for the proposed Dodds-Roundhill coal gasification project.

At the Coal Valley mine, forecasted full-year sales and shipments of 3.9 million tonnes (100% basis) remain intact, but will be dependent on CN's level of train service. Realized prices are expected to remain strong as the result of a strong export market.

Sherritt's Dodds-Roundhill coal gasification project continues to proceed as planned with the completed feasibility study expected by the end of the second quarter. During the first quarter 2007, extensive local stakeholder activities continued as well as discussions with potential off-take customers and service providers.

Sherritt's capital expenditures within Coal for 2007, including the Coal Valley mine and the gasification project, are forecast to be $10 million.

Oil and Gas

In March 2007, Sherritt was awarded permits to explore four offshore blocks in the Alboran Sea in southern Spain. The four blocks comprise a total area of 331,280 hectares, or approximately 818,261 acres. The blocks carry work commitments to be carried out over the next several years including a 3D seismic program and contingent wells. Sherritt is awaiting final regulatory approval to commence the work program.

Initial discussions are underway for the formation of a joint venture with CUPET, for the design, construction and operation of an oil processing facility for desalination and lowering the flashpoint of Cuban crude. It is expected that processed oil from this facility will be better suited to be marketed internationally.

Total capital expenditures in Oil and Gas for 2007 are expected to be approximately $130 million, of which approximately $28 million will be spent in the second quarter 2007.

Power

The construction of the 65 MW Phase 7 expansion is close to completion and production is expected to commence in the second quarter. Sherritt continues to evaluate an additional expansion involving a 125 MW combined cycle facility at Boca de Jaruco, Cuba (Phase 8). This expansion, if agreed upon by the partners, is expected to be completed by the end of 2009 and would increase Energas' capacity to 501 MW. As with previous facilities, Power will finance and construct this project.

Scheduled maintenance will be performed on several turbines during the remainder of the year. Overall net capacity factor (previously referred to as availability) is expected to be approximately 85% over the last nine months of 2007. Second quarter production is expected to exceed 500 GWh.

Capital expenditures for the remainder of the year are estimated to be $25 million. This consists of approximately $8 million for sustaining capital and $17 million for the completion of the expansion project.

Metals

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Year ended December 31 2006
Production (tonnes)						
Nickel	3,514	4,209	3,878	3,338	3,681	15,106
Cobalt	434	458	419	370	409	1,656
Mixed sulphides	4,006	3,680	4,029	3,686	3,533	14,928
Sales (thousands of pounds)						
Nickel	7,776	9,250	8,795	7,213	8,283	33,541
Cobalt	888	1,022	879	861	923	3,685
EBITDA ($mm)	$ 134.7	$ 108.5	$ 78.9	$ 46.3	$ 30.1	$ 263.8
Realized Prices (1)						
Nickel ($/lb)	$ 21.84	$ 16.88	$ 14.42	$ 10.42	$ 7.77	$ 12.59
Cobalt ($/lb)	30.02	20.85	17.77	16.46	14.56	17.52
Reference Prices						
Nickel (US$/lb)	$ 18.80	$ 15.00	$ 13.24	$ 9.09	$ 6.72	$ 11.02
Cobalt (US$/lb) (2)	25.82	18.86	15.59	14.43	12.43	15.22
Capital Expenditures($mm)	$ 31.0	$ 25.1	$ 21.1	$ 13.7	$ 12.9	$ 72.8

(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.

In the first quarter of 2007, record commodity prices for nickel and strong cobalt pricing led to a 146% increase in Metals revenue and a more than four-fold increase in EBITDA compared to the first quarter of 2006. Nickel production and sales volumes in the first quarter of 2007 were impacted by the CN Rail strike.

Operating costs in the quarter were higher than the first quarter of 2006 primarily due to increased third-party feed costs as a result of higher nickel and cobalt prices. Higher maintenance costs due to the timing of maintenance activities at both Fort Saskatchewan and Moa also contributed to this increase. Third-party feed costs in the quarter were approximately $14 million compared with $6 million in the first quarter last year.

Low London Metal Exchange and producer inventories as well as uncertainty over future supply growth fuelled record nickel reference prices during the quarter. The cobalt reference price also increased, reflecting the impact of producer consolidation and international supply uncertainties caused by labour disputes and equipment failures.

Coal

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Year ended December 31, 2006
Coal						
EBITDA($mm)						
Coal Valley and other coal development assets	$ (1.2)	$ (1.3)	$ 0.6	$ (0.7)	$ (2.1)	$ (3.5)
Royal Utilities [1]	-	-	-	14.0	20.9	34.9
Total	(1.2)	(1.3)	0.6	13.3	18.8	31.4
Equity-accounted earnings in Royal Utilities [1]	$ 6.9	$ 4.7	$ 5.2	$ -	$ -	$ 9.9
Distributions received from Royal Utilities [1]	$ 9.6	$ 9.6	$ 6.8	$ -	$ -	$ 16.4
Capital Expenditures						
Coal Valley and other coal development assets	$ 0.4	$ 1.9	$ 1.3	$ 0.7	$ 1.7	$ 5.6
Royal Utilities [1]	-	-	-	2.6	0.6	3.2
Total	0.4	1.9	1.3	3.3	2.3	8.8
Royal Utilities [2]						
Realized prices ($/tonne)	$ 12.41	$ 11.86	$ 12.45	$ 12.63	$ 11.31	$ 12.04
Sales volumes (millions of tonnes) [4]	9.4	9.3	9.0	8.5	9.7	36.5
Production volumes (millions of tonnes) [4]	9.5	9.5	8.4	8.3	10.0	36.2
Coal Valley [3]						
Realized prices ($/tonne)	$ 50.93	$ 46.98	$ 48.47	$ 47.05	$ 46.45	$ 47.45
Sales volumes (millions of tonnes) [4]	0.4	0.3	0.6	0.4	0.3	1.6
Production volumes (millions of tonnes) [4]	0.5	0.5	0.5	0.4	0.4	1.8

(1) For all periods up to June 27, 2006, the Corporation proportionately consolidated its 50% interest in Royal Utilities. Subsequent to June 27, 2006, the Corporation is equity-accounting for Royal Utilities.
(2) Royal Utilities include the two contract operations, five mine-mouth operations, and the Bienfait mine and Char plant.
(3) Coal Valley mine is primarily an export market mine.
(4) Royal Utilities sales and production volumes are presented on a 100% basis. Coal Valley sales and production volumes are presented on a 50% basis.

Royal Utilities Income Fund (“Royal Utilities”), of which Sherritt has a 41.2% interest, met expectations as contract mine revenues and royalty revenues increased in the first quarter of 2007 as compared to the fourth quarter of 2006. In January 2007, distributions were increased by 1% as a result of strong and stable cash flow from operations.

Production from Royal Utilities operations remained steady in the first quarter of 2007. Year-over-year results were impacted slightly by repairs at the Paintearth, Sheerness and Boundary Dam mines. Production and sales volumes at Royal Utilities’ contract and Genesee mines in the quarter were marginally lower than the same quarter in the previous year.

Realized prices at Royal Utilities were up in the first quarter of 2007 compared to the fourth quarter of 2006. The 4.6% average increase at Royal Utilities was the result of higher cost recoveries from increased prices for tires and fuel at the contract and Genesee mines and inflation adjustments to coal prices at certain owned mines.

In January 2007, the Boundary Dam and Bienfait mines achieved three years or 2.3 million exposure hours without a recordable lost time incident.

Coal Valley mine sales and production were up in the first quarter of 2007 as compared to the same period in 2006, as a result of a full quarter of production from the wash plant expansion. Production has remained consistent over the last several quarters; however, sales were negatively impacted by the CN strike in the first quarter of 2007. Coal Valley management is working closely with CN to address the increase in inventory at the plant site. Coal inventories are expected to be drawn down over the remainder of the year.

Realized pricing at the Coal Valley mine in the first quarter of 2007 was higher than the same period last year due to improving export thermal coal contracts.

Positive EBITDA recorded by Coal Valley in the first quarter 2007 was offset by spending on the Dodds-Roundhill Coal Gasification Project, primarily involving public consultation costs and an engineering feasibility study scheduled for completion in the second quarter of 2007.

Capital expenditures at the Coal Valley mine and other development assets totalled $0.4 million in the quarter.

Oil and Gas

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Year ended December 31 2006
Daily Production Volumes [1] [2]						
Production (boepd)						
Gross working-interest production [3] [5] [6]	30,644	31,295	30,763	31,162	31,386	31,150
Net production [4]						
Cuba (heavy oil)						
Cost recovery [5]	9,051	11,832	6,480	6,074	7,303	7,931
Profit oil [5]	8,456	7,339	9,088	9,535	9,215	8,790
Total Cuba	17,507	19,171	15,568	15,609	16,518	16,721
Spain (light/medium oil) [4]	476	379	505	457	495	459
Pakistan (natural gas) [4]	409	406	403	375	-	297
Total	18,392	19,956	16,476	16,441	17,013	17,477
EBITDA($mm)	$ 41.1	$ 51.0	$ 52.6	$ 54.7	$ 56.2	$ 214.5
Realized Prices						
Cuba (per bbl)	$ 34.52	$ 36.87	$ 41.88	$ 45.20	$ 43.14	$ 41.51
Spain (per bbl)	$ 67.10	$ 67.43	$ 77.32	$ 78.09	$ 71.28	$ 73.84
Reference Prices						
US Gulf Coast Fuel Oil #6 (US$ per bbl)	$ 38.89	$ 39.53	$ 46.38	$ 48.88	$ 45.86	$ 45.33
Capital Expenditures($mm)	$ 47.3	$ 35.6	$ 29.0	$ 33.3	$ 27.5	$ 125.4

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

(2) Oil production is stated in barrels per day ("bpd"). Natural gas production is stated in barrels of oil equivalent per day ("boepd"), which is converted at 6,000 cubic feet per boepd.

(3) In Cuba, Oil and Gas delivers all of its gross working-interest oil production to CUPET at the time of production. Gross working-interest oil production excludes (i) production from wells for which commerciality has not been established in accordance with production-sharing contracts; and (ii) working interests of other participants in the production-sharing contracts.

(4) Net production (equivalent to net sales volume) represents the Corporation's share of gross working-interest production. In Spain and Pakistan, net oil production volumes equal 100% of gross working-interest production volumes.

(5) Gross working-interest oil production is allocated between Oil and Gas and CUPET in accordance with production-sharing contracts. The Corporation's share, referred to as 'net oil production', includes (i) cost recovery oil (based upon the recoverable capital and operating costs incurred by Oil and Gas under each production-sharing contract) and (ii) a percentage of profit oil (gross working-interest production remaining after cost recovery oil is allocated to Oil and Gas). Cost recovery pools for each production-sharing contract include cumulative recoverable costs, subject to certification by CUPET, less cumulative proceeds from cost recovery oil allocated to Oil and Gas. 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. When oil prices increase, the resulting reduction in cost recovery oil volumes is partially offset by an increase in profit oil barrels.

(6) Gross working-interest production includes Cuba, Spain and Pakistan production.

During the quarter Sherritt entered into an agreement with its joint venture partner, Pebercan, to amend the Block 7 West joint operating agreement. Under the terms of the amendment, Sherritt became the technical operator of the Santa Cruz field under the same terms as Canasi and Seboruco. As part of this arrangement, Sherritt purchased $18.1 million of capital assets held by its joint venture partner. This arrangement is expected to result in operating and capital cost savings by combining all operations under one operator.

Gross working-interest production of 30,644 boepd in the first quarter of 2007 was similar to production levels that were recorded in first quarter of 2006 and the fourth quarter of 2006.

Total net production of 18,392 barrels of oil equivalent per day in the first quarter of 2007 was up 1,379 boepd compared to the same period in 2006, as a result of greater cost recovery barrels and new production from Pakistan. During the quarter, six development wells were drilled in Cuba.

EBITDA of $41.1 million in the first quarter of 2007 was $9.9 million lower than the previous quarter and $15.1 million lower than the same quarter in the previous year. Lower revenues, as a result of a decline in realized prices, along with slightly higher operating costs were the main factors behind the decrease in EBITDA.

Capital expenditures of $47.3 million in the quarter were mainly in support of development and exploration drilling along with facility construction and the purchase of $18.1 million of capital assets from Sherritt's joint venture partner when it assumed operatorship of the Santa Cruz field.

Power

	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Year ended December 31 2006
Electricity sold (GWh) [1]	487	501	566	549	431	2,047
EBITDA ($mm)	$ 20.2	$ 14.9	$ 20.8	$ 20.7	$ 15.1	$ 71.5
Realized price per MWh	$ 46.77	$ 45.27	$ 44.43	$ 44.46	$ 44.61	$ 44.68
Capital Expenditures($mm)	$ 10.1	$ 16.0	$ 5.9	$ 5.5	$ 6.3	$ 33.7

[1] Includes non-controlling interest.

Electricity sales increased by 13% over the first quarter 2006 as a result of higher capacity from the 85 MW Phase 6 expansion completed in the first quarter of 2006. Sales compared to the fourth quarter of 2006 were marginally lower due to unscheduled maintenance and interruptions in the 20 MW peak plant. Net capacity factor was 78% in the first quarter.

EBITDA in the first quarter of 2007 increased by 36% over the fourth quarter of 2006 to $20.2 million and by 34% over the same quarter last year. These increases were mainly due to higher by-product revenue and higher realized prices.

Capital expenditures of $10.1 million in the first quarter of 2007 were primarily directed to the 65 MW Phase 7 expansion project. In addition to this amount, Power also incurred $4.0 million for progress payments, mainly for equipment orders for the 65 MW Phase 7 expansion project. These expenditures were presented in other assets in the investing section of the consolidated statement of cash flows, and will be reclassified to capital assets when the Corporation takes possession of the assets.

Summary Financial Results by Segment (unaudited)

The tables below present EBITDA and operating earnings from continuing operations by segment and reconcile 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.

All amounts in this news release represent Sherritt's 100% interest unless otherwise indicated. Amounts relating to Metals and Coal Valley reflect the Corporation's 50% interest in these operations. Amounts relating to Coal reflect the Corporation's 50% proportionate interest in Royal Utilities up to June 27, 2006. Subsequent to June 27, 2006, the Corporation changed its accounting for Royal Utilities to the equity method. Sherritt holds a one-third interest in the Power business. The non-controlling interests are disclosed separately in the consolidated financial statements.

Three months ended March 31, 2007

($ millions)	Metals [1]	Oil and Gas	Power	Coal [2]	Corporate	Consolidated
Revenue	$ 204.0	$ 58.4	$ 27.9	$ 19.8	$ -	$ 310.1
Operating, selling, general and administrative	69.3	17.3	7.7	21.0	21.9	137.2
EBITDA	134.7	41.1	20.2	(1.2)	(21.9)	172.9
Depletion, amortization and accretion	6.0	23.1	6.0	2.4	1.0	38.5
Operating earnings (loss)	128.7	18.0	14.2	(3.6)	(22.9)	134.4
Share of earnings of equity investments [3]	-	-	-	6.9	-	6.9
Net financing expense						(0.8)
Income taxes						(46.0)
Non-controlling interests						(5.4)
Net earnings						89.1
Capital expenditures	$ 31.0	$ 47.3	$ 10.1	$ 0.4	$ 0.1	$ 88.9

(1) Comparable periods have been restated to reflect a change in the reclassification and adjustment of certain revenues, operating, selling, general and administrative costs in the Metals business.
(2) Coal results include the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and the coal development assets.
(3) Share of earnings of equity investments includes Royal Utilities.

Three months ended March 31, 2006

($ millions)	Metals [1]	Oil and Gas	Power	Coal [2]	Corporate	Consolidated
Revenue	$ 82.8	$ 68.7	$ 22.2	$ 73.8	$ -	$ 247.5
Operating, selling, general and administrative	52.7	12.5	7.1	55.0	9.2	136.5
EBITDA	30.1	56.2	15.1	18.8	(9.2)	111.0
Depletion, amortization and accretion	4.6	20.6	6.3	14.0	1.2	46.7
Operating earnings (loss)	25.5	35.6	8.8	4.8	(10.4)	64.3
Share of earnings of equity investments	-	-	-	-	0.6	0.6
Net financing expense						(8.3)
Income taxes						(18.0)
Non-controlling interests						(3.3)
Earnings from continuing operations						35.3
Earnings from discontinued operations						0.4
Net earnings						35.7
Capital expenditures[3]	$ 12.9	$ 27.5	$ 6.3	$ 2.3	$ 0.6	$ 49.6

[1] Comparable periods have been restated to reflect a change in the reclassification and adjustment of certain revenues, operating, selling, general and administrative costs in the Metals business.

[2] Coal results include the Corporations 50% proportionate interest in Royal Utilities for the three months ended March 31, 2006, and the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and the coal development assets.

[3] Total capital expenditures include $0.5 million from discontinued operation.

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 $2.7 billion asset base through expansion of its existing businesses and strategic acquisitions.

Sherritt's 172 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.

Forward-looking Statements

This news release contains forward-looking statements. Forward-looking statements generally can be identified by the use of statements that include words such as "believe", "expect", "anticipate", "intend", "plan", "likely", "will" or other similar words or phrases. Similarly, statements contained in each of the "Outlook" sections of this news release including those with respect to expectations concerning assets, prices, foreign exchange rates, earnings, production, market conditions, capital expenditures, commodity demand, risks, availability of regulatory approvals, corporate objectives and plans or goals, are or may be forward-looking statements. These forward-looking statements are not based on historic facts, but rather on current expectations, assumptions 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.

The Corporation does not intend, and does not assume any obligations, to update these forward-looking statements.

For further information, please contact:
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Supplementary Information

The tables below present EBITDA and operating earnings from continuing operations by segment and reconcile 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 31, 2006

($ millions)	Metals	Oil and Gas	Power	Coal [1]	Corporate	Consolidated
Revenue	$ 192.3	$ 68.7	$ 26.1	$ 17.1	$ -	$ 304.2
Operating, selling, general and administrative	83.8	17.7	11.2	18.4	14.1	145.2
EBITDA	108.5	51.0	14.9	(1.3)	(14.1)	159.0
Depletion, amortization and accretion	6.1	21.4	6.0	2.9	1.0	37.4
Operating earnings (loss) from continuing operations	102.4	29.6	8.9	(4.2)	(15.1)	121.6
Share of earnings of equity investments[2]	-	-	-	4.7	0.1	4.8
Net financing expense						(3.5)
Income taxes						(39.0)
Non-controlling interests						(3.5)
Loss on disposition of investments						(0.3)
Write down of investments						(2.3)
Earnings from continuing operations						77.8
Earnings from discontinued operations						0.8
Net earnings						78.6
Capital expenditures[3]	$ 25.1	$ 35.6	$ 16.0	$ 1.9	$ 0.1	$ 78.7

(1) Coal includes the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and other coal development assets.
(2) Share of earnings of equity investments includes Royal Utilities and the tourism businesses.
(3) Total capital expenditures include $nil million from discontinued operation.

Three months ended September 30, 2006

(millions of Canadian dollars)	Metals	Oil and Gas	Power	Coal [1]	Corporate	Consolidated
Revenue	$ 148.0	$ 65.1	$ 29.0	$ 29.1	$ -	$ 271.2
Operating, selling, general and administrative	69.1	12.5	8.2	28.5	6.1	124.4
EBITDA	78.9	52.6	20.8	0.6	(6.1)	146.8
Depletion, amortization and accretion	5.1	22.5	6.3	2.1	1.1	37.1
Operating earnings (loss) from continuing operations	73.8	30.1	14.5	(1.5)	(7.2)	109.7
Share of earnings of equity investments[2]	-	-	-	5.2	-	5.2
Net financing expense						(6.0)
Income taxes						(30.3)
Non-controlling interests						(5.4)
Gain on disposition of investments						-
Earnings from continuing operations						73.2
Earnings from discontinued operations						0.9
Net earnings						74.1
Capital expenditures[3]	$ 21.1	$ 29.0	$ 5.9	$ 1.3	$ 1.0	$ 58.3

(1) Coal includes the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and other coal development assets.
(2) Share of earnings of equity investments includes Royal Utilities and the tourism businesses.
(3) Total capital expenditures include $nil million from discontinued operation.

Three months ended June 30, 2006

($ millions)	Metals [1]	Oil and Gas	Power	Coal [2]	Corporate	Consolidated
Revenue	$ 120.3	$ 69.6	$ 28.4	$ 73.2	$ -	$ 291.5
Operating, selling, general and administrative	74.0	14.9	7.7	59.9	11.4	167.9
EBITDA	46.3	54.7	20.7	13.3	(11.4)	123.6
Depletion, amortization and accretion	5.0	21.3	6.7	13.6	1.2	47.8
Operating earnings (loss)	41.3	33.4	14.0	(0.3)	(12.6)	75.8
Share of earnings of equity investments [3]	-	-	-	-	0.3	0.3
Net financing expense						(11.5)
Income taxes						(8.0)
Non-controlling interests						(5.0)
Gain on disposition of investments						5.0
Earnings from continuing operations						56.6
Earnings from discontinued operations						0.6
Net earnings						57.2
Capital expenditures[4]	$ 13.7	$ 33.3	$ 5.5	$ 3.3	$ 0.4	$ 56.2

(1) Comparable periods have been restated to reflect a change in the reclassification and adjustment of certain revenues, operating, selling, general and administrative costs in the Metals business.

(2) Coal results include the Corporations 50% proportionate interest in Royal Utilities up to June 27, 2006 and the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and other coal development assets.

(3) Share of earnings of equity investments includes Royal Utilities and the tourism businesses.

(4) Total capital expenditures include $0.4 million from discontinued operation.

Year ended December 31, 2006

($ millions)	Metals	Oil and Gas	Power	Coal [1]	Corporate	Consolidated
Revenue	$ 543.4	$ 272.1	$ 105.7	$ 193.2	$ -	$ 1,114.4
Operating, selling, general and administrative	279.6	57.6	34.2	161.8	40.8	574.0
EBITDA	263.8	214.5	71.5	31.4	(40.8)	540.4
Depletion, amortization and accretion	20.8	85.8	25.3	32.6	4.5	169.0
Operating earnings (loss) from continuing operations	243.0	128.7	46.2	(1.2)	(45.3)	371.4
Share of earnings of equity investments [2]	-	-	-	9.9	1.0	10.9
Net financing expense						(29.3)
Income taxes						(95.3)
Non-controlling interests						(17.2)
Gain on disposition of investments						4.7
Write down of investments						(2.3)
Earnings from continuing operations						242.9
Earnings from discontinued operations						2.7
Net earnings						245.6
Capital expenditures[3]	$ 72.8	$ 125.4	$ 33.7	$ 8.8	$ 2.1	$ 242.8

(1) Coal results include the Corporation's 50% proportionate interest in Royal Utilities up to June 27, 2006 and the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and other coal development assets.

(2) Share of earnings of equity investments includes Royal Utilities and the tourism businesses.

(3) Total capital expenditures include $0.9 million from discontinued operation.