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Sherritt Reports Third-Quarter 2007 Results

- Moa/Fort Saskatchewan phased expansion on schedule
- Ambatovy project financing signed; construction and spending ramping up
- Record power production following commissioning of 65MW expansion

Financial Highlights (unaudited)

(millions of dollars, except per share amounts)	Q3 2007	Q3 2006	Nine months ended September 30	
			2007	2006
Revenue	\$ 301.3	\$ 271.2	\$ 1,016.8	\$ 810.2
EBITDA ⁽¹⁾	158.6	146.8	577.4	381.4
Net earnings	65.4	74.1	286.9	167.0
Basic earnings per share	0.28	0.49	1.46	1.10
Diluted earnings per share	0.28	0.43	1.45	0.95
Distributions from Royal Utilities Income Fund	9.7	6.8	29.0	6.8
Total cash and short-term investments ⁽²⁾	346.8	417.1	346.8	417.1
Total assets ⁽²⁾	3,780.9	2,473.3	3,780.9	2,473.3
Weighted average number of shares (millions)				
Basic	233.6	151.3	196.6	151.3
Diluted	234.5	179.1	197.5	188.8

⁽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⁾ Total cash and short-term investments exclude \$3.9 million (2006 - \$0.7 million) from discontinued operations. Total assets include \$93.4 million (2006 - \$54.2 million) from discontinued operations.

TORONTO, October 31, 2007 - Sherritt International Corporation ("Sherritt" or the "Corporation") today announced third-quarter results. Net earnings of \$65.4 million (\$0.28 per share) were achieved in the third quarter of 2007, compared with net earnings of \$74.1 million (\$0.49 per share) in the third quarter of 2006. After adjusting for foreign exchange losses and certain other unusual and non-operating items, third quarter 2007 earnings per share were \$0.37 per share.

The Corporation continues to benefit from strong production across all business segments and robust commodity prices. EBITDA for the quarter of \$158.6 million was \$11.8 million higher than the same period last year and included a \$9.6 million (\$0.03 after-tax per share) stock-based compensation expense. Higher net oil production and realized prices, continuing strong nickel and cobalt prices and record power sales contributed to the increase.

Net earnings for the quarter included a \$9.4 million (\$0.03 after-tax per share) increase in foreign exchange losses due to the weaker US dollar, a \$6.0 million (\$0.02 after-tax per share) downward fair value adjustment against the Corporation's investments in asset-backed commercial paper and \$3.1 million (\$0.01 per share) of tax asset write-offs. Earnings per share in 2007 include the dilution impact from the issuance of shares as part of the Dynatec acquisition.

Sherritt continues to invest heavily to grow all four business segments in which it operates. Capital expenditures and investments of \$158 million in the third quarter of 2007 were primarily directed towards the Metals expansion projects in Moa/Fort Saskatchewan and Ambatovy as well as Oil and Gas drilling activities. Construction activities at both Metals projects are proceeding as planned.

Total assets at September 30, 2007, were \$3.8 billion and included \$400.3 million of cash, short-term investments and asset-backed commercial paper (\$53.5 million, net of fair value adjustment). Subsequent to quarter-end, on October 24, 2007, Sherritt issued \$225 million principal amount of 8.25% Senior Unsecured Debentures Series B due October 24, 2014. The proceeds of this offering will be used for general corporate purposes.

OUTLOOK

Metals

Mixed sulphide production in 2007 remains on track to meet full-year guidance of 33,000 tonnes (100% basis). Fourth-quarter finished nickel and cobalt production is expected to increase from third quarter levels, with full-year production forecast to be approximately 31,500 tonnes of nickel and 3,500 tonnes of cobalt (100% basis).

Sherritt is on track to complete its \$1.73 billion Metals expansion plans by 2010. These expansions will increase existing nickel and cobalt production capacity by more than 245% while lowering unit operating costs.

Construction for the Phase 1 expansion in Moa is progressing and should allow for commissioning of the incremental 4,000 tonnes of mixed sulphide production capacity to begin in the first quarter of 2008. Phase 2, which will add a further 9,000 tonnes of mixed sulphide production, is likewise progressing as planned, with projected start up scheduled for 2009. Phase 3 of the expansion, currently in the conceptual study stage, is expected to result in 3,000 to 6,000 tonnes of additional nickel plus cobalt production. The Ambatovy mine is scheduled to start commissioning in the first half of 2010. Full production, which is expected to be reached in 2012 will be approximately 60,000 tonnes (100% basis) of finished nickel and 5,600 tonnes (100% basis) of finished cobalt.

Sherritt's (50%) share of capital expenditures for Phases 1 and Phase 2 of the Moa/Fort Saskatchewan expansion is currently expected to be approximately \$408 million, up from \$358 million previously reported. This increase is largely due to escalation in labour and material costs, primarily in Fort Saskatchewan. The Ambatovy project is ramping up towards maximum construction employment levels at the mine site and refinery as planned. Sherritt's (40%) share of capital spending is expected to be approximately \$1.3 billion.

Capital expenditures for the remainder of 2007 are expected to be approximately \$112 million, of which \$97 million relates to the Moe/Fort Saskatchewan expansion and \$15 million relates to sustaining capital. In addition, Sherritt's share of expected Ambatovy spending will be approximately \$95 million for the remainder of 2007. In 2008, spending on the Moe/Fort Saskatchewan expansion is expected to be approximately \$250 million and Sherritt's share of the Ambatovy project is expected to be \$633 million, \$516 million of which is expected to be financed by project financing.

Coal

Royal Utilities Income Fund ("Royal Utilities" or the "Fund"), which Sherritt operates and in which it has a 41.2% interest, declared distributions of \$23.5 million in the third quarter. Consistent with previous guidance, the Fund is targeting a payout ratio of 97% and expects to declare distributions of \$93.8 million (\$0.9596 per unit) in 2007.

At the Coal Valley mine, forecast full-year sales and shipments of 3.9 million tonnes (100% basis) remain unchanged, but continues to be largely dependent on the level of train service. Realized prices are expected to remain strong due to a strong export market. Looking into 2008, Coal Valley will have approximately 75% of its contracts coming up for renewal. Sherritt expects to settle these contracts at much higher prices than recent historic settlements.

Work on the Dodds-Roundhill coal gasification project feasibility study continues. Sherritt is working with off-take customers for syngas, hydrogen and CO₂. Final activities are also being undertaken to prepare for the submission of the Environmental Impact Assessment, which the Corporation intends to submit to the Alberta government in 2008.

Capital expenditures for the remainder of the year are expected to be approximately \$4.4 million, which will be spent on sustaining capital at Coal Valley and development work on the Dodds-Roundhill coal gasification project.

Oil and Gas

Gross working-interest oil production for the full year is expected to remain comparable to 2006 levels. Net working-interest oil volumes, which are based on oil prices and capital and operational spending levels, are expected to remain in line with year-to-date production.

For the remainder of 2007 Sherritt is planning to drill one exploration and four development wells. The Corporation is working to finish its seismic activities on certain Cuban offshore blocks during 2007 and intends to undertake seismic activities on its recently acquired East Irish Sea blocks in 2008. Sherritt also is working to conclude final negotiations with respect to certain enhanced oil recovery concessions and production sharing contracts in Cuba during 2007, with a view to starting piloting during 2008.

Total capital expenditures in Oil and Gas in 2007 are expected to be approximately \$154 million. Capital expenditures for 2008 are expected to be \$135 million without including the expenditures on the enhanced oil recovery pilot program. Pilot program expenditures are in the process of being finalized.

Power

Sherritt and its partners are finalizing the design and commercial terms for a 125 MW combined cycle facility at Boca de Jaruco, agreed to in principle during the second quarter. As with previous expansions, Power will finance and construct this project, which is expected to start-up in the 2010/2011 time frame.

Over the remainder of the year, scheduled maintenance will be performed on several turbines, which is expected to result in a net capacity factor of approximately 80% for the fourth quarter. Fourth-quarter net production is expected to be approximately 600 GWh.

Sustaining capital expenditures for the remainder of the year are estimated to be less than \$2 million. Expenditures during the fourth quarter with respect to the new combined cycle are not expected to be significant; however, expenditures may be required for down payments on long-lead time components.

Sherritt has also initiated discussions with the state power company in Madagascar to review potential power opportunities.

BUSINESS SEGMENTS

Metals Business Review

	Q3 2007	Q3 2006	Nine months ended September 30	
			2007	2006
Production (tonnes)				
Nickel	3,803	3,878	11,351	10,897
Cobalt	418	419	1,304	1,198
Mixed sulphides	4,195	4,029	12,399	11,248
Sales (thousands of pounds)				
Nickel	8,367	8,795	25,030	24,291
Cobalt	923	879	2,787	2,663
Revenue (\$mm)	\$ 150.7	\$ 148.0	\$ 628.8	\$ 351.1
EBITDA (\$mm)	\$ 87.3	\$ 78.9	\$ 388.7	\$ 155.3
Realized Prices ⁽¹⁾				
Nickel (\$/lb)	\$ 14.14	\$ 14.42	\$ 19.81	\$ 10.96
Cobalt (\$/lb)	26.61	17.77	28.98	16.24
Reference Prices				
Nickel (US\$/lb)	\$ 13.71	\$ 13.24	\$ 18.03	\$ 9.69
Cobalt (US\$/lb) ⁽²⁾	25.84	15.59	26.54	14.15
Capital Expenditures (\$mm)	\$ 48.4	\$ 21.1	\$ 128.5	\$ 47.7
Ambatovy Capital Costs (\$mm)	\$ 69.0	\$ -	\$ 74.0	\$ -

⁽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.

Revenue of \$150.7 million in the third quarter 2007 was slightly higher than the prior year quarter as the benefits from higher cobalt sales volumes and realized prices were partly offset by the timing of nickel sales and the impact of a stronger Canadian dollar. Higher revenue and lower third-party feed costs in the quarter resulted in an \$8.4 million increase in EBITDA to \$87.3 million in the third quarter of 2007. Mixed sulphide production exceeded the prior year level for the quarter, as process bottlenecks at Moa last year were successfully resolved.

Nickel reference prices were comparable with the prior year, but declined from record highs in the second quarter, reflecting lower demand from stainless-steel producers. Average cobalt reference prices in the quarter were approximately 50% higher year-over-year. The outlook for the nickel and cobalt markets remains positive, reflecting strong fundamental demand, particularly from China and the rest of Asia.

Capital expenditures in the third quarter 2007 were \$48.4 million, which included \$42.3 million on the Moa/Fort Saskatchewan expansion and \$6.1 million on sustaining capital expenditures. In addition, approximately \$69.0 million was spent in the quarter on Ambatovy.

Upon satisfaction of certain conditions, SNC-Lavalin Inc. will acquire a 5% equity interest in Ambatovy from Sherritt, thereby reducing Sherritt's interest from 45% to 40%. Under a put/call arrangement, Sherritt and Sumitomo Corporation can acquire SNC-Lavalin's interest or SNC-Lavalin can divest of its interest to Sherritt and Sumitomo Corporation following financial completion of the project.

Coal Business Review

	Q3 2007	Q3 2006	Nine months ended September 30	
			2007	2006
EBITDA (\$mm)				
Coal Valley and other coal development assets	\$ (2.5)	\$ 0.6	\$ (3.4)	\$ (2.2)
Royal Utilities ⁽¹⁾	-	-	-	34.9
Total	\$ (2.5)	\$ 0.6	\$ (3.4)	\$ 32.7
Equity-accounted earnings in Royal Utilities (\$mm) ⁽¹⁾	\$ 4.0	\$ 5.2	\$ 15.9	\$ 5.2
Distributions received from Royal Utilities (\$mm) ⁽¹⁾	\$ 9.7	\$ 6.8	\$ 29.0	\$ 6.8
Capital Expenditures (\$mm)				
Coal Valley and other coal development assets	\$ 0.9	\$ 1.3	\$ 2.0	\$ 3.7
Royal Utilities ⁽¹⁾	-	-	-	3.2
Total	\$ 0.9	\$ 1.3	\$ 2.0	\$ 6.9
Royal Utilities ⁽²⁾				
Realized prices (\$/tonne)	\$ 13.47	\$ 12.45	\$ 13.06	\$ 12.10
Production volumes (millions of tonnes) ⁽⁴⁾	8.6	8.4	26.5	26.7
Sales volumes (millions of tonnes) ⁽⁴⁾	8.6	9.0	26.4	27.2
Coal Valley ⁽³⁾				
Realized prices (\$/tonne)	\$ 50.39	\$ 48.47	\$ 50.93	\$ 47.58
Production volumes (millions of tonnes) ⁽⁴⁾	0.4	0.5	1.3	1.3
Sales volumes (millions of tonnes) ⁽⁴⁾	0.5	0.6	1.4	1.3

⁽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 its interest in 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.

On a 100% basis, Royal Utilities' sales volumes in the third quarter of 2007 were down slightly compared to those recorded a year earlier, as higher sales volumes at Poplar River were partially offset by reduced demand at Boundary Dam, due to an unplanned unit outage at the Shand generating station. Bienfait sales in the quarter to Ontario Power Generation were also lower than the comparable quarter of 2006 due to reduced coal requirements as a result of increased hydroelectric generating capacity in Ontario. The Corporation was able to successfully reschedule its capital programs to accommodate such temporary production effects with a view to maintaining Royal Utilities' cash distribution levels.

Average realized prices increased by \$1.02 per tonne to \$13.47 per tonne from the prior year's quarter. This increase was primarily due to higher cost and capital recoveries at the contract mines and the Genesee mine and inflation adjustments to coal prices at certain owned mines.

Excluding Royal Utilities, EBITDA for the third quarter of 2007 was a loss of \$2.5 million compared to earnings of \$0.6 million for the third quarter 2006. EBITDA for the quarter comprised Coal Valley's loss of \$2.3 million and \$0.2 million of non-capitalized coal development expenditures. The loss at Coal Valley was primarily due to higher maintenance, fuel and tire costs.

Higher realized prices at Coal Valley reflected improving export thermal coal pricing, a trend which is expected to continue into 2008. Sales volumes were slightly lower than the comparable quarter in 2006, but remain strong as Coal Valley continues to reduce inventory accumulated during the CN Rail strike.

Activities at the Dodds-Roundhill coal gasification project continue to advance. Pre-engineering studies have been completed and results are currently being processed. In addition, significant work continues to be carried out in negotiating various arrangements with potential off-take customers, developing community relations and completing the required Environmental Impact Assessment application – which is anticipated to be submitted in 2008.

Capital expenditures of \$0.9 million in the third quarter were related primarily to the wash plant, permitting and development work at Coal Valley.

Oil and Gas Business Review

	Q3 2007	Q3 2006	Nine months ended September 30	
			2007	2006
Daily Production Volumes ^{(1) (2)}				
Production (boepd)				
Gross working-interest production ^{(3) (5)}	31,401	30,763	31,262	31,102
Net production ⁽⁴⁾				
Cuba (heavy oil)				
Cost recovery ⁽⁵⁾	10,689	6,480	10,653	6,616
Profit oil ⁽⁵⁾	8,037	9,088	7,912	9,279
Total Cuba	18,726	15,568	18,565	15,895
Spain (light/medium oil) ⁽⁴⁾	586	505	497	486
Pakistan (natural gas) ⁽⁴⁾	395	403	403	261
Total	19,707	16,476	19,465	16,642
Revenues	\$ 81.5	\$ 65.1	\$ 217.6	\$ 203.4
EBITDA(\$mm)	\$ 61.9	\$ 52.6	\$ 162.3	\$ 163.5
Realized Prices				
Cuba (per barrel)	\$ 44.13	\$ 41.88	\$ 40.12	\$ 43.40
Spain (per barrel)	78.00	77.32	74.01	75.53
Pakistan (per barrel)	7.88	8.75	8.42	8.73
Reference Prices				
US Gulf Coast Fuel Oil #6 (US\$ per barrel)	\$ 55.32	\$ 46.38	\$ 47.91	\$ 47.11
Capital Expenditures (\$mm)	\$ 35.5	\$ 29.0	\$ 118.6	\$ 89.8

- (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) Gross working-interest production includes the Corporation's working-interest shares of gross production in Cuba, Spain and Pakistan before the allocation of production to CUPET under the production-sharing contracts and before deduction of any royalty obligations under other concession agreements. This figure excludes production from wells for which commerciality has not been established under the production-sharing contracts as well as the working interests for other participants under the production-sharing contracts and other concession agreements.
- (4) Net production (equivalent to net sales volumes) represents the Corporation's share of gross working-interest production, less the share of production allocated to CUPET under the production-sharing contracts and any royalty obligations associated with other concession agreements.
- (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.

Revenue for the third quarter was higher than the comparable quarter in 2006 due to significantly higher net production and higher realized oil prices. The higher net production was primarily the result of higher development drilling activity. EBITDA in the third quarter of 2007 of \$61.9 million was \$9.3 million higher than the third quarter of 2006, primarily reflecting higher revenue.

Capital expenditures in the third quarter were \$35.5 million. During the quarter Oil and Gas initiated five wells, of which all four development wells were successful and one exploration did not encounter any oil bearing reservoir.

Oil and Gas has had considerable success in delineating deeper structures across most existing producing fields. An increasing level of drilling activity is planned for this new horizon over the next few years. Oil and Gas has delayed submitting a commercialization program for Majaguillar pending completion and assessment of two additional exploration wells. These wells are anticipated to be completed by the end of 2007.

Power Business Review

	Q3 2007	Q3 2006	Nine months ended September 30	
			2007	2006
Electricity sold (GWh) ⁽¹⁾⁽²⁾	628	566	1,681	1,547
Revenue (\$mm)	\$ 31.6	\$ 29.0	\$ 87.8	\$ 79.6
EBITDA (\$mm)	\$ 21.8	\$ 20.8	\$ 63.2	\$ 56.6
Realized price per MWh ⁽²⁾	\$ 42.38	\$ 44.43	\$ 44.18	\$ 44.49
Capital Expenditures(\$mm)	\$ 1.2	\$ 5.9	\$ 16.9	\$ 17.7

(1) Includes non-controlling interest.

(2) Megawatt hours ("MWh") and Gigawatt hours ("GWh")

Third-quarter revenue of \$31.6 million increased by \$2.6 million compared to the prior year as revenue from electricity sales increased by \$1.4 million and revenue from by-product sales and other sources increased by \$1.2 million. The increase in electricity revenue was primarily due to record production as a result of the addition of the 65 MW expansion in the second quarter of 2007. Net capacity factor in the third quarter was 83%.

Higher electricity sales and by-product revenue during the quarter translated into a \$1.0 million increase in EBITDA to \$21.8 million.

Capital expenditures of \$1.2 million in the third quarter 2007 were primarily related to sustaining capital items.

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 September 30, 2007

(\$ millions)	Metals	Oil and Gas	Power	Coal ⁽¹⁾	Corporate and Other ⁽⁴⁾	Consolidated
Revenue	\$ 150.7	\$ 81.5	\$ 31.6	\$ 28.1	\$ 9.4	\$ 301.3
Operating, selling, general and administrative	63.4	19.6	9.8	30.6	19.3	142.7
EBITDA	87.3	61.9	21.8	(2.5)	(9.9)	158.6
Depletion, amortization and accretion	5.8	20.0	7.3	1.2	1.1	35.4
Operating earnings (loss)	81.5	41.9	14.5	(3.7)	(11.0)	123.2
Share of earnings of equity investments ⁽²⁾	-	-	-	4.0	-	4.0
Net financing expense						(16.5)
Income taxes						(41.0)
Non-controlling interests						(5.0)
Gain on sale of investments						1.4
Earnings from continuing operations						66.1
Loss from discontinued operations						(0.7)
Net earnings						65.4
Capital expenditures ⁽³⁾	\$ 48.4	\$ 35.5	\$ 1.2	\$ 0.9	\$ 3.0	\$ 89.0

⁽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.

⁽³⁾ Total capital expenditures include \$2.8 million from discontinued operations.

⁽⁴⁾ The Corporate and Other segment includes results of the metallurgical technology business acquired from Dynatec.

Three months ended September 30, 2006

(millions of Canadian dollars)	Metals	Oil and Gas	Power	Coal ⁽¹⁾	Corporate and Other	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)
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.

Nine months ended September 30, 2007

(\$ millions)	Metals	Oil and Gas	Power	Coal ⁽¹⁾	Corporate and Other ⁽⁴⁾	Consolidated
Revenue	\$ 628.8	\$ 217.6	\$ 87.8	\$ 72.5	\$ 10.1	\$ 1,016.8
Operating, selling, general and administrative	240.1	55.3	24.6	75.9	43.5	439.4
Earnings (loss) before undernoted items	388.7	162.3	63.2	(3.4)	(33.4)	577.4
Depletion, amortization and accretion	17.3	66.1	19.9	6.3	3.2	112.8
Operating earnings (loss) from continuing operations	371.4	96.2	43.3	(9.7)	(36.6)	464.6
Share of earnings of equity investments ⁽²⁾	-	-	-	15.9	-	15.9
Net financing expense						(23.9)
Income taxes						(154.2)
Non-controlling interests						(16.2)
Gain on sale of investments						1.4
Earnings from continuing operations						287.6
Loss from discontinued operations						(0.7)
Net earnings						286.9
Capital expenditures ⁽³⁾	128.5	118.6	16.9	2.0	3.3	269.3
Total Assets ⁽³⁾	\$ 680.1	\$ 709.3	\$ 553.5	\$ 442.1	\$ 1,395.9	\$ 3,780.9

Nine months ended September 30, 2006

(\$ millions)	Metals	Oil and Gas	Power	Coal ⁽¹⁾	Corporate and Other	Consolidated
Revenue	\$ 351.1	\$ 203.4	\$ 79.6	\$ 176.1	\$ -	\$ 810.2
Operating, selling, general and administrative	195.8	39.9	23.0	143.4	26.7	428.8
Earnings (loss) before undernoted items	155.3	163.5	56.6	32.7	(26.7)	381.4
Depletion, amortization and accretion	14.7	64.4	19.3	29.7	3.5	131.6
Operating earnings (loss) from continuing operations	140.6	99.1	37.3	3.0	(30.2)	249.8
Share of earnings of equity investments ⁽²⁾	-	-	-	5.2	0.9	6.1
Net financing expense						(25.8)
Income taxes						(56.3)
Non-controlling interests						(13.7)
Gain on disposition of investments						<u>5.0</u>
Earnings from continuing operations						165.1
Earnings from discontinued operations						1.9
Net earnings						167.0
Capital expenditures ⁽³⁾	47.7	89.8	17.7	6.9	2.0	164.1
Total Assets ⁽³⁾	\$ 481.4	\$ 648.0	\$ 543.8	\$ 100.9	\$ 699.2	\$ 2,473.3

⁽¹⁾ Coal results include the Corporation's 50% proportionate interest in the Coal Valley export thermal coal mine and coal development assets. Up to June 27, 2006, it includes the Corporation's 50% proportionate interest in Royal Utilities and after June 27, 2006, it includes the equity accounted interest in the earnings of Royal Utilities.

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

⁽³⁾ Total capital expenditures include \$2.9 million (2006 - \$0.9 million) and total assets include \$93.4 million (2006 - \$54.2 million) from discontinued operations.

⁽⁴⁾ The Corporate and Other segment includes results of metallurgical technology division acquired from Dynatec, for the period from June 14, 2007.

Quarterly Metals Information

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Production (tonnes)					
Nickel	3,803	4,035	3,514	4,209	3,878
Cobalt	418	452	434	458	419
Mixed sulphides	4,195	4,198	4,006	3,680	4,029
Sales (thousands of pounds)					
Nickel	8,367	8,887	7,776	9,250	8,795
Cobalt	923	976	888	1,022	879
Revenue (\$mm)	\$ 150.7	\$ 274.1	\$ 204.0	\$ 192.3	\$ 148.0
EBITDA (\$mm)	\$ 87.3	\$ 166.7	\$ 134.7	\$ 108.5	\$ 78.9
Realized Prices ⁽¹⁾					
Nickel (\$/lb)	\$ 14.14	\$ 23.37	\$ 21.84	\$ 16.88	\$ 14.42
Cobalt (\$/lb)	26.61	30.26	30.02	20.85	17.77
Reference Prices					
Nickel (US\$/lb)	\$ 13.71	\$ 21.76	\$ 18.80	\$ 15.00	\$ 13.24
Cobalt (US\$/lb) ⁽²⁾	25.84	28.01	25.82	18.86	15.59
Capital Expenditures (\$mm)	\$ 48.4	\$ 49.1	\$ 31.0	\$ 25.1	\$ 21.1
Ambatovy capital costs (\$mm)	\$ 69.0	\$ 5.0	\$ -	\$ -	\$ -

⁽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.

Quarterly Coal Information

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Coal					
EBITDA(\$mm)					
Coal Valley and other coal development assets	\$ (2.5)	\$ 0.3	(1.2)	\$ (1.3)	\$ 0.6
Equity-accounted earnings in Royal Utilities (\$mm) ⁽¹⁾	\$ 4.0	\$ 5.0	\$ 6.9	\$ 4.7	\$ 5.2
Distributions received from Royal Utilities (\$mm) ⁽¹⁾	\$ 9.7	\$ 9.7	\$ 9.6	\$ 9.6	\$ 6.8
Capital Expenditures (\$mm)					
Coal Valley and other coal development assets	\$ 0.9	\$ 0.7	\$ 0.4	\$ 1.9	\$ 1.3
Royal Utilities ⁽¹⁾					
Realized prices (\$/tonne)	\$ 13.47	\$ 13.37	12.41	\$ 11.86	\$ 12.45
Production volumes (millions of tonnes) ⁽³⁾	8.6	8.4	9.5	9.5	8.4
Sales volumes (millions of tonnes) ⁽³⁾	8.6	8.4	9.4	9.3	9.0
Coal Valley ⁽²⁾					
Realized prices (\$/tonne)	\$ 50.39	\$ 51.55	\$ 50.93	\$ 46.98	\$ 48.47
Production volumes (millions of tonnes) ⁽³⁾	0.4	0.4	0.5	0.5	0.5
Sales volumes (millions of tonnes) ⁽³⁾	0.5	0.5	0.4	0.3	0.6

⁽¹⁾ Royal Utilities include the two contract operations, five mine-mouth operations, and the Bienfait mine and Char plant.

⁽²⁾ Coal Valley mine is primarily an export market mine.

⁽³⁾ Royal Utilities sales and production volumes are presented on a 100% basis. Coal Valley sales and production volumes are presented on a 50% basis.

Quarterly Oil and Gas Information

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Daily Production Volumes ^{(1) (2)}					
Production (boepd)					
Gross working-interest production ^{(3) (5)}	31,401	31,731	30,644	31,295	30,763
Net production ⁽⁴⁾					
Cuba (heavy oil)					
Cost recovery ⁽⁵⁾	10,689	12,201	9,051	11,832	6,480
Profit oil ⁽⁵⁾	8,037	7,248	8,456	7,339	9,088
Total Cuba	18,726	19,449	17,507	19,171	15,568
Spain (light/medium oil) ⁽⁴⁾	586	427	476	379	505
Pakistan (natural gas) ⁽⁴⁾	395	405	409	406	403
Total	19,707	20,281	18,392	19,956	16,476
Revenues	\$ 81.5	\$ 77.7	\$ 58.4	\$ 68.7	\$ 65.1
EBITDA(\$mm)	\$ 61.9	\$ 59.3	\$ 41.1	\$ 51.0	\$ 52.6
Realized Prices					
Cuba (per barrel)	\$ 44.13	\$ 41.19	\$ 34.52	\$ 36.87	\$ 41.88
Spain (per barrel)	78.00	76.11	67.10	67.43	77.32
Pakistan (per barrel)	7.88	8.31	9.06	8.84	8.75
Reference Prices					
US Gulf Coast Fuel Oil					
#6 (US\$ per barrel)	\$ 55.32	\$ 49.48	\$ 38.89	\$ 39.53	\$ 46.38
Capital Expenditures (\$mm)	\$ 35.5	\$ 35.8	\$ 47.3	\$ 35.6	\$ 29.0

- (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) Gross working-interest production includes the Corporation's working-interest shares of gross production in Cuba, Spain and Pakistan before the allocation of production to CUPET under the production-sharing contracts and before deduction of any royalty obligations under other concession agreements. This figure excludes production from wells for which commerciality has not been established under the production-sharing contracts as well as the working interests for other participants under the production-sharing contracts and other concession agreements.
- (4) Net production (equivalent to net sales volume) represents the Corporation's share of gross working-interest production, less the share of production allocated to CUPET under the production-sharing contracts and any royalty obligations associated with other concession agreements.
- (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.

Quarterly Power Information

	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Electricity sold (GWh) ⁽¹⁾⁽²⁾	628	566	487	501	566
Revenue (\$mm)	\$ 31.6	\$ 28.3	\$ 27.9	\$ 26.1	\$ 29.0
EBITDA (\$mm)	\$ 21.8	\$ 21.2	\$ 20.2	\$ 14.9	\$ 20.8
Realized price per MWh	\$ 42.38	\$ 43.95	\$ 46.77	\$ 45.27	\$ 44.43
Capital Expenditures(\$mm)	\$ 1.2	\$ 5.6	\$ 10.1	\$ 16.0	\$ 5.9

(1) Includes non-controlling interest.

(2) Megawatt hours ("MWh") and Gigawatt hours ("GWh")

Sherritt International Corporation is a leading diversified resource company involved in the production of thermal coal, nickel, cobalt, oil, gas and electricity. It also licenses its proprietary technologies to other mining companies. Sherritt's 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 \$3.8 billion asset base through expansion of its existing businesses, capital projects and strategic acquisitions.

Sherritt is a world leader in producing nickel from lateritic ore, with operations in Cuba and Canada, and a significant project under development in Madagascar. In addition, Sherritt operates and owns 41.2% of Royal Utilities Income Fund, the largest thermal coal producer in Canada. Sherritt also produces more than 31,000 barrels of oil equivalent per day and manages 376 megawatts of power generation capacity.

Sherritt's 233.6 million common shares trade on the Toronto Stock Exchange under the symbol S. Sherritt's \$273.6 million principal amount of 7.875% Senior Unsecured Debentures Series A due November 26, 2012 and Sherritt's \$225 million principal amount of 8.25% Senior Unsecured Debentures Series B due October 24, 2014, 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” 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, Madagascar 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.

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