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Sherritt Reports 2005 Earnings

Highlights

- **Coal, Metals, and Power set annual production records**
- **Record EBITDA in Oil and Gas**
- **Lower EPS largely reflect one-time items**
- **Plan to spend $77 to $81 million on repurchase of 7% convertible debentures**

Financial Highlights (unaudited)

(millions of dollars, except per share amounts)	Three months ended December 31 2005	Three months ended December 31 2004 (restated)[3]	Year ended December 31 2005	Year ended December 31 2004 (restated)[3]
Revenue	$ 258.7	$ 264.6	$ 1,095.6	$ 1,096.4
EBITDA [1] [2]	93.2	101.0	462.4	494.5
Net earnings	9.1	27.5	124.3	164.7
Net earnings, excluding certain items [4]	28.1	15.7	155.8	155.2
Basic earnings per share	0.06	0.19	0.82	1.24
Basic earnings per share, excluding certain items [4]	0.18	0.10	1.03	1.16
Diluted earnings per share	0.05	0.16	0.70	0.95
Diluted earnings per share, excluding certain items [4]	0.16	0.10	0.86	0.90
Weighted average number of shares (millions)				
Basic	154.1	131.3	150.8	131.3
Diluted	154.6	197.7	199.0	197.8
Total cash and short-term investments	485.2	452.0	485.2	452.0

(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.
(4). See “Canadian GAAP Reconciliation” provided in this document

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. The non-controlling interest of two-thirds and 51%, respectively, is disclosed separately in the consolidated financial statements.

Toronto, Ontario. March 2, 2006. Sherritt International Corporation today announced fourth quarter and annual results for 2005. Consolidated revenues for the year once again exceeded $1 billion. Net earnings were $124.3 million or $0.82 per share, approximately $40 million lower than in 2004. Fiscal 2005 and 2004 results reflect items not indicative of ongoing operations, which include costs arising from the 2005 debt restructurings, income on the redemption of a promissory note in 2004, stock options exercised for cash, and foreign currency translation net losses. After adjusting for these items, net earnings were $155.8 million or $1.03 per share in 2005 compared to $155.2 million or $1.16 per share in 2004. Approximately $0.12 of the $0.13 decrease in earnings per share reflected the higher average number of shares outstanding during 2005.

Earnings before interest, taxes, depreciation and amortization (EBITDA) totalled $462.4 million compared with $494.5 million in 2004. Key factors impacting results for the year include lower cobalt prices, higher fuel and other input costs, and a 76-day shutdown at the Coal Valley plant as a part of the mine expansion project. Fourth quarter EBITDA results of $93.2 million were down by 8% over the prior year quarter, reflecting lower realized prices for nickel, cobalt and electricity.

Sherritt undertook a number of initiatives during the fourth quarter of 2005 to optimize its balance sheet structure. In November, a preliminary short form prospectus was filed permitting the issuance of up to $500 million of senior unsecured debentures. Subsequent to the filing of this prospectus, Sherritt issued $175 million of 7.875% debentures due November 26, 2012. The proceeds from this debt issue were primarily used to fund the repurchase of Sherritt's 50% share of U.S. $275 million of 9.75% senior notes held by its Coal business. Sherritt also completed an offer to exchange its $105 million of 9.875% senior notes due 2010, for a second tranche of the 7.875% debentures. Over 85% of this offer was tendered, with the remainder redeemed for cash on January 16, 2006. Through these transactions, the Corporation has reduced the interest costs associated with its long-term debt structure, now principally comprised of the $300 million 7% convertible debentures due 2013 and $274 million of the 7.875% debentures due 2012.

Sherritt ended the year with a total cash and short-term investments balance of just over $485 million, an increase of $33 million for the year. Approximately four million shares were repurchased during the fourth quarter, at a cost of $40 million, bringing the total share buyback for the year to over five million shares or close to 3% of its outstanding shares.

Capital expenditures for the year were approximately $287 million, directed primarily to: the two million tonne (100% basis) Coal Valley expansion; exploration and development drilling and facilities construction in Oil and Gas; the construction of the 85 megawatt expansion in Power; and basic engineering studies for the 16,000 tonne (100% basis) Metals expansion project.

Outlook for 2006

Sherritt intends to offer to repurchase, through a substantial issuer bid, up to $50 million principal amount of its outstanding $300 million of 7% convertible debentures at a price range between $153.0 and $162.0 for each $1,000 principal amount of debentures. The purchase price range of the offer will be at a 2.2% to 8.2% premium range to the ten day weighted average price as of February 27, 2006.

Given its strong earnings and cash flow generation, Sherritt considers this offer to be an effective use of its cash while still providing the Corporation with the flexibility to pursue growth opportunities. The repurchase reduces the dilution to shareholders which will occur if the Corporation elects to give notice of redemption on or after the first call date of December 16, 2006. The Corporation expects to mail an issuer bid circular for this repurchase within the next week. It is currently management's intention to make further offers to repurchase the convertible debentures on a quarterly basis.

The focus for business growth in 2006 will be the expansion projects in Metals (16,000 tonnes, 100% basis) and Power (65 MW) along with a series of long term initiatives to develop Sherritt's 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. However, high energy and raw materials prices are also expected to be sustained in 2006. Total anticipated capital expenditures for the year are expected to be in the range of $400 million.

Coal - The Coal Valley mine and wash plant will be ramping up production in the first quarter, with estimated production of 400,000 tonnes for the quarter, and close to two million tonnes for the year. The operating losses experienced in Q4 at Coal Valley are expected to continue in the first quarter of 2006. Demand remains strong at Coal Valley, however, margins will be directly affected by currency fluctuations, fuel prices, and the outcome of rail rate negotiations, and are expected to be at break-even levels for 2006. Production for the year for all mines is expected to be in the range of 20 million tonnes, with the increase coming primarily from the Coal Valley expansion.

Sherritt recently initiated the next step of a process to develop the Bow City mine and power project in southern Alberta through a process currently underway to engage potential partners for the construction and operation of a 1,000 MW facility utilizing state-of-the-art supercritical coal combustion technology. The regulatory approval process for the mine was launched in early 2005. Contingent upon regulatory approval, mine development and the construction of the generation facilities are expected to begin in 2007.

Aimed at projects that will lead to the replacement of natural gas-derived steam, discussions with several in-situ oilsands and industrial steam producers are ongoing. In addition, proof of concept testing recently conducted in Germany has confirmed that Sherritt's sub-bituminous coals gasify efficiently and in an environmentally friendly manner. Research activities on the development of a commercial coal gasification project in Alberta will continue. Sherritt, together with its partner, the Ontario Teachers' Pension Plan Board, also continues to pursue options for the monetization of the mature and stable cash flow streams from the prairie mine operations and royalties.

Capital expenditures for 2006 are currently anticipated at $16 million, the majority of which will be sustaining, including close to $4 million in the first quarter of 2006.

Metals - Finished nickel and cobalt production in 2006 is expected to be comparable to 2005. The timing of maintenance activities and the receipt of additional mining equipment at Moa, along with expansion-related test work carried out at Fort Saskatchewan in January, 2006, are expected to impact production in the first quarter, although any shortfall will be made up over the balance of the year. While annual nickel sales are expected to be close to 2005 levels, first quarter sales may be below sales levels reported in the same period last year.

Mixed sulphide production is expected to be maintained at approximately 33,000 tonnes per year until expanded production begins in 2008.

Assuming continued robust demand for nickel and cobalt in 2006, nickel and cobalt prices are anticipated to remain above historical average prices. Sherritt anticipates that the benefits of strong nickel and cobalt prices will be partly offset by continued high energy and raw materials prices and a strong Canadian dollar.

While maintaining existing base production, the primary focus for Metals 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 is scheduled for completion by the end of the first quarter of 2006 and for the refinery at Fort Saskatchewan by the end of the second quarter of 2006. Construction at the Moa mine and processing facilities is expected to begin during the second quarter and at the Fort Saskatchewan refinery in the third quarter of 2006. Commissioning is expected to begin in mid 2008.

Total 2006 capital expenditures, assuming no significant fluctuations in foreign exchange rates, are planned at $178 million, including $135 million for the expansion project, with the remainder devoted to equipment replacement and upgrades, and to construction of a sulphuric acid plant to supply current and projected future acid requirements. Capital expenditures for the first quarter, including expansion spending, are expected to be approximately $18 million.

Oil and Gas - Fuel oil reference prices reached record levels in late January, 2006 due to tight market conditions and heightened geopolitical concerns. Sherritt assumes some moderation in fuel oil prices in the coming months with average fuel oil reference prices for 2006 expected to be comparable to 2005. Sherritt expects capital expenditures for Oil and Gas to be in the region of $140 million in 2006, comprising exploration, appraisal, and development drilling, and for facilities construction. Capital expenditures for the first quarter are anticipated at approximately $43 million.

The Santa Cruz field, a discovery which was initially announced in December, 2004, was declared commercial in February, 2006. Net production will be recognized in Oil and Gas revenues for the first quarter of 2006, including production prior to commercialization. In addition to development drilling in existing Cuban oil fields, Sherritt intends to develop and appraise a significant portion of the Santa Cruz field, drill an exploration well on Block 10 at Playa Larga, appraise the Majaguillar-Corajol deposit (discovered several years ago), and follow up on the results of the 2005 exploration wells, which are currently being tested. The San Anton exploration well on Block 9 was completed in January, 2006, and is currently under evaluation to determine its commercial potential. In the western portion of Block 7, which is operated by a joint venture partner, the Tarara exploration well is being completed and tested to determine whether lighter oil found in a secondary horizon can be commercially produced, and the Guanabo exploration well was suspended at year end and is likely to be abandoned.

Sherritt expects that its development drilling program will offset natural production declines, with the potential for additional production volumes from enhanced oil recovery initiatives.

The outlook for net oil production for 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.

Power - With the completion of the 85 MW expansion (bringing total capacity to 311 MW), total expected production for 2006 is anticipated to reach a new high of 1.9 million megawatt hours. During the first quarter of 2006, scheduled maintenance on a turbine at the Varadero facility will result in approximately 30,000 MWh of lost production.

Sherritt has agreed in principle to an additional 65 MW expansion, and a further expansion will be considered subject to confirmation and dedication of sufficient gas reserves from oil fields in Cuba. The final scope is subject to the outcome of negotiations with the Government of Cuba.

Including the completion of the 85 MW expansion, 2006 capital expenditures are now estimated to be $71 million, including expenditures for the 65 MW expansion, currently estimated at US$43 million. Capital expenditures for the first quarter are estimated at $9.6 million, related mainly to the completion of the 85 MW expansion project.

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 Fourth Quarter and Annual Results by Division

Coal

On November 12, 2005, Coal reached a significant major milestone-- one year without a recordable lost time incident at any of its operations. This accomplishment represented over 3.5 million hours of work by 1,730 employees and demonstrates how safety is considered the cornerstone of productivity within the business.

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Full Year 2005	Full Year 2004
Coal Sales (mm of tonnes)							
Prairie mines [1]	**4.8**	4.5	4.3	4.8	4.7	**18.4**	18.4
Coal Valley mine	**0.1**	0.2	0.2	0.2	0.3	**0.7**	0.9
	4.9	4.7	4.5	5.0	5.0	**19.1**	19.3
Production (mm of tonnes)							
Prairie mines [1]	**4.9**	4.5	4.4	4.8	4.7	**18.6**	18.2
Coal Valley mine	**0.1**	0.1	0.2	0.3	0.3	**0.7**	0.8
	5.0	4.6	4.6	5.1	5.0	**19.3**	19.0
EBITDA (mm of $)	**$ 15.8**	$ 14.5	$ 14.0	$ 21.0	$ 20.3	**$ 65.3**	$ 72.9
Realized Prices ($ per tonne)							
Prairie mines [1] (excludes royalty income)	**$11.10**	$11.15	$11.14	$10.73	$10.63	**$ 11.02**	$ 10.80
Coal Valley mine	**45.77**	50.85	53.08	47.94	42.44	**50.34**	42.44
Capital Expenditures	**$ 21.5**	$ 17.9	$ 5.8	$ 1.3	$ 4.1	**$ 46.5**	$ 8.2

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

Total coal production for the year was a record 19.3 million tonnes, with 19.1 million tonnes in sales. At the Prairie mine operations, total sales and production at approximately 18 million tonnes closely mirrored the prior year, despite rainy weather that impacted sales and production at certain mines along with unplanned plant outages. The expansion at the Genesee mine offset the impact of these production decreases. As part of the planned capacity increase of two million tonnes (100% basis), at Coal Valley, the wash plant was shut down for construction for 76 days to facilitate expansion of the plant. This impacted sales and production during the third and fourth quarters.

EBITDA declined $7.6 million from the prior year to $65.3 million. At the Prairie mine operations, EBITDA was $58.3 million for the year, compared to $61.2 million in 2004. Royalty income was $17.3 million, and $4.8 million for the quarter, an increase of $2.1 million and $1.3 million over the respective prior periods.

The expansion of the Coal Valley wash plant was undertaken to increase clean coal production and take advantage of the strong export coal market. Commissioning of the plant commenced during the fourth quarter. The shutdown, combined with higher fuel, repair, power and labour costs resulted in a negative EBITDA of $9.2 million in 2005, compared to a negative EBITDA of $3 million in the prior year.

Business development costs of $1.1 million increased from the prior year at $0.6 million.

Fourth quarter EBITDA was lower by $4.5 million from the same period in 2004, reflecting higher royalty revenue, offset by a lower operating margin at Coal Valley and higher business development spending.

Capital spending for the year totaled $46.5 million, directed for the most part to the expansion at the Coal Valley mine.

Metals

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Full Year 2005	Full Year 2004
Production (tonnes)							
Nickel	**3,854**	3,825	4,349	3,911	3,794	**15,939**	15,894
Cobalt	**409**	417	453	417	419	**1,696**	1,663
Sales (thousands of pounds)							
Nickel	**9,275**	7,619	9,715	8,955	9,240	**35,564**	34,916
Cobalt	**963**	955	984	829	1,011	**3,731**	3,653
EBITDA (mm of $)	$ **20.5**	$ 34.3	$ 62.3	$ 49.3	$ 38.9	**$ 166.4**	$ 210.9
Realized Prices [(1)]							
Nickel ($/lb)	$ **6.91**	$ 8.02	$ 9.22	$ 8.65	$ 7.70	**$ 8.22**	$ 8.13
Cobalt ($/lb)	**16.08**	17.64	19.65	21.87	22.47	**18.71**	30.65
Reference Prices							
Nickel (US$/lb)	$ **5.73**	$ 6.61	$ 7.44	$ 6.97	$ 6.39	**$ 6.68**	$ 6.28
Cobalt (US$/lb) [(2)]	**12.50**	13.41	15.03	17.27	18.38	**14.49**	22.80
Capital Expenditures	$ **12.8**	$ 10.8	$ 5.4	$ 8.2	$ 7.0	**$ 37.2**	$ 16.7

(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

2005 was a record year for finished nickel production at 15,939 tonnes, for cobalt production at 1,696 tonnes, and for sales of nickel and cobalt. These records reflect increased feed availability and lower in–process inventory compared to 2004.

The London Metal Exchange ("LME") nickel price was volatile during the year, peaking during the second quarter at US$7.44/lb. During the fourth quarter, it dropped significantly, averaging 13% lower than the third quarter and 10% lower than the same period in 2004. Reduced fourth quarter demand for stainless steel put pressure on nickel prices. On average, the LME nickel price for the year was US$6.68 per pound, 6% higher than the 2004 average.

The Metal Bulletin 99.3% free market cobalt price experienced a steady drop in 2005, with average prices 36% lower than 2004. This reflects increased global availability of cobalt and lower market demand.

Lower cobalt prices were the primary factor for the $44.5 million drop in EBITDA over the previous year to $166.4 million for 2005. Other factors contributing to the decrease included increased energy costs and a stronger Canadian dollar, partly offset by higher realized nickel prices and higher nickel and cobalt sales volumes. EBITDA in the fourth quarter of $20.5 million was down by $18.4 million over 2004, reflecting lower realized nickel and cobalt prices, higher energy costs and a stronger Canadian dollar.

Capital spending for the year was $37.2 million, and $12.8 million for the fourth quarter, including $8.1 million for the sulphuric acid and fertilizer operations in Fort Saskatchewan and $10.6 million in spending related to basic engineering for the 16,000 tonne Metals expansion project.

Oil and Gas

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Full Year 2005	Full Year 2004
Production (barrels per day)							
Gross working interest production in Cuba [1] [2]	**29,714**	29,600	32,095	32,104	33,820	**30,868**	36,192
Net production [1] [3]							
Cuba							
Cost recovery	**6,189**	5,765	11,357	8,293	9,069	**7,889**	9,414
Profit oil	**9,255**	9,408	8,126	9,230	9,475	**9,006**	9,975
Total Cuba	**15,444**	15,173	19,483	17,523	18,544	**16,895**	19,389
Spain	**592**	569	461	462	597	**522**	701
Total net oil production	**16,036**	15,742	19,944	17,985	19,141	**17,417**	20,090
EBITDA (mm of $)	**$ 49.1**	$ 52.1	$ 57.4	$ 40.7	$ 35.9	**$ 199.3**	$ 162.7
Realized Prices							
Cuba (per bbl)	**$ 38.28**	$ 39.65	$ 36.52	$ 28.40	$ 24.62	**$ 35.56**	$ 25.98
Spain (per bbl)	**65.96**	73.49	63.81	58.97	52.81	**66.01**	47.89
Reference Prices							
U.S. Gulf Coast Fuel Oil #6 (US$ per bbl)	**$ 40.31**	$ 39.88	$ 35.84	$ 27.57	$ 24.87	**$ 35.90**	$ 24.47
Capital Expenditures	**$ 28.9**	$ 27.9	$ 36.8	$ 28.5	$ 21.5	**$ 122.1**	$ 81.3

(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 record EBITDA of $199.3 million in 2005, a 22% increase over 2004. Higher oil prices were the primary reason for this increase, partially offset by lower net production volumes and a stronger Canadian dollar. Net production in Cuba of 16,895 bpd in 2005 decreased from the prior year, reflecting the lower gross production and higher oil prices. The higher oil prices reduced the number of barrels required to recover costs under the production sharing agreements. In addition, net production was lower than initially anticipated mainly due to the fact that Santa Cruz production could not be included in the total.

The lower gross working interest production volumes reflected the higher proportion of drilling activity on Block 7 (45% working interest) versus Sherritt's 100% owned blocks. EBITDA for the fourth quarter of 2005 was slightly lower than the previous quarter as higher net production was more than offset by lower realized prices.

In the latter part of 2004, Oil and Gas embarked on an ambitious exploration and development drilling program aimed at offsetting the natural reservoir declines in existing Cuban oil fields. Capital expenditures for 2005 totaled $122.1 million compared with $81.3 million in 2004. During 2005, up to six drilling rigs were active on exploration, appraisal and development drilling. During the fourth quarter, the Seboruco 101 development well was completed and Seboruco 13, a development well near the eastern edge of the field, was in progress.

The western portion of Block 7, which includes Santa Cruz, is operated by a joint venture partner. The first Santa Cruz appraisal well, completed in July, was suspended due to high water production rates, for which a remedial workover was started at the end of the fourth quarter. The second appraisal well was completed as an oil well in December 2005 with an initial production rate comparable to the discovery well. Santa Cruz was declared a commercial field in February 2006, allowing recognition in the first quarter of 2006 of net production incurred prior to commercialization and incremental production going forward.

Power

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Full Year 2005	Full Year 2004
Electricity Generation (000's of MWh)	**409**	377	426	419	382	**1,631**	1,630
EBITDA (mm of $)	**$ 14.4**	$ 18.7	$ 15.0	$ 19.6	$ 14.8	**$ 67.7**	$ 78.2
Realized price per MWh	**$ 44.57**	$ 50.67	$55.20	$ 54.80	$54.34	**$ 51.39**	$ 58.00
Capital Expenditures	**$ 9.2**	$ 19.6	$ 30.9	$ 18.2	$ 6.9	**$ 77.9**	$ 28.0

Electricity production for the year surpassed last year's record of over 1.6 million MWh. The high production rate reflected the high availability rates of Power's facilities at Varadero, at 93%, and at Boca de Jaruco, at 88%. This production record was achieved in the context of an unprecedented hurricane season in Cuba during the third and fourth quarters and the diversion of processed gas from the production of electricity to domestic use in Havana. Power was compensated for the utilization loss of this gas in an amount equivalent to the revenue that would have accrued from electricity production.

In September 2005, Energas completed repayment of the financing provided by Power for the construction of the first 226 MW of facilities at Varadero and Boca de Jaruco, triggering a reduction in the electricity tariff rates to U.S. $0.038/KWh from U.S. $0.045/KWh. This, combined with the strength of the Canadian dollar, resulted in lower realized prices and a decrease in revenue and EBITDA for the fourth quarter.

During 2005, the Power business was focused on the construction of an 85 MW expansion project which is currently in the commissioning stage. Total capital spending of $77.9 million was devoted primarily to this project.

The last of the three gas turbines which are central to the 85 MW expansion project will be operational by the end of the first quarter of 2006. Approximately $13 million in capital expenditures are expected to be incurred in 2006 to complete the project. The total cost of the expansion is now calculated at approximately $116 million, below the original estimate of over $120 million.

Once the new capacity is in production, that portion of the electricity will be paid at the higher tariff of U.S. $0.045/KWh, and will be exempt from taxes in Cuba until the financing provided by Power is repaid. Net cash flows generated from the new capacity will be used exclusively for the repayment of financing. Electricity produced from the original 226 MW will continue at the lower tariff of U.S. $0.038/KWh and net profits from this production will be taxed at the rate of 30%.

Other Businesses

Sherritt's soybean-based food processing business generated revenue of $75.1 million and EBITDA of $6.2 million in 2005. Sales volumes increased by 12% from the previous year. The business continues to pursue opportunities to maximize consumption of its products in Cuba. Capital expenditures for 2005 were $0.7 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 December 31, 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) from continuing operations	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 December 31, 2004 (restated)

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other [1]	Corporate	Consolidated
Revenue	$ 65.4	$109.5	$ 45.9	$ 23.5	$ 20.3	$ -	$ 264.6
Operating, selling, general and administrative	45.1	70.6	10.0	8.7	19.7	9.5	163.6
EBITDA	20.3	38.9	35.9	14.8	0.6	(9.5)	101.0
Depletion, amortization and accretion	16.3	5.2	21.7	4.3	0.8	0.7	49.0
Income on redemption of promissory note	(19.7)	-	-	-	-	-	(19.7)
Operating earnings (loss) from continuing operations	23.7	33.7	14.2	10.5	(0.2)	(10.2)	71.7
Share of earnings of equity accounted investments							0.2
Net financing expense							(20.8)
Income taxes							(20.9)
Non-controlling interests							(4.4)
Discontinued operations							1.7
Net earnings							27.5
Capital expenditures	$ 4.1	$ 7.0	$ 21.5	$ 6.9	$ 0.4	$ 1.1	$ 41.0

[1] Other includes the results of the soybean-based food processing business.

Year ended December 31, 2005

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other [1]	Corporate	Consolidated
Revenue	$255.7	$428.8	$237.5	$ 98.5	$ 75.1	$ -	$1,095.6
Operating, selling, general and administrative	190.4	262.4	38.2	30.8	68.9	42.5	633.2
EBITDA	65.3	166.4	199.3	67.7	6.2	(42.5)	462.4
Depletion, amortization and accretion	57.1	20.1	81.3	21.8	2.9	4.4	187.6
Operating earnings (loss) from continuing operations	8.2	146.3	118.0	45.9	3.3	(46.9)	274.8
Share of earnings of equity accounted investments							0.6
Net financing expense							(64.9)
Income taxes							(58.1)
Non-controlling interests							(28.1)
Net earnings							124.3
Capital expenditures	$ 46.5	$ 37.2	$122.1	$ 77.9	$ 0.7	$ 2.1	$ 286.5

Year ended December 31, 2004 (restated)

(millions of Canadian dollars)	Coal	Metals	Oil and Gas	Power	Other [1]	Corporate	Consolidated
Revenue	$ 250.4	$462.9	$ 200.9	$ 104.0	$ 78.2	$ -	$1,096.4
Operating, selling, general and administrative	177.5	252.0	38.2	25.8	72.2	36.2	601.9
EBITDA	72.9	210.9	162.7	78.2	6.0	(36.2)	494.5
Depletion, amortization and accretion	58.7	20.3	83.0	17.3	2.3	3.8	185.4
Income on redemption of promissory note	(19.7)	-	-	-	-	-	(19.7)
Operating earnings (loss) from continuing operations	33.9	190.6	79.7	60.9	3.7	(40.0)	328.8
Share of earnings of equity accounted investments							0.6
Net financing expense							(65.0)
Income taxes							(69.2)
Non-controlling interests							(33.2)
Discontinued operations							2.7
Net earnings							164.7
Capital expenditures	$ 8.2	$ 16.7	$ 81.3	$ 28.0	$ 0.4	$ 1.8	$ 136.4

[1] Other includes the results of the soybean-based food processing business.

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 fourth quarter review of consolidated results 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.

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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 March 31, 2005

(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	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) from continuing operations	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
Capital expenditures	$ 1.3	8.2	$ 28.5	$ 18.2	$ 0.1	$ 1.4	$ 57.7

Three months ended June 30, 2005

(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) from continuing operations	(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

Three months ended September 30, 2005

(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) from continuing operations	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

[1] Other includes the results of the soybean-based food processing business.

Canadian GAAP Reconciliation

(millions of dollars)	Q4 2005	Q4 2004 (restated)	2005	2004 (restated)
Revenue	$ 258.7	$ 264.6	$ 1,095.6	$ 1,096.4
Operating, selling, general and administrative expenses	165.5	163.6	633.2	601.9
EBITDA	93.2	101.0	462.4	494.5
Depletion, amortization, and accretion	50.0	49.0	187.6	185.4
Net financing expense	30.8	20.8	64.9	65.0
Share of (earnings) of equity investment	-	(0.2)	(0.6)	(0.6)
Income on redemption of promissory note	-	(19.7)	-	(19.7)
Earnings from continuing operations before income taxes and non-controlling interest	12.4	51.1	210.5	264.4
Income taxes	(2.6)	20.9	58.1	69.2
Non-controlling interest	5.9	4.4	28.1	33.2
Earnings from continuing operations	9.1	25.8	124.3	162.0
Earnings from discontinued operations	-	1.7	-	2.7
Net earnings	9.1	27.5	124.3	164.7
Add (subtract) items not indicative of ongoing operations [1]	19.0	(11.8)	31.5	(9.5)
Net earnings, excluding certain items	28.1	15.7	155.8	155.2
Add (subtract) items not indicative of ongoing operations [1]	(19.0)	11.8	(31.5)	9.5
Net earnings	$ 9.1	$ 27.5	$ 124.3	$ 164.7
Earnings per share				
Basic	$ 0.06	$ 0.19	$ 0.82	$ 1.24
Diluted	0.05	0.16	0.70	0.95
Net earnings per share, excluding certain items				
Basic	$ 0.18	$ 0.10	$ 1.03	$ 1.16
Diluted	0.16	0.10	0.86	0.90

[1] See table for detail of items not indicative of ongoing operations

Items not indicative of ongoing operations

	Q4 2005	Q4 2004 (restated)	2005	2004 (restated)
Income on redemption of promissory notes	$ -	$ (19.7)	$ -	$ (19.7)
Costs arising on convertible debenture settlement	-	4.0	-	4.0
Costs arising on repurchase of the $275 million, 9.75% senior notes in the Coal business	19.3	-	19.3	-
Costs arising on exchange and redemption of the $105 million, 9.875% senior unsecured debentures	3.2	-	3.2	-
Stock options exercised for cash	-	-	9.9	-
Gain on sale of investments	-	(1.6)	-	(1.6)
Currency translation losses	1.8	0.2	6.6	2.7
Earnings from discontinued operations	-	(1.7)	-	(2.7)
Income tax impact of above items	(5.3)	7.0	(7.5)	7.8
	$ 19.0	$ (11.8)	$ 31.5	$ (9.5)