For immediate release

Sherritt Announces Q4 and Year End 2015 Results

Low Costs for Nickel Production Help to Preserve Liquidity
Ambatovy Financing Goes Non-Recourse

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Toronto, Ontario – February 10, 2016 – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX: S), a world leader in the mining and refining of nickel from lateritic ores, today reported its financial results for the year ended December 31, 2015.

"This has been a year of profound base metal and oil price weakness, with nickel down 40% and fuel oil down 50% in 2015. Operationally, we were able to mitigate these price declines with increased nickel production, significant year over year cost reductions, and prudent, proactive management of our capital spending" said David Pathe, President and CEO, Sherritt International. "Looking to 2016, a healthy balance sheet and maintaining liquidity remain our top priorities, and we will continue to enforce strict cost discipline and allocate capital judiciously."

Q4 AND YEAR END HIGHLIGHTS(1)(2)(3)

- The nickel price erosion continued in the fourth quarter, with LME traded nickel hitting a new low of US$3.70/lb before recovering to US$3.93/lb at year end. At these prices and based on Wood Mackenzie published cash cost estimates (C1) for the year ended December 31, 2015, up to 70% of global nickel production is considered to be underwater on a cash cost basis before sustaining capital and debt service costs.
- Crude oil prices also hit multi-year lows, with WTI prices ending the year at US$36.60 per barrel, and Gulf Coast Fuel Oil 6 ending the year at US$21.80 per barrel.
- Preserving cash has been the Corporation's highest priority in the last half of the year, and cost discipline across all operations mitigated cash funding requirements despite the commodity price slide. At year end 2015, the Corporation had cash, cash equivalents and short-term investments of $435.4 million, compared to $373.8 million at the end of Q3 2015. In the fourth quarter, Sherritt drew down an additional $65 million on its credit facilities, which accounted for most of the increased cash position. Adjusting for this drawdown, the cash decrease in the quarter was only approximately $5 million.
- During the fourth quarter 2015, the challenge period for financial completion expired, confirming that the Ambatovy project financing is now non-recourse to Sherritt and the other partners.
- Continuing cost discipline paid off in the fourth quarter, with the Moa JV reporting Q4 Net Direct Cash Cost (NDCC) of US$2.90 per pound, the lowest since 2009, and Ambatovy's Q4 NDCC being US$4.07/lb. For the full year, the Moa JV reported NDCC of US$3.88/lb while the Ambatovy JV reported NDCC of US$4.83 per pound.
- Sherritt's oil production maintained positive margins, with average realized prices of $29.53 per barrel of oil equivalent in Q4 and unit operating costs of $11.64 per barrel on a Gross Working Interest (GWI) basis. For the full year, average realized prices were $38.73 per barrel and unit operating costs were $10.69 per barrel. The Q4 2015 average realized prices were down 40% compared to year ago levels, while on a full year basis, the average realized prices were down 41%. Unit operating costs were stable on a quarterly comparison basis, being down 5% in Q4 2015 compared to the year ago quarter and up 13% for the year compared to 2014.

All amounts are Canadian dollars unless otherwise indicated.
(1) For additional information see the Non-GAAP measures section of this press release.
(2) Compared to the same period in the prior year.
(3) Shown on Sherritt's attributable share ownership basis.

- Nickel production was up 8% in Q4 2015 over the prior year quarter, and for the full year was up 14% as the Ambatovy JV ramped up to approximately 80% of design capacity. On a 100% basis, the Metals division produced 80,976 tonnes of finished nickel in 2015.
- Cobalt production was up 27% in Q4 2015 over Q4 2014, and up 17% on a full year basis to 7,199 tonnes (100% basis).
- Oil production declined following natural reservoir declines and poor results in the wells drilled on the Production Sharing Contract (PSC) Extension lands. Fourth quarter 2015 Cuban oil production of 17,045 bopd (GWI basis) was down 9% from levels reported a year ago, and on a full year basis, production of 18,257 bopd was down 6% from the 19,456 bopd in 2014.
- Power production of 226GWh (33 1/3% basis) in the fourth quarter was up 6% from the comparable quarter of 2014, and on a full year basis, production of 902GWh was also up 6% from the 847 Gwh produced during 2014. Production in 2015 benefited from a full year of power generation from the 150MW Boca de Jaruco Combined Cycle Project which was brought online in February of 2014.

SIGNIFICANT ITEMS

- In the fourth quarter of 2015, Sherritt reported an impairment expense of $1.6 billion after tax on Ambatovy, consisting of $1.3 billion representing Sherritt's 40% share of Ambatovy's impairment and $0.3 billion from the incremental carrying value of Sherritt's Ambatovy assets, primarily related to mineral rights acquired from Dynatec in 2007. On a 100% base, the recorded impairment expense was US$2.4 billion, and was due to lower forecast nickel prices. This impairment resulted in a breach of the Financial Debt to Equity covenant in our credit facilities, for which waivers were obtained.
- Ambatovy Financial Completion was announced by press release September 21, 2015.

AMBATOVY FUNDING

In 2015, Sherritt provided funding to Ambatovy of US$105.6 million. Funding requirements were significantly impacted in the year by principal and interest payments on the Ambatovy Joint Venture Financing. As no funding was provided in Q4, this amount is unchanged from the funding that Sherritt reported at the end of Q3 2015. As a result of achieving financial completion, the US$1.6 billion Ambatovy Joint Venture Financing (balance as at December 31, 2015, 100% basis) became non-recourse to the Ambatovy partners.

Pursuant to cash calls due in January, 2016, an additional US$30.0 million was provided to Ambatovy by Sumitomo Corp. and Korea Resources Corp. (KORES). Total cash calls of US$50.0 million were made, with Sherritt not funding its 40% pro-rata share (US$20.0 million). By agreement amongst the partners Sherritt's unfunded amounts remain payable to Ambatovy, with accrued interest. These amounts will be subtracted from future Ambatovy Joint Venture distributions, or may be set off by the Ambatovy Joint Venture against certain other amounts owed to Sherritt. Sherritt also has the option to pay the amounts in cash at any time, at Sherritt's election. Until the funding deficit is cured, and subject to continued discussions with the Ambatovy partners, Sherritt will not be exercising its Ambatovy voting rights.

Sherritt determined not to fund further cash calls at this time to preserve liquidity and due to the current structure of the Ambatovy partner loans, which, at current nickel prices, effectively reduce Sherritt's 40% interest in Ambatovy to a 12% economic interest.(1) At this time, Sherritt continues to serve as operator, and constructive discussions are ongoing between partners and senior lenders regarding future funding of Ambatovy and modifications to the existing senior principal amortization.

(1) 70% of Sherritt's distributable cash flow from Ambatovy (after opex, capex and project debt service) goes to Partner Loan repayment, leaving Sherritt with 30%; 30% of Sherritt's 40% ownership = 12%.

Q4 AND 2015 FINANCIAL HIGHLIGHTS

$ millions, except per share amount	For the three months ended 2015 December 31	2014 December 31	Change	For the years ended 2015 December 31	2014 December 31	Change
Combined Revenue[1]	**229.5**	278.3	(18%)	**$ 1,022.7**	$ 1,136.3	(10%)
Adjusted EBITDA[1]	**6.1**	31.4	(81%)	**113.1**	253.2	(55%)
Combined free cash flow [1]	**(24.8)**	(14.8)	(68%)	**(98.8)**	(81.7)	(21%)
Net loss from continuing operations per share	**(5.99)**	(0.50)	(1,098%)	**(7.05)**	(1.07)	(559%)
Combined adjusted operating cash flow per share [1]	**(0.09)**	(0.14)	36%	**0.21**	0.32	(34%)

(1) For additional information, see the Non-GAAP measures section of this release.

$ millions, except as otherwise noted, as at December 31	2015	2014	Change
Cash, cash equivalents and short-term investments	**435.4**	477.2	(9%)
Total loans and Borrowings	**2,263.1**	1,859.9	22%

Adjusted earnings (loss) from continuing operations[1]

	For the three months ended 2015 December 31		2014 December 31	
	$ millions	**$/share**	$ millions	$/share
Net loss from continuing operations	**(1,757.3)**	**(5.99)**	(147.7)	(0.50)
Adjusting Items, net of tax	**1,643.5**	**5.60**	67.7	0.23
Adjusted net loss from continuing operations	**(113.8)**	**(0.39)**	(80.0)	(0.27)

	For the years ended 2015 December 31		2014 December 31	
	$ millions	**$/share**	$ millions	$/share
Net loss from continuing operations	**(2,071.7)**	**(7.05)**	(318.5)	(1.07)
Adjusting Items, net of tax	**1,720.4**	**5.86**	72.0	0.24
Adjusted net loss from continuing operations	**(351.3)**	**(1.19)**	(246.5)	(0.83)

(1) For additional information, see the Non-GAAP measures section of this release.

During the fourth quarter, $1,643.5 million ($5.60 per share) in adjusting items occurred that mainly included the Ambatovy impairment described earlier ($1.619.6 million), an $18.3 million adjustment representing an unrealized foreign exchange loss less material adjustments for obsolete inventory.

REVIEW OF OPERATIONS

METALS

$ millions except as otherwise noted, for the three months ended December 31				2015				2014	
	Moa JV & Fort Site[(1)] (50%)	**Ambatovy JV (40%)**	**Other[(2)]**	**Total**	Moa JV and Fort Site[(1)] (50%)	Ambatovy JV (40%)	Other[(2)]	Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	**$ 101.1**	**$ 69.9**	**$ 12.8**	**$ 183.8**	$ 127.3	$ 73.4	$ 15.8	$ 216.5	(15%)
Adjusted EBITDA[(3)]	**7.6**	**(9.5)**	**-**	**(1.9)**	21.2	(7.5)	(0.1)	13.6	(114%)
Cash provided (used) by operations	**21.1**	**(22.3)**	**1.4**	**0.2**	30.0	(16.8)	2.4	15.6	(99%)
Spending on capital	**20.5**	**4.9**	**-**	**25.4**	21.4	12.4	-	33.8	(25%)
Free cash flow[(3)]	**1.3**	**(26.6)**	**1.4**	**(23.9)**	9.0	(29.1)	2.4	(17.7)	(35%)
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**4,336**	**5,042**	**-**	**9,378**	4,589	4,312	-	8,901	5%
Finished Nickel	**4,098**	**4,885**	**-**	**8,983**	4,332	3,964	-	8,296	8%
Finished Cobalt	**521**	**386**	**-**	**907**	436	277	-	713	27%
Fertilizer	**69,741**	**15,169**	**-**	**84,910**	69,996	10,942	-	80,938	5%
NICKEL RECOVERY (%)	**89%**	**86%**			84%	87%			
SALES VOLUMES (tonnes)									
Finished Nickel	**4,237**	**4,665**	**-**	**8,902**	4,401	3,658	-	8,059	10%
Finished Cobalt	**559**	**411**	**-**	**970**	435	257	-	692	40%
Fertilizer	**60,461**	**14,814**	**-**	**75,275**	78,134	9,080	-	87,214	(14%)
AVERAGE REFERENCE PRICES (US$ per pound)									
Nickel				**$ 4.27**				$ 7.17	(40%)
Cobalt				**11.34**				14.07	(19%)
AVERAGE-REALIZED PRICES[(3)]									
Nickel ($ per pound)	**$ 5.57**	**$ 5.52**		**$ 5.54**	$ 7.94	$ 7.84		$ 7.89	(30%)
Cobalt ($ per pound)	**14.08**	**11.31**		**12.91**	15.49	14.84		15.34	(16%)
Fertilizer ($ per tonne)	**413**	**197**		**371**	391	187		370	-
UNIT OPERATING COSTS[(3)] (US$ per pound)									
Nickel - net direct cash cost	**$ 2.90**	**$ 4.07**		**3.51**	$ 4.44	$ 6.98		5.59	(37%)

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.
(2) Includes results for Sherritt's marketing organization for certain Ambatovy sales.
(3) For additional information, see the Non-GAAP measures section of this release.

$ millions unless otherwise noted, for the years ended December 31	**2015**				2014				
	Moa JV and Fort Site[1] (50%)	**Ambatovy JV (40%)**	**Other[2]**	**Total**	Moa JV and Fort Site[1] (50%)	Ambatov JV[3] (40%)	Other[2]	Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	**$ 412.6**	**$ 332.0**	**$ 60.5**	**$ 805.1**	$ 457.4	$ 291.8	$ 64.6	$ 813.8	(1%)
Adjusted EBITDA[4]	**42.2**	**(9.4)**	**0.5**	**33.3**	78.1	(5.5)	0.7	73.3	(55%)
Cash provided (used) by operations	**53.4**	**(24.3)**	**4.1**	**33.2**	34.5	(52.6)	0.9	(17.2)	293%
Spending on Capital	**64.1**	**23.8**	**-**	**87.9**	42.6	37.5	-	80.1	10%
Free cash flow[4]	**(9.0)**	**(60.4)**	**4.1**	**(65.3)**	(6.9)	(102.9)	0.9	(108.9)	40%
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**18,510**	**19,598**	**-**	**38,108**	18,205	16,107	-	34,312	11%
Finished Nickel	**16,853**	**18,908**	**-**	**35,761**	16,455	14,821	-	31,276	14%
Finished Cobalt	**1,867**	**1,386**	**-**	**3,253**	1,605	1,166	-	2,771	17%
Fertilizer	**255,991**	**54,930**	**-**	**310,921**	263,423	39,112	-	302,535	3%
NICKEL RECOVERY (%)	**89%**	**86%**			87%	86%			
SALES VOLUMES (tonnes)									
Finished Nickel	**16,980**	**18,857**	**-**	**35,837**	16,604	13,559	-	30,163	19%
Finished Cobalt	**1,885**	**1,362**	**-**	**3,247**	1,623	1,071	-	2,694	21%
Fertilizer	**182,065**	**56,033**	**-**	**238,098**	214,271	36,841	-	251,112	(5%)
AVERAGE REFERENCE PRICES (US$ per pound)									
Nickel				**$ 5.37**				$ 7.65	(30%)
Cobalt				**12.99**				14.16	(8%)
AVERAGE-REALIZED PRICES[4]									
Nickel ($ per pound)	**$ 6.72**	**$ 6.64**		**$ 6.68**	$ 8.23	$ 8.37		$ 8.29	(19%)
Cobalt ($ per pound)	**15.69**	**14.50**		**15.20**	15.20	14.93		15.10	1%
Fertilizer ($ per tonne)	**425**	**196**		**371**	392	168		359	3%
UNIT OPERATING COSTS[4] (US$ per pound)									
Nickel - net direct cash cost	**$ 3.88**	**$ 4.83**		**4.38**	$ 4.99	$ 7.04		5.91	(26%)

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.
(2) Includes results for Sherritt's marketing organization for certain Ambatovy sales.
(3) Represents the post-commercial production period except for production volumes and nickel recovery.
(4) For additional information, see the Non-GAAP measures section of this release.

METAL MARKETS

Nickel spot prices hit a multi-year low of US$3.70 per pound in the fourth quarter of 2015, and have since traded lower in February. These are price levels not seen since 2003. More significant supply disruptions have started to appear in January, with announced cuts from Votorantim and Mirabela in Brazil, and Panoramic and Mincor in Australia. Coupled with Chinese supply cuts announced in 2015, these cuts could impact 200,000 tonnes of nickel supply in 2016. So far, the LME nickel price has not shown any positive response to the supply cut news, as nickel was one of the worst performers in 2015 and published inventories remain at high levels buffering the impact of any supply disruptions. On the demand side, global stainless demand is estimated to have decreased marginally (by approximately 1.2%) in 2015; however, despite this slowdown, world nickel demand is projected to increase marginally in 2016. High levels of nickel stocks and the strengthening US dollar are factors that may cap price rallies in 2016. Sherritt's Moa JV and Ambatovy JV operations experienced steady demand for their nickel briquettes throughout 2015, despite the negative market sentiment and price decline. Higher nickel grades of stainless steel remain more profitable for steel mills, which is positive for both the Moa and Ambatovy JVs.

Moa Joint Venture (50% interest) and Fort Site

Adjusted EBITDA of $7.6 million in the fourth quarter was up $5.4 million from the level reported in Q3 2015, despite lower production of finished nickel and lower nickel average realized sales prices. Cost reductions and strong fertilizer sales following their normal seasonal patterns were the main drivers in maintaining Adjusted EBITDA levels that outperformed the weak nickel price environment.

Finished nickel production of 4,098 tonnes (50% basis) for the fourth quarter of 2015 was down approximately 5% from production of 4,332 tonnes (50% basis) in the fourth quarter 2014, and down approximately 9% from third quarter production of 4,521 tonnes (50% basis). Moa's operations were negatively impacted late in the third quarter and part of the fourth quarter from unplanned maintenance in High Pressure Acid Leach (HPAL) operations resulting in lower process plant availability. The unplanned maintenance and lower availability was partially attributed to power failures stemming from a newly commissioned national power plant in Moa, which also contributed to premature component failures in the HPAL. Moa has addressed the component failures and taken measures to mitigate the impact of future power disruptions with operations returning to normal by the end of 2015. For the full year, finished nickel production of 16,853 tonnes (50% basis) was up 2% from last year's level. Finished cobalt production of 1,867 tonnes (50% basis) for the full year was up 16% over the prior year, reflecting higher utilization of cobalt-rich feeds.

Nickel recovery at Moa has been steady at 89% all year, an improvement over the 87% level recorded for full year 2014.

The NDCC of US$2.90 per pound of nickel in the fourth quarter of 2015 was an improvement of 35% (US$1.54 per pound) from the fourth quarter of 2014, and the lowest reported since the third quarter of 2009. The Moa JV continues to demonstrate that it is a world class laterite asset and is well positioned to meet our long term objective of being in the lowest quartile of nickel producers on a C1 basis as the fourth quarter 2015 was well within that target based on latest published data from Wood Mackenzie. For the full year, the Moa JV reported an average NDCC of US$3.88 per pound of nickel, down 22% (US$1.11/lb) from the previous year. In addition to cost reductions realized as a result of lower fuel oil and energy prices, a weaker Canadian dollar relative to the US dollar, and lower third party feed costs, efforts to focus on controllable costs have paid off.

Capital spending of $20.5 million in the quarter and $64.1 million year to date is lower than its comparable quarter of 2014, but higher for the year than 2014, due to the once in 10 year planned maintenance shutdown at Fort Saskatchewan in the second quarter of 2015, and a weaker Canadian dollar, along with the expansion capital spent on the construction of the 2,000 tonne per day acid plant which is on track for full operation in the second half of 2016. Full year capital spending of $64.1 million was $10.9 million less than the guidance provided at the end of the third quarter of 2015, with the difference being carried over to the 2016 capital spending estimate coupled with deferrals in response to continual weakness in commodity markets. This year, Sherritt expects capital spending of US$38 million, covering Sherritt's 50% share of the Moa JV and capex required in the Fort Site fertilizer and utilities operations. The capital spending includes completion of the Moa JV acid plant, which has been financed by a Cuban financial institution.

Ambatovy Joint Venture (40% interest)

Adjusted EBITDA in the third quarter was negative $(9.5) million during the quarter compared to Adjusted EBITDA of $ (7.5) million in the same quarter last year. Nickel reference prices averaged US$4.27/lb in the quarter, compared to US$7.17/lb in the same quarter a year ago, and down 11% from the US$4.78/lb average reference price in Q3 this year. Despite the profound slide in nickel prices, higher production and a significantly improved NDCC have mitigated the losses in the quarter. For the full year, Adjusted EBITDA of $ (9.4) million compares with $ (5.5) million last year.

During the quarter, finished nickel production was 4885 tonnes (40% basis), down 6% from the Q3 2015 record production, but an improvement of 23% over last year. Finished cobalt production of 386 tonnes (40% basis) was up 39% from its level in the same quarter of 2014, and very close to the 392 tonnes cobalt produced in the third quarter.

For the year, Ambatovy performed at close to 80% of design capacity, and twice achieved the "90 for 90" production test performance that was necessary to satisfy the financial completion criteria. The test required operating at 90% of design capacity for 90 days within a 100 day continuous period. While production and efficiency milestones were set and achieved in 2015, during the fourth quarter, Sherritt also received confirmation that finished nickel briquettes from Ambatovy qualified for delivery to London Metal Exchange (LME) warehouses. This recognition demonstrates the technical and metallurgical capabilities that Sherritt has contributed as operator during Ambatovy's ramp-up. LME delivery status allows Ambatovy or its customers the flexibility and commercial advantage of delivering nickel product to LME warehouses where logistics benefits exist or to mitigate short term variance in customer demand. LME certification should also have a positive impact on pricing. Ambatovy nickel was sold at an average realized price of $5.52/lb in the quarter (approximately US$4.14/lb at the quarterly average exchange rate), demonstrating that pricing is not suffering from discounting, and is approaching Moa JV average realized prices.

The NDCC of nickel was US$4.07 per pound in the fourth quarter of 2015, continuing the strong decreasing trend achieved for each quarter this year, starting from US$5.74 per pound in Q1. Ambatovy is also demonstrating its potential to move into the lowest quartile of industry cash costs. Costs have responded positively to increased production as the operation has ramped up, improvements in maintenance costs and headcount, and falling input commodity prices. For example, autoclave turnaround times had been reduced from 42 days to 21 by the end of the year. In 2016, a two week total plant shutdown is scheduled for Q3, to complete inspections of pressure vessels in accordance with statutory engineering codes, and to carry out major opportune maintenance in various areas of the plant.

Capital spending in 2015 was $23.8 million, which was approximately $11.2 million less than the guidance provided in Q3 2015. In 2016, capital spending is estimated to be US$25 million, which includes the continued build-up of mining fleet to support the mine plan, further mine development works including sediment control dam construction, and ongoing tailings dam expansion works.

AMBATOVY FUNDING

In 2015, Sherritt provided funding to Ambatovy of US$105.6 million. Funding requirements were significantly impacted in the year by principal and interest payments on the Ambatovy Joint Venture Financing. This amount is unchanged from the funding that Sherritt reported at the end of Q3 2015. As a result of achieving financial completion, the US$ 1.6 billion Ambatovy Joint Venture Financing (balance as at December 31, 2015, 100% basis) became non-recourse to the Ambatovy partners.

Pursuant to cash calls due in January, 2016, an additional US$30.0 million was provided to Ambatovy by Sumitomo Corp. and Korea Resources Corp. (KORES). Total cash calls of US$50.0 million were made, with Sherritt not funding its 40% pro-rata share (US$20.0 million). By agreement amongst the partners Sherritt's unfunded amounts remain payable to Ambatovy, with accrued interest. These amounts will be subtracted from future Ambatovy Joint Venture distributions, or may be set off by the Ambatovy Joint Venture against certain other amounts owed to Sherritt. Sherritt also has the option to pay the amounts in cash at any time, at Sherritt's election. Until the funding deficit is cured, and subject to continued discussions with the Ambatovy partners, Sherritt will not be exercising its Ambatovy voting rights.

Sherritt determined not to fund further cash calls at this time to preserve liquidity and due to the current structure of the Ambatovy partner loans, which, at current nickel prices, effectively reduce Sherritt's 40% interest in Ambatovy to a 12% economic interest.[1] At this time, Sherritt continues to serve as operator, and constructive discussions are ongoing between partners and senior lenders regarding future funding of Ambatovy and modifications to the existing senior principal amortization.

(1) 70% of Sherritt's distributable cash flow from Ambatovy (after opex, capex and project debt service) goes to Partner Loan repayment, leaving Sherritt with 30%; 30% of Sherritt's 40% ownership = 12%.

OIL AND GAS

$ millions, except as otherwise noted	For the three months ended 2015 December 31	2014 December 31	Change	For the years ended 2015 December 31	2014 December 31	Change
FINANCIAL HIGHLIGHTS						
Revenue	**$ 30.5**	$ 49.6	(39%)	**$ 162.6**	$ 269.3	(40%)
Adjusted EBITDA(1)	**9.7**	26.3	(63%)	**81.9**	191.7	(57%)
Cash provided by operations	**30.2**	58.3	(48%)	**80.7**	193.8	(58%)
Spending on Capital	**(0.7)**	20.2	(103%)	**54.5**	65.4	(17%)
Free cash Flow(1)	**23.3**	41.6	(44%)	**21.4**	131.0	(84%)
PRODUCTION AND SALES (bopd)						
Gross working-interest (GWI) - Cuba	**17,045**	18,701	(9%)	**18,257**	19,456	(6%)
Total net working-interest (NWI)	**10,727**	10,369	3%	**11,158**	10,960	2%
AVERAGE REFERENCE PRICE (US$ per barrel)						
Gulf Coast Fuel Oil No. 6	**$ 29.86**	$ 61.98	(52%)	**$ 40.68**	$ 82.55	(51%)
Brent	**43.45**	76.80	(43%)	**52.08**	99.35	(48%)
AVERAGE-REALIZED PRICE(1) (NWI)						
Cuba ($ per barrel)	**$ 29.38**	$ 49.93	(41%)	**$ 38.35**	$ 66.21	(42%)
UNIT OPERATING COSTS(1) (GWI)						
Cuba ($ per barrel)	**$ 10.82**	$ 9.94	9%	**$ 9.53**	$ 8.56	11%

(1) For additional information, see the Non-GAAP measures section of this release.

Adjusted EBITDA of $9.7 million was 63% ($16.6 million) lower in the fourth quarter compared to the prior year period, with the average reference price for Gulf Fuel Oil 6 falling 52% from its year ago levels. The WTI and Fuel Oil 6 prices have continued to deteriorate since year end, with Gulf Coast Fuel Oil 6 now trading in a range of US$18 – US$21 per barrel in January of 2016.

Fourth quarter GWI oil production in Cuba of 17,045 bopd was down 9% from the same quarter a year ago following natural reservoir declines and lower than expected production from the PSC Extension wells drilled earlier in 2015. Fourth quarter NWI oil production in Cuba of 10,145 bopd increased by 3% over the same quarter in 2014 despite the decrease in Cuban GWI oil production. This trend was also evident in the year over year comparison, with GWI oil production in Cuba down 6% for the full year, while net working interest production was up 1%. Cost recovery oil production in Cuba for both the quarter and the full year increased compared to 2014 because of lower oil prices. The allocation of cost recovery barrels in any particular period is limited to a fixed percentage of GWI volumes within each cost pool.

Unit operating costs in Cuba increased by 9% ($0.88 per barrel) to $10.82 (GWI basis) for the fourth quarter (up 11% on a full year basis to $9.53 per barrel). This increase in unit operating costs is mainly attributable to lower than expected production combined with a weaker Canadian dollar, offset to some degree by lower workover costs.

Quarterly free cash flow of $23.3 million was considerably higher than quarterly Adjusted EBITDA, benefiting from the collection of overdue receivables and limited capital spending. Although overdue receivables are still above normal levels at year end, approximately $48.8 million was collected during the quarter, and a schedule of payments has been agreed with the Cuban agency that shows receivables returning to current by year end 2016.

In the third quarter of 2015, an impairment expense of $80.6 million ($0.27 per share) was recorded on Cuban and Spain oil assets in the quarter. The lower oil price forecast, combined with drilling results on the PSC extension that were below expectations, are the reasons for the impairment. Depletion, depreciation and amortization charges in the last quarter of 2015 were reduced accordingly, with Q4 depletion, depreciation and amortization charges of $10.9 million being $6.7 million lower than the Q4 2014 depletion, depreciation and amortization charges of $17.6 million.

On a year to date basis, capital spending of $54.5 million is down 17% year over year, as further drilling was stopped in Q3 on the Extension areas after poor drilling results. Although the decision was made to stop further development within the PSC Extension areas, new capital spending is necessary to offset declines in existing production. The outlook for 2016 Cuban oil production of 14,500 bopd (GWI basis) is 21% lower than 2015 production, anticipating continuing natural reservoir declines, and no further drilling planned on the existing PSCs. The original PSCs expire in 2017 and 2018, with future production dependent on the ability to develop new prospective areas within the Cuban oil partnership.

Drilling activity for 2016 is focused on the preparation and drilling of Block 10, where Sherritt has budgeted to drill two wells. Block 10 is one of two new PSC's which Sherritt signed in 2014 with the Cuban agency, covering 261 square kilometres for a 25-year term. Sherritt originally held Block 10 in the Bay of Cardenas, and drilled one well in June 1994. The well was drilled using an offshore drilling rig, and produced a discovery which tested at 3,750 barrels of oil per day. Since then, significant advances in horizontal drilling technology have made new drilling from onshore a viable prospect.

POWER

	For the three months ended			For the years ended		
	2015	2014		**2015**	2014	
$ millions (33 ⅓ % basis), except as otherwise noted	**December 31**	December 31	**Change**	**December 31**	December 31	**Change**
FINANCIAL HIGHLIGHTS						
Revenue	**$ 13.7**	$ 11.7	17%	**$ 52.7**	$ 49.0	8%
Adjusted EBITDA[1]	**5.5**	5.4	2%	**30.0**	24.8	21%
Cash provided by operations	**6.5**	18.5	(65%)	**61.4**	49.8	23%
Spending on Capital[2]	**2.0**	2.3	(13%)	**4.1**	6.5	(37%)
Free cash flow[1]	**4.4**	16.3	(73%)	**57.0**	45.4	26%
PRODUCTION AND SALES						
Electricity (GWh)	**226**	214	6%	**902**	847	6%
AVERAGE-REALIZED PRICE[1]						
Electricity ($/MWh)	**$ 56.53**	$ 48.38	17%	**$ 54.26**	$ 46.81	16%
UNIT OPERATING COSTS[1]						
Electricity ($/MWh)	**33.88**	22.82	48%	**21.00**	17.25	22%
NET CAPACITY FACTOR (%)	**69**	66	5%	**70**	64	9%

(1) For additional information see the Non-GAAP measures section of this release.
(2) Includes service concession arrangements and accruals.

Quarterly Adjusted EBITDA increased by 2% from Q4 2014 levels, while on a full year basis, Adjusted EBITDA was up 21%. Higher gas availability led to higher production, with Sherritt's share being 902 GWh for the full year. Production included the first full year of production from the 150MW Boca de Jaruco Combined Cycle Project, which was brought online effective February 2, 2014.

The average-realized price of electricity was also higher for the quarter and for the full year period compared to 2014, mainly because of a weaker Canadian dollar.

Operating costs increased by 48% ($11.06 per MWh) in the fourth quarter compared to the prior year period, with most of the increase being in non-base costs. These are mainly maintenance expenditures on the Boca de Jaruco and Puerto Escondido facilities. Operating costs fluctuate from a quarter to quarter basis with the timing of maintenance performed on gas and steam turbines. The weaker Canadian dollar also contributed to higher unit operating costs on both a three month and full year basis, as the Canadian dollar weakened from levels of approximately $1.14 in Q4 last year to $1.34 in Q4 of 2015, a change of 18%.

Higher depletion, depreciation, and amortization expenses in both the quarter and the year compared to 2014 reflect the impact of a change in residual value estimate of the Varadero facility in Q1 2015, as well as the Canadian dollar decline.

Free cash flow generation of $4.4 million in the quarter included a $2.8 million payment of interest on the Energas conditional sales agreement ($37.9 million year to date). Principal repayments of $7.9 million in the quarter were also received ($33.7 million year to date).

STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities in 2015, and how the Corporation performed in 2015 against those priorities.

Strategic Priorities	2015 Targets	Status
FOCUSING ON OUR CORE NICKEL BUSINESS 1	Sustaining production and lowering costs at Moa	Moa nickel production was steady, and NDCC costs declined in each successive quarter of 2015
	Advancing the acid plant project at Moa	Acid plant construction continues on track for second half of 2016
CONTINUING TO RAMP UP AMBATOVY 2	Targeting a production rate of 90% of nameplate capacity over a 90-day period within the first half of 2015	Achieved 90 for 90 in Q1 2015, and again in Q3 2015
	Targeting financial completion by September 30, 2015	Financial completion announced September 21, 2015
EXTENDING THE LIFE OF OUR CUBAN ENERGY BUSINESS 3	Securing two additional exploration PSCs Commencing drilling on extended Puerto Escondido/Yumuri PSC	Eight wells drilled in the Puerto Escondido/ Yumuri extension area PSCs. Block 8A and Block 10 PSCs signed in late 2014. In Block 10, seismic was reprocessed, drilling locations identified and permitting process commenced in 2015
BUILDING BALANCE SHEET STRENGTH 4	Maintaining a strong balance sheet and liquidity	Cash, cash equivalents and short term investments of $435.4 million at December 31, 2015, after full drawdown of existing credit facilities. Credit facilities were upsized by $40 million in Q3
REDUCING COSTS 5	Optimizing operating and administrative costs	Net Direct Cash Costs at Moa and Ambatovy have declined every quarter this year, averaging US$$3.88/lb (Moa) and US$4.83/lb (Ambatovy)
		Combined administrative expense for the full year were down 21% year over year

STRATEGIC PRIORITIES

The table below lists Sherritt's strategic priorities for 2016. The 2016 Strategic Priorities reflect the continuing depressed commodity outlook and the Corporation's responsibility to preserve liquidity, continue to drive down costs, and execute rational capital allocation plans. Sherritt's purpose, originally communicated in 2014, continues ***to be a low-cost nickel producer that creates sustainable prosperity for our employees, investors and communities***.

Strategic Priorities	2016 Targets
UPHOLD GLOBAL OPERATIONAL LEADERSHIP IN FINISHED NICKEL LATERITE PRODUCTION **1**	Complete and commission the acid plant at Moa in the second half of 2016 Further reduce NDCC costs at Moa and Ambatovy towards the goal of being in the lowest quartile Increase Ambatovy production over 2015, despite the major maintenance work scheduled for Q3 Maintain peer leading performance in environmental, health, safety and sustainability
EXTEND THE LIFE OF OUR CUBAN ENERGY BUSINESS **2**	Allocate capital to new drilling on Block 10, with future drilling to be contingent on results from 2016 activity
PRESERVE LIQUIDITY AND BUILD BALANCE SHEET STRENGTH **3**	Protect Sherritt's balance sheet and preserve cash Establish clarity on long-term funding of Ambatovy Run business units to be free cash flow neutral, and continue to optimize administrative costs

OUTLOOK

2016 PRODUCTION AND CAPITAL SPENDING GUIDANCE

In 2016, Sherritt has made certain modifications to how guidance is presented. For example, nickel and cobalt production expectations will continue to be published and reconciled to production guidance, but mixed sulphide production will not be part of the production guidance. This change was implemented recognizing that external stakeholders are focused on finished metal production with mixed sulphide production guidance having less utility.

Secondly, capital spending estimates are being presented in US dollar denominated ranges, with the Canadian dollar estimate being presented for ease of comparison. The Canadian dollar estimate has been converted using the 2016 forecast conversion rate $1.36. This change in presentation is intended to align with Sherritt's capital budgeting practices, and to mitigate the change to capital that arises from translation to the Canadian dollar reporting currency. In 2015, capital spending revisions were generally explained in terms of their US dollar movement, as the fall in the Canadian dollar offset larger downward revisions to capital spending as the year progressed. This year, the presentation in US dollars and reporting against spending projections in US dollars is intended to mitigate the impacts of currency exchange volatility. Capital projects in the Metals business are generally US dollar expenditures, while in Oil & Gas, the expenditures are roughly 50% Canadian dollar denominated and 50% US dollar denominated.

Production volumes and spending on capital	2015 guidance	Actual 2015 December 31	2016 guidance
Production volumes			
Mixed sulphides (tonnes, Ni+Co contained, 100% basis)			
Moa Joint Venture	36,500-38,000	37,020	
Ambatovy Joint Venture	50,500-56,000	48,995	
Total	87,000-94,000	86,015	
Nickel, finished (tonnes, 100% basis)			
Moa Joint Venture	33,000-34,000	33,706	33,500 - 34,500
Ambatovy Joint Venture	45,000-48,000	47,271	48,000 - 50,000
Total	78,000-82,000	80,977	81,500 - 84,500
Cobalt, finished (tonnes, 100% basis)			
Moa Joint Venture	3,500-4,000	3,734	3,300 - 3,800
Ambatovy Joint Venture	3,500-4,000	3,464	3,300 - 3,800
Total	7,000-8,000	7,198	6,600 - 7,600
Oil – Cuba (gross working-interest, bopd)	18,500	18,257	14,500
Oil and Gas – All operations (net working-interest, boepd)	11,300	11,158	8,900
Electricity (GWh, 33 1/3% basis)	850	902	860
Spending on capital ($ millions)			
Metals – Moa Joint Venture (50% basis), Fort Site (100% basis) [(1)]	75	64	US$38 (52)
Metals – Ambatovy Joint Venture (40% basis)	35	24	US$25 (34)
Oil and Gas	71	55	US$43 (59)
Power (33 1/3% basis)	4	4	US$1 (1)
Power (33 1/3% basis) Pipeline Construction on Service Concession Arrangements			US$4 (5)
Spending on capital (excluding Corporate)	185	147	US$111 (151)

(1) Spending is 50% of US$ expenditures for Moa JV and 100% expenditures for Fort Site fertilizer and utilities.

PRODUCTION VOLUMES

Sherritt expects 2016 production to increase at Ambatovy, despite the planned once in three year maintenance shutdown of operations scheduled for Q3 2016. Production at Moa and in the power operations is expected to remain steady, with a decline in Oil & Gas, reflecting natural reservoir declines and no further drilling activity on existing PSC's. The original PSC wells are scheduled to revert to Cuban ownership in 2017 and 2018. Longer term, new production in Oil & Gas is expected to come from the drilling of Block 10, where the drill program will progress at a pace driven by prudent capital spending, and the objective of running the business units to be cash flow neutral.

CAPITAL SPENDING

Capital spending (excluding Corporate) in 2015 was approximately $147 million, up 39% from 2014 capex of approximately $106 million, but down 21% from guidance provided at the end of Q3 2015. Approximately US$12 million ($16.3 million) has been carried over to 2016 estimated capital spending of US$107 million.

In the Moa JV, 2016 estimated capital spending is consistent with 2015 levels adjusting for carry-forwards. The acid plant construction at the Moa JV is nearing 75% completion at January 31, 2016, and is on track to be operating in the second half of 2016. Counting US$40.4 million spent (100% basis) from the construction re-start in 2013 to the end of 2015 and an additional estimated US$24.6 million (included in the 2016 capital spending estimate), the construction completion cost (since resuming construction in 2013) is forecast at approximately US$65 million which is in line with the 2013 approved budget and is being 100% financed by a Cuban leading institution.

Ambatovy capital spending is similar to what was originally estimated for 2015.

Oil and gas estimated capital spending is focused on the preparation and drilling of Block 10. Block 10 is covered by one of the two new PSC's which Sherritt signed in 2014 with the Cuban agency, encompassing 261 square kilometres in the Bay of Cardenas for a 25-year term. Sherritt originally held Block 10 and completed a drill hole on the block in June 1994. Sherritt drilled one well, using an offshore drilling rig, which produced a discovery which tested at 3,750 barrels of oil per day. Since then, significant advances in horizontal drilling technology have made new drilling from onshore a viable prospect.

Power capital spending is forecast to be US$1 million (Sherritt's 33 1/3% share) in 2016. In addition, the cost to construct a new pipeline to increase gas availability is estimated at US$4 million (Sherritt's share) with construction starting and finishing in 2016.

NON-GAAP MEASURES

The Corporation uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, and adjusted operating cash flow to monitor the performance of the Corporation and its operating divisions and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and evaluate the results of its underlying business. These measures do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. See Sherritt's Management's Discussion and Analysis for the period ended December 31, 2015 for further information.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its quarterly conference call and webcast tomorrow at 10:00 a.m. Eastern Time.

Conference Call and Webcast:	February 11, 2016, 10:00 a.m. ET
Speakers:	David Pathe, President and CEO
	Dean Chambers, EVP and CFO
	Steve Wood, EVP and COO
North American callers, please dial:	1-866-530-1553
International callers, please dial:	416-847-6330
Live webcast:	www.sherritt.com

An archive of the webcast will also be available on the website. The conference call will be available for replay until February 16, 2016 by calling 647-436-0148 or 1-888-203-1112, access code 7191324#.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's complete interim condensed consolidated financial statements and MD&A for the year ended December 31, 2015 are available at www.sherritt.com and should be read in conjunction with this news release.

ABOUT SHERRITT

Sherritt is a world leader in the mining and refining of nickel from lateritic ores with operations in Canada, Cuba, and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations on the island. Sherritt licenses its proprietary technologies and provides metallurgical services to commercial metals operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Source: Sherritt Investor Relations

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements set out in the “Outlook” sections of this press release and certain expectations about capital costs and expenditures; capital project completion dates; production volumes; and amounts of certain joint venture commitments.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events, including commodity and product prices and demand; realized prices for production; earnings and revenues; development and exploratory wells in Cuba; environmental rehabilitation provisions; availability of regulatory approvals; compliance with applicable environmental laws and regulations; the impact of regulations related to greenhouse gas emissions and credits; debt repayments; collection of accounts receivable; and certain corporate objectives, goals and plans for 2015. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that those assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. This risks, uncertainties and other factors include, but are not limited to changes in the global price for nickel, cobalt, oil and gas or certain other commodities (ammonium sulphate), share-price volatility, level of liquidity and access to capital resources, access to financing, compliance with financial covenants, risks associated with the Corporation's joint venture partners; discrepancies between actual and estimated production; variability in production at Sherritt's operations in Madagascar and Cuba; risks associated with the completion of Moa Joint Venture Acid Plant; potential interruptions in transportation; uncertainty of gas supply for electrical generation; uncertainty of exploration results and Sherritt's ability to replace depleted mineral and oil and gas reserves; the Corporation's reliance on key personnel and skilled workers; the possibility of equipment and other failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; uncertainties in environmental rehabilitation provisions estimates; risks related to the Corporation's corporate structure; political, economic and other risks of foreign operations; risks related to Sherritt's operations in Madagascar and Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; risks related to the accuracy of capital and operating cost estimates; reliance on significant customers; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding greenhouse gas emissions; maintaining the Corporation's social license to grow and operate; risks relating to community relations; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; legal contingencies; risks related to the Corporation's accounting policies; risks associated with future acquisitions; uncertainty in the ability of the Corporation to obtain government permits; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the *Corruption of Foreign Public Officials Act* or applicable local anti-corruption law; uncertainties in growth management; and certain corporate objectives, goals and plans for 2016; and the Corporation's ability to meet other factors listed from time to time in the Corporation's continuous disclosure documents. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities.

The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraph and the risk factors described in this press release and in the Corporation's other documents filed with the Canadian securities authorities including, but not limited to, the Corporation's Management's Discussion and Analysis for the year ended December 31, 2015 should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

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