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## Sherritt Provides Update on its Oil and Gas Operations

**TORONTO, December 22, 2017** – Sherritt International Corporation (“Sherritt”) (TSX:S) today announced that it has extended the timetable for its current activities on Block 10 to the first quarter of 2018. The decision allows the Company to evaluate drilling results completed to date and determine its best option to reach the target Lower Veloz reservoir, in which a discovery well drilled in 1994 had briefly tested at a rate of 3,750 barrels of oil per day.

“While we had expected to complete drilling on Block 10 before end of year, we have decided to take a prudent approach instead of pushing ahead given the challenges we have experienced in the lost circulation zone above the target reservoir,” said David Pathe, President and CEO of Sherritt International Ltd. “We expect to resume drilling in the New Year after we have evaluated our options and determined our best course of action. Our recent experience has not changed our view about Block 10’s potential.”

Block 10 is an oil and gas exploration concession licensed for 25 years under a Production Sharing Contract (PSC) between Sherritt and Cuba’s state oil company, Cubapetroleo S.A. (CUPET). Block 10 covers an area of 261km<sup>2</sup> in the Bay of Cardenas located on Cuba’s north coast.

Lost circulation zones may be encountered during drilling operations. In these zones, drilling fluids, which are pumped into the well, feed into rock formations instead of returning to surface. Cement and other materials are regularly used to plug off the lost circulation zone so that drilling can continue. The presence of lost circulation zones adds complexity to drilling operations.

Sherritt also announced that negotiations are in progress with CUPET to extend the PSC for the Puerto Escondido and Yumuri PSC, which is set to expire in March 2018. Sherritt’s PSC for Vardero West, which expired in November 2017, has reverted to the Cuban state.

### About Sherritt

Sherritt, which is celebrating its 90<sup>th</sup> anniversary in 2017, is the world leader in the mining and refining of nickel from lateritic ores with projects and operations in Canada, Cuba and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations across the island. Sherritt licenses its proprietary technologies and provides metallurgical services to mining and refining operations worldwide. The Corporation’s common shares are listed on the Toronto Stock Exchange under the symbol “S”.

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### **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 this press release relating to estimated timing of future events.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events, including matters relating to the matters disclosed herein; availability of governmental, regulatory and third party approvals; and the ability to achieve corporate objectives, goals and plans. 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. These risks, uncertainties and other factors include, but are not limited to the risks and uncertainties set out the Corporation's Annual Information Form dated March 28, 2017, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). 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 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.