

**INFORMATION PROVIDED TO THE SPECIAL SHAREHOLDERS MEETING OF
INTERNATIONAL BRIQUETTES HOLDING, HELD ON JULY SIXTH (6) 2011, ON
THE NATIONALIZATION PROCESS OF VENEZOLANA DE PRERREDUCIDOS
CARONÍ “VENPRECAR”, C.A. AND ORINOCO IRON, SOCIEDAD EN COMANDITA
SIMPLE**

During the Special Shareholders Meeting of International Briquettes Holding (“IBH”), held on July 6, 2011, it was reported to the shareholders present at the meeting about the status of the nationalization process of Venezolana de Prerreducidos Caroní “Venprecar”, C.A. (“Venprecar”) and Orinoco Iron, S.C.S., Sociedad en Comandita Simple (“Orinoco Iron”), as indicated below:

- On May 21, 2009, during a local radio and TV network speech, the President of the Bolivarian Republic of Venezuela, Hugo Chávez Frías, ordered the “nationalization” of the “briquetting sector”, specifically mentioning as being affected by this measure Venprecar and Orinoco Iron, both subsidiaries of IBH.
- On May 25, 2009, Venprecar and Orinoco Iron received, separately, a communication signed by the then Minister of the Popular Power for the Basic and Mining Industries (Ministro del Poder Popular para las Industrias Básicas y Minería (“MIBAM”)), in which it is emphasized that, based on Decree No. 6058 with Rank, Value and Force of the Organic Law of Arrangement of the Corporations Performing Activities in the Steel Making Sector of the Guayana Region (Decreto N° 6058 con Rango, Valor y Fuerza de Ley Orgánica de Ordenación de las Empresas que Desarrollan Actividades en el Sector Siderúrgico de la Región de Guayana) and according to the presidential decision of proceeding with the full nationalization of the companies Orinoco Iron and Venprecar, he had appointed the members of the Transitional Committees for each of the companies.
- On July 14, 2009, the Presidential Decree No. 6.796 was published in the Official Gazette No. 39.220, “whereby the acquisition of assets is ordered” of the corporations mentioned thereby, which include Venprecar and Orinoco Iron. Several months after the publication of the above mentioned Decree, specifically during the month of

November 2009, the negotiations on the fair price of Venprecar and Orinoco Iron started with the official representatives designated by the MIBAM.

- On February 5, 2010, the Vice Minister of Mines of the MIBAM, Engineer Iván Hernández visited the premises of the Venprecar and Orinoco Iron Plants in order to notify such subsidiaries that the National Government, in execution of the provisions of Article 5 of the Presidential Decree N° 6.796, would assume the exclusive control and operation of both companies (Venprecar and Orinoco Iron). Simultaneously, through a judicial inspection requested by MIBAM, which execution was in charge by the First Court of Municipio Caroní of the Second Circuit of the Judicial Circumscription of the Bolívar State, transfer of the administrative and operational control of Venprecar and Orinoco Iron to the Bolivarian Republic of Venezuela took place, through the MIBAM and through the corresponding Transition Commissions. In the Minutes of the Judicial Inspection, the representation of the Company expressly stated that, from such date in which the takeover of the above mentioned subsidiaries was taking place by the corresponding Transition Commissions, the Republic, represented by such commissions, assumed unilaterally, exclusively and totally, the operational control and the administration of Venprecar and Orinoco Iron as operating companies (in everything concerning the commercial, financial, labor, tax and legal matters), as well as all the risks on, or derived from, the assets, real estate and intangible goods of such entities and of their industrial exploitations. As a result, it was under the exclusive responsibility of the Republic the control of the assets, real estate and intangible, administration, operation, security and the industrial exploitations of Venprecar and Orinoco Iron, respectively, without prejudice to the reservation of the rights of the partners, shareholders or holders of interests, directly or indirectly of such corporations, as a result or by virtue of the decision of the National Executive of their nationalization and, more specifically, of the execution of the mentioned Presidential Decree and that the fact of having agreed to deliver the operational control and administration of such corporations to the corresponding Transition Commissions (as representative of the Republic) could not be interpreted as a commitment or waiver of rights by Venprecar, Orinoco Iron and/or its partners, shareholders or holders of interests, directly or indirectly nor as an acceptance of the provisions of the above mentioned decree.

- On May 15, 2010, the President of the Republic, during a local radio and TV network transmission from Ciudad Guayana, on the occasion of the announcement of the worker control of the Basic Industries, authorized a range for the fair price of Venprecar and Orinoco Iron between 600 and 800 million Dollars of the United States of America.
- After the assumption by the Venezuelan State of the administrative and operational control of these corporations, the management of the Company, in order to agree on the fair market price with the representatives who had been appointed by the MIBAM, has made all reasonable efforts available to ensure that the so-called Technical Committee would meet and could reach an agreement on such fair value; however, these negotiations have had very little progress, despite expressions of interest and willingness of the Company in which they develop fluently and based on reasonable criteria that would allow an agreement satisfactory to both parties.
- On December 14, 2010, a communication signed by the Chairman of the Board of Directors was sent to the Office of the MIBAM, in order to inform that the Company had provided all the information and documentation available for the purposes of reaching an agreement on the fair price, including reports of appraisals on the substantial assets of Venprecar and Orinoco Iron (land, buildings, machinery and equipment), carried out by a specialized independent firm (dated September 15, 2009). Likewise, it was also informed that the Company's representatives attended all the meetings that had been summoned in connection with the valuation negotiations, however, given the discontinuance of such meetings and the time that has elapsed since the Presidential Decree concerning the nationalization of the referred companies (July 14, 2009) and the date in which by action of the State, the operational control and the administration of the corporations was transferred to the Republic (February 5, 2010), the Company considered that discussions and negotiations on the fair price valuation should be resume with the urgency of the case, on the basis of proposals and criteria to reasonably meet the aspirations of both sides and to reflect the fair value of these companies at the time in which the nationalization was decreed. As a result it was requested to the MIBAM representative to display its best efforts to achieve the above purposes.

- Since the beginning of this year 2011 (up to July 6, 2011), six (6) communications have been sent to the MIBAM, the last one on June 30, in which once again it is informed to this Ministerial Office that due to the long time elapsed since the last meeting of the so-called Technical Commission in charge of reaching an agreement on the fair price of Venprecar and Orinoco Iron, and that the administrative and operational control of same was taken over by the Venezuelan State on February 5, 2010, the Company wanted to take advantage of the interest shown by the National Government to carry out negotiations with the owners of nationalized briquetting companies, reflected in the completion of the negotiations and subsequent sale to the Venezuelan State of the shares of the Company steel complex of Complejo Siderúrgico de Guayana, C.A. "COMSIGUA" to specify a schedule of work in order to agree on the fair price in a quick and mutually satisfactory manner. At the date of celebration of the Special Shareholders Meeting, response on the part of the MIBAM to any of the communications of the Company had not been received.