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IBH ANNOUNCES AGREEMENT TO MERGE VENPRECAR AND ORINOCO IRON

Caracas, May 30, 2005. International Briquettes Holding ("IBH"), advises its shareholders that Special Shareholders' Meetings of its subsidiary companies Orinoco Iron and Venprecar were held on May 24, 2005, and they approved the merger of both companies. The surviving corporation shall be Venezolana de Prerreducidos Caroní "Venprecar", C.A., which will absorb the assets and liabilities of Orinoco Iron.

According to the Venezuelan Commercial Code, the merger shall become effective three months after the approval is published. The respective announcement was published last Friday, May 27.

Once the merger between both subsidiaries becomes effective, the merged Venprecar will benefit from: a) a considerable reduction of expenses, b) the consolidation of a more efficient organizational structure, and c) the consolidation of financial commitments and obligations in a sole entity.

The merged Venprecar will have an installed capacity of 3,015,000 MT of iron briquettes, approximately 45% of Venezuela's installed production capacity. The existing synergies between Orinoco Iron and Venprecar, especially in the administrative area, may be best used as a result of the merger.

Additionally, the Shareholders' Meeting of Orinoco Iron approved the mechanism that may be used for the neutralization –previously announced in the reports to the shareholders and the audited reports- of an amount approximately equivalent to the debt assigned by BHP Billiton to Orinoco Iron's creditor banks. The set of approvals of both companies are a major advance in the negotiations that are under way for the restructuring of Orinoco Iron's financial debt.