



INTERNATIONAL BRIQUETTES HOLDING

Caracas, June 1, 2009

**President and Members of the Board of the
National Exchange Commission (Comisión Nacional de Valores)
Your Office.**

**Ref: Nationalization of Orinoco Iron and Venprecar, subsidiaries of International
Briquettes Holding (IBH)**

According to the contents of Article 7, number 1, of the "Regulations related to the Periodical or Occasional Information that must be supplied by the Persons subject to the Control of the National Exchange Commission" (*Comisión Nacional de Valores de Venezuela*), and in regard to the announcement made by the President of the Bolivarian Republic of Venezuela last May 21, ordering, within the frame of the nationalization of the companies of the "briquette sector" located in Guayana, the "nationalization" of the companies Orinoco Iron S.C.S., Sociedad en Comandita Simple (hereinafter "Orinoco Iron") and Venezolana de Prerreducidos Caroní "Venprecar", C.A. (hereinafter "Venprecar"), subsidiaries of International Briquettes Holding ("IBH"), we hereby inform you as follows:

1. On May 25, 2009, Orinoco Iron and Venprecar received a communication dated as of the same date, and separately addressed to each of the above mentioned companies, signed by the Minister of the Popular Power for the Basic and Mining Industries (*Ministro del Poder Popular para las Industrias Básicas y Minería*), indicating that based on Decree N° 6.058 with Rank, Value and Force of Organic Law for the Regulation of the Companies Developing Activities in the Steel Sector of the Guayana Region and according to the presidential decision to proceed with the full nationalization of Orinoco Iron and Venprecar, he had designated the members of the respective Transition Commission (one for Orinoco Iron and another for Venprecar).
2. On the same date, May 25, 2009, Orinoco Iron received a communication signed by the Legal Director of Sidor C.A. and member of the Transition

Commission designated for Orinoco Iron, requiring detailed information and documentation on corporate, contractual, environmental, financial, labor and fiscal aspects, among others. Subsequently, the Transition Commission designated for Orinoco Iron, by means of communications dated May 29, 2009 and June 1, 2009, respectively, started to give certain instructions to the management of the company, beginning in this way the transition phase of the nationalization process of Orinoco Iron.

3. On June 1, 2009, Venprecar received a communication dated May 28, 2009, signed by the President of the CVG Ferrominera Orinoco, who presides over the Transition Commission designated for Venprecar, requiring detailed information and documentation on corporate, contractual, environmental, financial, labor and fiscal aspects, among others.

Finally, as we previously indicated in our communication dated last May 22, as soon as we have relevant information related to the aforesaid nationalization process, we will inform that honorable Commission.

Not having further matters, I remain.

Very truly yours,

Héctor J. Peña

Judicial Representative

cc: Caracas Stock Exchange (Bolsa de Valores de Caracas-BVC)

Venezuelan Central Depository of Securities (Caja Venezolana de Valores-CVV)