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### **IBH ANNOUNCES A DEBT REDUCTION**

Caracas, July 1st, 2008. International Briquettes Holding (IBH) reported today that as a result of the increase in briquettes prices in the international market, the capital contributions of debt and securities (proportionally made by the shareholders of IBH de Venezuela, an IBH affiliate), the amendment and exercising of the call option agreement on IBH de Venezuela shares, and the debt restructuring agreement, the company's debt has been decreased to US\$ 76.6 million.

In exchange of the above mentioned capitalizations, the company agreed to exercise the call option<sup>1</sup> in the amount of US\$ 76.6 million and obtained a loan for said amount from Invermetal, a Sivensa's subsidiary, for this purpose. The loan, maturing in five years, will be repaid in quarterly installments for equal amounts with a 12% interest rate applied during the first year.

The debt reduction accomplished by IBH, without dilution for its shareholders, marks an important milestone toward the company's goal to achieve financial stability.

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<sup>1</sup> Please note that said option originally contemplated that the exercise price would be established within a range of US \$34 million and US \$80 million, depending on certain financial conditions and the exercise date. The present value of the original agreement was recorded in the company's Financial Statements for the period closing March 31, 2008 at US\$ 24.37 million.