

Siderúrgica Venezolana "SIVENSA" S.A.
Contact: Antonio Osorio
Investor Relations
Telephone: 58-212-707.62.80
Fax: 58-212-707.63.52
E-mail: antonio.osorio@sivensa.com



FOR IMMEDIATE DISTRIBUTION:

SIVENSA REPORTS A DEBT REDUCTION FOR ITS SUBSIDIARY, IBH

Caracas, July 1st, 2008. Siderúrgica Venezolana, SIVENSA, S.A., 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 subsidiary), the amendment and exercising of the call option agreement on IBH de Venezuela shares, and the debt restructuring agreement, IBH's debt has been decreased to US\$ 76.6 million.

In order to reach capitalization agreements and exercise the call option¹ that IBH had on IBH de Venezuela shares at a price of US\$ 76.6 million, Sivensa deemed it appropriate for its subsidiary, Invermetal, to extend a loan to Venprecar for the same amount, which will mature in five years and will be repaid in installments for equal amounts, accruing interest at a rate of 12% during the first year.

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

¹ 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.