

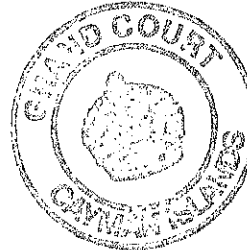
In the matter of: CONSORCIO SIDERURGIA AMAZONIA LTD.

And in the matter of: THE COMPANIES LAW (1998 REVISION)

Fees Paid..	\$150 -
Receipt No.	37194
Date	3 5 2000

MAY 03 2000

PETITION



TO: The Grand Court

THE HUMBLE PETITION of Consorcio Siderurgia Amazonia Ltd. ("the Company") of P.O. Box 1043, George Town, Grand Cayman shows that:-

1. The object of this Petition is to seek confirmation by the Court pursuant to Section 15(1) of the Companies Law (1998 Revision) ("the Law") of the reduction of the issued capital of the Company referred to in paragraph 11 below.
2. The Company was formed on 13th November 1997 and registered on the same day under the Companies Law (Revised) ("the Law") as a company limited by shares.
3. The registered office of the Company is situated at the offices of Caledonian Bank & Trust Limited, Caledonian House, Dr. Roy's Drive, P.O. Box 1043 GT, George Town, Grand Cayman.
4. The objects for which the Company was established are set out in paragraph 3 of the Memorandum of Association and include, by sub-paragraph (g) of paragraph 3 engaging in any business whatsoever, or in any act or activity, which is not prohibited under any law for the time being in force in the Cayman Islands.
5. The authorised capital of the Company on incorporation was US\$1,000 divided into 400 Class A shares, 300 Class B shares, 200 Class C shares and 100 Class D shares with a par value of US\$1 each.
6. By a written resolution of the shareholders of the Company dated 14th January 1998 the authorised share capital of the Company was increased to US\$1,000,000,000 divided into 400,000,000 Class A shares of US\$1 each, 300,000,000 Class B shares of US\$1 each, 200,000,000 Class C shares of US\$1 each and 100,000,000 Class D shares of US\$1 each by the creation of 399,999,600 Class A shares of US\$1 each, 299,999,700 Class B shares of US\$1 each, 199,999,800 Class C shares of US\$1 each and 99,999,900 Class D shares of US\$1 each.
7. By a written resolution of the shareholders of the Company dated 27th January 1998 the authorised share capital of the Company of US\$1,000,000,000 was restructured and divided into 350,000,000 Class A shares of US\$1 each, 248,240,000 Class B shares of US\$1 each, 141,760,000 Class C shares of US\$1 each, 100,000,000 Class D shares of US\$1 each, 101,760,000 Class B1 Non Voting shares of US\$1 each and 58,240,000 Class C1 Non Voting

shares of US\$1 each by the cancellation of 50,000,000 unissued Class A shares of US\$1 each, 13,600,000 unissued Class B shares of US\$1 each and 36,400,000 unissued Class C shares of US\$1 each, the creation of 63,600,000 Class B1 shares of US\$1 each and 36,400,000 Class C1 shares of US\$1 each, the conversion of 38,160,000 Class B shares of US\$1 each into stock and the immediate conversion of that stock into 38,160,000 Class B1 Non Voting shares of US\$1 each and the conversion of 21,840,000 Class C shares of US\$1 each into stock and the immediate conversion of that stock into 21,840,000 Class C1 Non Voting shares of US\$1 each.

8. There has been no change in the authorised share capital of the Company since the date of the said written resolution of 27th January 1998. The amount of the issued paid-up share capital at the date hereof is US\$650,990,637 made up of 234,662,664 Class A shares of US\$1 each, 192,020,975 Class B shares of US\$1, 38,160,000 Class B1 shares of US\$1 each, 98,160,000 Class C shares of US\$1 each, 21,840,000 Class C1 shares of US\$1 each and 66,146,998 Class D shares of US\$1 each. There is no issued share capital that is not fully paid up.

9. Article 29 of the Amended and Restated Articles of Association of the Company provides as follows:-

“The Company may by special resolution reduce its share capital and any redemption reserve in any manner authorised by law.”

10. Article 54 of the Amended and Restated Articles of Association provides as follows:-

“A resolution in writing signed by all the Members for the time being entitled to receive notice of an to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.”

11. By a written resolution of all the shareholders of the Company dated 20th December 1999 it was resolved:-

1. THAT the Board of Directors be authorized and instructed to implement a restructuring of the capital of the Company, resulting in the cancellation (subject to any necessary court approval) of 500,000,000 issued shares of the capital of the Company, from all shareholders, on a pro rata basis, as detailed in the Exhibit I hereof, where the aggregate par value of the cancelled shares shall be applied to a “capital reserve account” and shall not be distributed or reimbursed to the Members in any manner, until the Credit Agreement above mentioned, or any refinancing thereof, has been repaid. Therefore, such restructuring, though formally reducing the number of outstanding shares, will not imply a reduction of the Company’s net worth, nor any real change in the value of the shareholders’ proportional shares.
2. To acknowledge that the restructuring of the capital resulting from the cancellation of shares, referred to in resolution 4 above, shall consist of (i) a “capital account” where the aggregate par value of the outstanding shares shall be credited and (ii) a “capital reserve account” being created where the aggregate par value of the cancelled shares shall be credited.

10. THAT the cancellation of 500,000,000 shares of the capital of the Company are subjected to the following minimum condition precedents:
- (i) to agree a refinancing scheme with the bank lenders of Sidor and Amazonia and with the Fondo de Inversiones de Venezuela (FIV) and the Corporación Venezolana de la Guayana (CVG) under terms and conditions deemed acceptable by the Board of Directors of Amazonia;
 - (ii) to obtain and lending banks' consent for the cancellation of 500,000,000 shares the issued capital of Amazonias and for the structure of the convertible loan above authorised."
12. The proposed cancellation of shares does not imply any reduction of the authorised capital and does not involve any alteration or variation to the rights attached to any class of shares.
13. The Company wishes to reduce its issued share capital for the following reasons. By the terms of both the existing and the proposed financing, alterations in share capital are not permitted without the express consent of the banks providing the finance. The banks are prepared to consent to capital restructuring as part of the refinancing and, consequently, this represents the best opportunity for the Company to take steps in that regard. The sole asset of the Company is its shareholding in Siderurgica del Orinoco (SIDOR), C.A. ("SIDOR"). Because of the financial position of SIDOR, it is anticipated that the value of the sole asset may have to be written down in the books of the company. The proposed capital restructuring would allow dividends to continue to be paid even if such a step were to be necessary. The restructuring is also necessary to ensure that shares can be issued in the future with a nominal value which would not compel shareholders to take shares at a nominal value higher than the true value of the existing issued shares in the same class.
14. The form of minute proposed to be registered is as follows:-
- "By virtue of a cancellation of issued and paid up shares reduction in capital sanctioned by special resolution of all the shareholders of Consorcio Siderurgia Amazonia Ltd. ("the Company") dated the 20th December 1999 and by an Order of the Grand Court dated the day of _____, 2000 a reduction of the issued share capital of the Company was effected, without altering the authorised capital. The issued capital of the Company was reduced cancelling 500,000,000 issued and paid-up shares of the Company and applying the aggregate par value of the cancelled shares to a "Reserve Account" which is not to be distributed or reimbursed to the members in any manner until the credit agreement dated 12th January 1998 between the Company as borrower and the lenders party thereto, Santander Investment Bank Limited, as administrative agent and collateral agent and Morgan Guarantee Trust Company of New York, as documentation agent, or any refinancing thereof, has been repaid. The shares are to be cancelled on a pro-rata basis as detailed in exhibit 1 hereto. At the date of the registration of this minute, the authorised capital of the Company is US\$1.000,000,000 divided into 290,000,000 class A shares of US\$1 each, 60,000,000 class A1 shares of US\$ each, 248,240,000 class B shares of US\$1 each, 101,760,000 class B1 shares of US\$1 each, 141,760,000 class C shares of US\$1 each, 58,240,000 class C1 shares of US\$1 each, 80,000,000 class D shares of US\$1 each and 20,000,000 class D1 shares of US\$1 each."

YOUR PETITIONER therefore humbly prays that:-

- 1) The reduction of shares capital described in paragraph 11 of this Petition be confirmed and the minute set forth in paragraph 14 of this Petition be approved by the Court.
- 2) To this end all enquiries and directions necessary and proper may be made and given.
- 3) Or that such other order may be made in the premises as the Court shall think fit.

AND YOUR PETITIONER will ever pray etc.

DATED the 2nd day of May 2000.
FILED the day of May 2000.

Walker

WALKERS

NOTE: It is not intended to serve this Petition on any person.

THIS PETITION was presented by Walkers, Attorneys-at-Law for the Petitioner herein, whose address for service is that of its said Attorneys-at-Law, Walker House, P.O. Box 265, George Town, Grand Cayman, Cayman Islands.