

Bloomberg  
Thursday June 3, 2010

## Vale Buys Aquila Stake in Australia Coking Coal Mine (Update1)

June 03, 2010, 3:17 PM EDT

(Adds company comment in second paragraph.)

By Rebecca Keenan

June 3 (Bloomberg) -- Vale SA, the world's largest iron-ore exporter, agreed to buy the 24.5 percent stake it didn't already own in the Belvedere coking coal mine in Australia from Aquila Resources Ltd.

A "fair market value" was paid for Aquila's stake in the operation in Queensland state's Bowen Basin, it said in an e- mailed statement, without giving further details. Earlier this week it bought 25 percent of the project from American Metals and Coal Industries Inc. for \$92 million.

Producers of coking coal, used to make steel, are increasing output as demand from steel mills rebound and the global economy recovers. Vale wants to grow its coal output, Decio Amaral, Vale's managing director of coal, said in the statement.

The underground mine could initially produce 3.5 million metric tons of coking coal, doubling to 7 million tons after expansion, Vale said today.

Australia last month announced a plan to introduce a so- called super profits tax on the nation's mining operations. The proposal added "another dimension of challenge" to developing Belvedere, Amaral said today.

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