

Vale increases stake in Belvedere coal project

Wednesday, 02 Jun, 2010

Vale SA announced that it has acquired an additional 24.5% stake in the Belvedere coal project (Belvedere) for USD 92 million from AMCI Investments Pty Ltd (AMCI). As an outcome of this transaction, Vale increased its participation in Belvedere to 75.5% from 51.0%.

Belvedere is an underground coal project, in the southern Bowen Basin region, near the city of Moura, in the state of Queensland, Australia. According to our preliminary estimates, once it is fully developed Belvedere has the potential to reach in the future a production capacity up to 7.0 million metric tons per year of coking coal.

The price for this transaction was settled before the announcement by Australian government of the project to create the Resource Super Profits Tax to be imposed on mining companies.

Vale release said “Investment in the coal business is an important part of Vale’s growth strategy. Vale has coal operating assets and a portfolio of exploration projects in Australia and Colombia, and minority interests in two joint ventures in China. Vale is also developing the Moatize project in Mozambique and has mineral exploration initiatives in several other countries.”