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Vale exercises its option for Belvedere Project

Companhia Vale do Rio Doce (Vale) announces that it has exercised a call option to acquire a 51% interest in the Belvedere coal joint venture (Belvedere) for US\$ 90 million. Subject to the fulfillment of certain conditions, Vale will pay US\$ 45 million to the subsidiaries of Aquila Resources Ltd. (Aquila) and AMCI International AG (AMCI).

Belvedere is an underground coal project, in the southern Bowen Basin region of the State of Queensland, Australia. Vale conducted an exploration study to assess the geological structure, coal resources, product quality and underground mining conditions as well as the potential mining, processing and logistical requirements for the establishment of a multi-long wall mining operation to produce hard coking and PCI coal. The joint venture will now undertake a feasibility study with respect to the development of Belvedere.

Under the terms of the joint venture agreement with Aquila and AMCI, Vale has a further option to raise its stake in the project up to 100% by acquiring the remaining 49% interest at a fair market value to be determined at the time of the exercising of the option.

Investment in the coal business is an important part of Vale's strategy and this acquisition is another step towards the building of a strong growth platform. Vale holds minority stakes in Chinese coal companies and is beginning to develop Moatize, a large coal project in Mozambique. After acquiring AMCI's Australian assets in the first half of this year, Vale's coal operations in Australia have the capacity to produce 8 million metric tons per year, which may be further expanded with the development of the Belvedere project.

More information



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