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Vale to conclude purchase option of Belvedere, exercised in 2010, after independent valuation

Vale informs that it has entered into agreements to complete a purchase option exercised by Vale in June 2010, by which it will acquire an additional 24.5% stake in the Belvedere coal project (Belvedere) from Aquila Resources Limited (Aquila). The purchase price of A\$ 150 million (US\$ 156 million using AUD/USD of 1.04) is equivalent to the fair market value recently determined by a third party expert engaged by Vale and Aquila.

The acquisition is subject to Queensland Government indicative approvals. As an outcome of this transaction, Vale will increase its participation in Belvedere to 100%. Vale also agreed to settle Belvedere litigation and disputes with Aquila for A\$ 20 million (US\$ 21 million).

Overall, Vale will have paid approximately US\$ 338 million for 100% of Belvedere. The Belvedere underground coal project is a future growth option located in the southern Bowen Basin region, near the city of Moura, in the state of Queensland, Australia. The project is still in early stage of development and, consequently, its implementation is subject to Board approval. According to our preliminary estimates, Belvedere has the potential to reach a production capacity up to 7.0 million metric tons per year of mainly coking coal.

More information



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