

Vale develops Moatize

Rio de Janeiro, March 27, 2009 – Companhia Vale do Rio Doce (Vale) informs that the construction of the Moatize Project, in the province of Tete, Mozambique, is in progress.

Moatize, Vale's first greenfield project in Africa, has proven and probable reserves of 838 million metric tons, being one of the world's largest unexploited coal reserves. It has high quality metallurgical coal – hard coking coal – which is traded at a premium over prices of other types of coal.

The project involves an investment of US\$ 1.3 billion and it will have a nominal capacity to produce 11 million metric tons (Mt) of coal, of which 8.5 Mt of metallurgical coal and 2.5 Mt of thermal coal. The start up is expected for December 2010.

Vale is building in Moatize one of the world's largest coal handling preparation plants (CHPP) in an operational site, with capacity to process 26 million metric tons of coal per year.

Coal production from the Moatize mine will be transported by a railroad approximately 600 km in length to a new maritime terminal in the port of Beira, province of Sofala, Mozambique. The coal terminal will be built by a concessionary owned by the Mozambican government.

Vale's project in Moatize also involves initiatives dedicated to investment in human capital (health, education and professional training), the creation of infrastructure and the development of sustainable economic activity (a model farm for cattle raising and agriculture) to create jobs and generate income flows for the local population. The model is consistent with Vale's strategic priority of corporate social responsibility and establishes a new benchmark for project development on the African continent.

Vale's investment in the Moatize project is in line with our growth strategy for the coal business, through which Vale aims to become, in the medium term, one of the largest global producers.

Currently, Vale produces metallurgical and thermal coal in its operations in Australia, in the states of New South Wales – Hunter Valley – and Queensland – Bowen Basin –, and has two joint ventures to produce coal and coke in China. In December 2008 we acquired coal assets in Colombia, including a mine with nominal capacity to produce 4.5 Mt of thermal coal, deposits under exploration and logistics infrastructure. Moreover, Vale has projects under different stages of development in Australia and Mongolia.

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