



Vale approves expansion of Samarco

Rio de Janeiro, April 29, 2011 – Vale S.A. (Vale) informs that its Board of Directors has approved Samarco's fourth pellet plant project.

The project encompasses the construction of a fourth pellet plant with capacity of 8.3 Mtpy, increasing Samarco's iron ore pellets capacity to 30.5 Mtpy, the enlargement of the Ponta Ubu maritime terminal in the state of Espírito Santo, Brazil, and of mining and processing capacity at the Germano mine, in the state of Minas Gerais, Brazil, and a third line of the 396-kilometer iron ore pipeline linking the mine to the pellet plant. The start-up is scheduled for the first half of 2014 and the total investment is estimated at US\$ 3.0 billion¹, which is not part of Vale's own capital expenditures program.

The third line of the slurry pipeline will add 20 Mtpy to the current capacity, which will not only provide transportation for the project but will leave room for further expansions. All installation licenses required to proceed with the project implementation were already granted by the competent government authorities.

¹ Capex estimate based on Vale's assumptions, including the evolution of the BRL/USD exchange rate. Vale has a 50% interest in Samarco, with the remaining 50% held by BHP Billiton

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