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## Vale invests in biodiesel for self consumption

*Friday, 26 Jun, 2009*

Vale SA announced a project to produce biodiesel to supply its operations in the Northern region of Brazil, from 2014 onwards.

The project will use palm oil as raw material, which will be produced by a consortium between Vale and Biopalma da Amazônia S.A. (Biopalma).

Vale's stake in the consortium, whose goal is to produce 500,000 tonnes of palm oil per year, is 41%. The oil production related to Vale stake will be used to feed Vale's own biodiesel plant, which will be 100% built and operated by Vale, with estimated capacity of 160,000 tonnes of biodiesel per year.

Vale's total investment in the consortium and the building of the biodiesel plant will be USD 305 million, of which USD 40 million will be disbursed in 2009, already included in the CAPEX budget.

Vale said that "Our biodiesel production will be dedicated to self-consumption, using the B20 mix (20% of biodiesel and 80% of ordinary diesel) to supply our fleet of locomotives in the Carajás railroad and bulk equipment of Carajas mines, located in the Brazilian state of Para. This initiative attends in advance the regulation which requires the use of B20 by 2020."

It added that "This initiative is aligned with Vale's strategy of diversification and optimization of our energy matrix, through the exploration of energy sources, including thermal coal, renewable fuel and natural gas."

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