

Noumea, 10 May 2010
At: 12 noon

Protocol for enquiry on nickel extraction unit: 16 specialists appointed

During the evening of 21 April last, the body of one of the primary extraction unit's columns, used for nickel stripping, broke at its base.

Following this incident which had no human or environmental impact, the Vale Inco Nouvelle-Calédonie teams devoted themselves to implementing the plan for securing the area (cooling and draining the columns), prior to carrying out investigations on the causes of the incident.

At the same time, a team of 16 specialists both internal and external were brought together. Specifically dedicated to the investigations. This joint team brings together experts in engineering, commissioning, operations, health and safety and the environment. In support, Vale Inco has dedicated 2 technical experts from companies specialised in materials and 1 expert from the University of Waterloo. The columns' manufacturer has also appointed 4 experts in design and process.

The mandate with which this team has been entrusted includes 4 issues:

- Securing the column and its environmental structure
- Dismantling the column
- Investigations on the causes
- Repair (drawing up specifications for the repair and commissioning)

They will regularly give a report on their state of progress to the DIMENC services.

At the moment, all the solution contained in the column (690 m³ of diluted hydrochloric acid and dispersed solvents) and totally recovered in the retention system, has been treated in the process. The column is 100% secured, thus permitting the experts who are gathered on site to access it and carry out the initial search for indications. The final dismantling of the column should take place between now and the end of May, thus enabling the field of investigations to be completed.

This incident occurred when the first commissioning cycle of the Grand Sud plant was 91% completed. The suspension of activities on the primary extraction unit, during the investigations and repair period, will be used to advantage in order to produce and temporarily market a non refined intermediate metal product with two main objectives:

- a) generate an income
- b) strengthen process control on units located upstream (from pulping the ore to going into the refinery).

Commissioning of the units for refined nickel oxide and cobalt carbonate production, located downstream, will be possible by using the refined nickel solution that was produced before the column collapsed; thus enabling the teams to 100% finalise the first commissioning cycle.

"Our priority is to understand the cause of this incident. We will take all the time needed to conduct the investigations required and work out the appropriate repair plan. This incident, with no human or environmental impact, must strengthen us in controlling our process and industrial risks. Commissioning a plant is always a delicate time as it involves optimising by gaining expertise in the technical, security and environmental protocols, just before commercial production really starts. Running equipment,

organizational adjustment and operational improvements are key episodes for the plant's future. Our ability to efficiently overcome them now is proof of a sustainable and durable start-up.” Peter Poppinga, Executive Vice President Asia-Pacific and CEO of Vale Vale Inco Nouvelle-Calédonie.

Press contact : Laurence KUNTZ
Tel : 23 50.50 – Mobile : 76.84.67 - Fax : 23.50.75
Email: valeincoNc_communication@valeinco.com