



Vale approves consolidation of two subsidiaries

Rio de Janeiro, December 17, 2009 – Vale S.A. (Vale) informs that the proposals of merger of Vale's wholly-owned subsidiaries Sociedade Mineração Estrela do Apolo S.A. and Mineração Vale Corumbá S.A. were approved by our Board of Directors today.

The consolidation will contribute to simplify the corporate structure, improve resource allocation and cost reduction.

Therefore, the proposal will be submitted to the approval of Vale's shareholders at a meeting to be announced opportunely.

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This press release may include declarations about Vale's expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties. Vale cannot guarantee that such declarations will prove to be correct. These risks and uncertainties include factors related to the following: (a) the countries where Vale operates, mainly Brazil and Canada; (b) the global economy; (c) capital markets; (d) the mining and metals businesses and their dependence upon global industrial production, which is cyclical by nature; and (e) the high degree of global competition in the markets in which Vale operates. To obtain further information on factors that may give rise to results different from those forecast by Vale, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and with the U.S. Securities and Exchange Commission (SEC), including Vale's most recent Annual Report on Form 20-F and its reports on Form 6-K.