



Vale makes payment to holders of mandatorily convertible notes

Rio de Janeiro, April 14, 2010 – Vale S.A. (Vale) will pay additional interest to holders of the mandatorily convertible notes (notes) due June 15, 2010 (the series RIO and RIO P) and to the holders of the mandatorily convertible notes due June 15, 2012 (the series VALE-2012 and VALE.P-2012) issued by its wholly-owned subsidiaries, Vale Capital and Vale Capital II, respectively.

The additional interest paid per series RIO notes and per series RIO P notes will be equal to an amount in U.S. dollars equivalent to R\$ 0.722861 and R\$ 0.857938, respectively, converted at the Brazilian real/US dollar exchange rate prevailing on Friday, April 30, 2010.

The additional interest paid per series VALE-2012 notes and per series VALE.P-2012 notes will be equal to an amount in U.S. dollars equivalent to R\$ 1.042411 and R\$ 1.205663, respectively, converted at the Brazilian real/US dollar exchange rate prevailing on Friday, April 30, 2010.

The notes will begin trading “ex-dividend” on the New York Stock Exchange on April 15, 2010. Investors holding notes through an account with The Depository Trust Company (DTC) will be paid in accordance with the procedures of DTC and the investor’s custodian.

Under the indentures governing the notes, additional interest due to each noteholder is an amount in U.S. dollars equal to any cash distribution net of any applicable withholding tax and fees paid by the Depository of our ADSs - each representing one common/preferred Vale share, VALE/VALE.P - to the holder of one ADS, multiplied by the number of ADSs that would be received by the noteholder upon conversion of the notes at the conversion rate specified in the applicable indenture. Therefore, the approval by our Board of Directors of a dividend distribution to shareholders, as announced today, triggered the payment of additional interest to noteholders.

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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 20F and its reports on Form 6K.