

Vale signs railroad concession agreement for Rio Colorado

Rio de Janeiro, August 26, 2010 – Vale S.A. (Vale) announces that it signed an agreement with Ferrosur Roca S.A. (FERROSUR), a general cargo railroad operator in Argentina, for the transference of the concession of a 756-kilometer railroad stretch connecting Zapala, in the province of Neuquén, to General Cerri, in the province of Buenos Aires, Argentina.

This agreement is an important step to the consolidation of the logistics solution of the Rio Colorado project and has yet to be approved by the competent national authorities in Argentina.

Rio Colorado includes the development of a potash mine and power supply, railway and port logistics infrastructure, with an initial estimated nominal capacity to produce 2.4 million metric tons per year (Mtpy) of potash (potassium chloride, KCl) and potential for a future expansion to 4.35 Mtpy.

The development of Rio Colorado is in line with our strategy to become a leading global player in the fertilizer business thus creating substantial shareholder value in the long-term. The project is still subject to the approval of our Board of Directors.

For further information, please contact:

+55-21-3814-4540

Roberto Castello Branco: roberto.castello.branco@vale.com

Viktor Moszkowicz: viktor.moszkowicz@vale.com

Carla Albano Miller: carla.albano@vale.com

Andrea Gutman: andrea.gutman@vale.com

Marcio Loures Penna: marcio.penna@vale.com

Samantha Pons: samantha.pons@vale.com

Thomaz Freire: thomaz.freire@vale.com

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