

Vale announces return of capital to shareholders and listing in Asia

Rio de Janeiro, September 23, 2010 - Vale S.A. (Vale) announces that its Board of Directors has approved: (a) a share buy-back program involving up to US\$ 2 billion; and (b) the listing of Vale's shares on the Hong Kong Stock Exchange (HKEx).

Our Executive Board has approved and will submit to the Board of Directors the proposal for payment of the second tranche of its minimum dividend of US\$ 1.250 billion and an additional dividend of US\$ 500 million, totaling US\$ 1.750 billion. In addition, Vale's Executive Board has approved a proposal for payment of an extraordinary dividend in January 2011 of US\$ 1 billion, to be submitted for the Board of Directors approval on the meeting scheduled for January 2011. This proposal seeks to return to our shareholders the funds generated by the sale of assets to be completed by the end of 2010, as publicly disclosed by Vale on May 2, 2010.

The powerful cash generation and the excellent prospects for the performance of Vale are allowing the financing of substantial investments, focused on the exploitation of multiple opportunities of organic growth and anchored in a rigorous discipline in capital allocation, the return of capital to shareholders in a significant amount - of up to US\$ 6 billion in a period of less than twelve months - while maintaining a healthy balance sheet.

The return of capital in excess of the minimum dividend for 2010 improves capital allocation once the alternative would be to maintain those resources in cash.

Regarding the listing, Asia is the main market for our products and is becoming increasingly important. The decision to list our shares on the HKEx - in the form of Hong Kong depositary receipts (HDRs) and using the current outstanding shares - will entail a direct exposure to the Asian capital market. It already has a very large size and is the fastest growing market in the world, with expectations of positive effects on liquidity, shareholders base and pricing of our shares.

With the listing in one of the most important stock exchanges in Asia, we will offer to investors all over the world the option to trading our shares in various time zones, in the Americas, Europe and Asia, consolidating Vale's position as a major global company. The listing process of Vale's shares on the HKEx still depends on the approval of capital markets regulatory agencies, and is expected to be concluded by the end of 2010.

The decisions announced today reflect the excellence of Vale's performance and contribute to optimize capital allocation and to increase the demand for our shares, thus creating substantial shareholder value.

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

Fernando Frey: fernando.frey@vale.com

Marcio Loures Penna: marcio.penna@vale.com

Samantha Pons: samantha.pons@vale.com

Thomaz Freire: thomaz.freire@vale.com



Press Release

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.