

Vale announces share buy-back program

Rio de Janeiro, June 30, 2011 – Vale SA (Vale) announces that its Board of Directors has approved today a proposal from the Executive Board to establish a share buy-back program for common and preferred class A shares and their respective American Depositary Receipts. The buyback is limited to a maximum of US\$ 3.0 billion. The shares repurchased by Vale will be cancelled after the expiration of the program.

The program includes the buyback of up to 84,814,902 common shares and 102,231,122 preferred shares, representing up to 5.9% of the total number of shares outstanding (free float), based on the shareholding position of May 31, 2011. The program will be executed during a period involving up to 180 days, extended from May 31, 2011 to November 25, 2011.

The strong cash flow and the positive outlook for our operational and financial performance give support to the financing of a large volume of investments, focused on the exploitation of multiple organic growth opportunities and anchored in rigorous discipline in capital allocation, allowing Vale to maintain simultaneously a healthy balance sheet, with a low-risk debt portfolio. The share repurchase is an important tool for returning capital to shareholders, helping to improve the capital allocation and hence maximizing shareholders' value.

The buy-back program complies with Brazilian capital markets regulation and it will be executed on stock exchanges at market prices through the following financial institutions:

- a) Bradesco S.A. CTVM – 72 (Matriz), Avenida Paulista, 1450 - 7º andar, São Paulo/SP, CEP: 01310-100,
- b) Itaú CV S.A. – 114 (Matriz), Avenida Brigadeiro Faria Lima, 3400 - 10º andar, São Paulo/SP, 04538-132
- c) Ágora CTVM S.A. – 39 (Matriz), Praia de Botafogo, 300 - 6º andar, Rio de Janeiro/RJ, CEP: 22250-040
- d) Fator S.A. CV – 131 (Matriz), Rua Doutor Renato Paes de Barros, 1017 - 11º e 12º andares, São Paulo/SP, CEP: 04530-001
- e) Credit Suisse Brasil S.A. CTVM – 45 (Matriz), Avenida Brigadeiro Faria Lima 3064, 13º andar, São Paulo/SP, CEP: 01451-000
- f) Santander CCVM S.A. – 27 (Matriz), Avenida Presidente Juscelino Kubitschek, 2041, 2235 - 24º andar, São Paulo/SP, CEP: 04543-011
- g) J. P. Morgan CCVM S.A. – 16 (Matriz), Avenida Brigadeiro Faria Lima 3729, 13º andar, São Paulo/SP, CEP: 04538-905

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

Christian Perlingiere: christian.perlingiere@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

This press release may include statements that present Vale's expectations about future events or results. All statements, when based upon expectations about the future and not on historical facts, involve various risks and uncertainties. Vale cannot guarantee that such statements will prove correct. These risks and uncertainties include factors related to the following: (a) the countries where we operate, especially Brazil and Canada; (b) the global economy; (c) the capital markets; (d) the mining and metals prices and their dependence on global industrial production, which is cyclical by nature; and (e) global competition in the markets in which Vale operates. To obtain further information on factors that may lead to results different from those forecast by Vale, please consult the reports Vale files with the U.S. Securities and Exchange Commission (SEC), the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and The Stock Exchange of



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Hong Kong Limited, and in particular the factors discussed under "Forward-Looking Statements" and "Risk Factors" in Vale's annual report on Form 20-F.