Vale declares force majeure on iron ore shipments

Rio de Janeiro, January 11, 2012 – Vale S.A. (Vale) informs that it is declaring force majeure (FM) on a number of its iron ore sales contracts effective from today, January 11, 2012. We are communicating with customers as required under our agreements with them.

High rainfall since mid-December 2011 and continuing over the last few days in the Brazilian states of Minas Gerais, Rio de Janeiro and Espírito Santo has created serious challenges to the operations of our Southeastern and Southern Systems. Several areas of these states are flooded and local governments have declared a state of emergency in a number of municipalities.

So far, we estimate a loss of 2 million metric tons in iron ore shipments.

We will disclose further information related to the evolution of these events until the situation has been normalized.