



Vale to sell fertilizers asset

Rio de Janeiro, December 18, 2012 – Vale S.A. (Vale) informs that it has signed with Petróleo Brasileiro S.A (Petrobras) an agreement to sell Araucária, operation for production of nitrogens, located in Araucária, in the Brazilian state of Paraná, for US\$ 234 million. The purchase price will be paid by Petrobras through installments accrued quarterly, adjusted by 100% of the Brazilian interbank interest rate (CDI), in amounts equivalent to the royalties due by Vale related to the leasing of potash assets and mining rights of Taquari-Vassouras and of the Carnalita project.

The sale is subject to the fulfillment of precedent conditions, including the approval by the *Conselho Administrativo de Defesa Econômica* (CADE), the Brazilian anti-trust authority.

Araucária has annual production capacity of approximately 1.1 million tons of ammonia and urea.

The divestment of assets such as Araucária, which does not have synergies with the rest of our portfolio, is consistent with our efforts to improve capital allocation and resources to generate additional funding for investments in priority projects with high potential for value creation. The sale of Araucária also contributes to an annual reduction of investments in sustaining operations of approximately US\$ 50 million.

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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 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.