



Press Release

Vale on royalties

Rio de Janeiro, July 19, 2012 – Vale S.A. (Vale) informs that the working group composed by representatives of Vale and the *Departamento Nacional da Produção Mineral* (DNPM) – the Brazilian regulatory agency for mining - completed the analysis of the documentation related to the basis of calculation of the assessments that question the payment of mining royalties – CFEM by Vale.

There is no definition as to specific values relating to issues of the merits discussed. The intention of the working group is to reach an agreement between the parties in the short term. This agreement will come from ongoing discussions from Vale and the Brazilian authorities.

Vale will make public an agreement with the government, immediately after its conclusion.

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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.