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Vale S.A.

(incorporated in Brazil as a Sociedade por Ações)

(Stock code: 6210 for Common Depositary Receipts)

(Stock code: 6230 for Class A Preferred Depositary Receipts)

ANNOUNCEMENT

DISTRIBUTABLE AMOUNT

Reference is made to the announcements of Vale S.A. (the “**Company**”) dated 27 April 2016, 29 April 2016 and 24 May 2016 in relation to the Proposal (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements, unless otherwise provided herein.

The HDR Depositary has sold the Shares deposited with it represented by the HDRs that remained outstanding following Monday, 4 July 2016 in the open market through BM&FBOVESPA and is holding the net proceeds of such sale (as long as it may lawfully do so), without liability for interest, on trust for the HDR Holders recorded on the HDR Register on Monday, 4 July 2016. The HDR Depositary will thereafter make a distribution representing such net proceeds on a *pro rata* basis to the relevant HDR Holders.

The total net proceeds from the sale of all the Shares deposited with the HDR Depositary represented by the HDRs that remained outstanding following Monday, 4 July 2016 is 15,928,176.10 Reais, which is equivalent to HK\$37,548,741.40*. The amounts of 14,868,998.94 Reais and 1,059,177.16 Reais, which are equivalent to HK\$35,051,859.83* and HK\$2,496,881.57*, of such total net proceeds were attributable to the Common Shares and Class A Preferred Shares represented by the HDRs, respectively. The total number of HDRs that remained outstanding immediately prior to such sale was 995,915, of which 914,950 were HDRs representing Common Shares and 80,965 were HDRs representing Class A Preferred Shares. A cancellation fee of HK\$0.40 per HDR, which is equivalent to 0.169680 Reais* per HDR is deducted by the HDR Depositary from the distributable amount

per outstanding HDR payable to the HDR Holders. As such, the distributable amount per outstanding HDR is 16.0814 Reais per HDR representing each Common Share and 12.9122 Reais per HDR representing each Class A Preferred Share, respectively, which is equivalent to HK\$37.9101* per HDR representing each Common Share and HK\$30.4390* per HDR representing each Class A Preferred Share, respectively. The HDR Holders are expected to be paid their distributable amounts on or before Tuesday, 26 July 2016.

The withdrawal of listing of the HDRs from the Stock Exchange will become effective at 9:00 a.m. (Hong Kong time) on Thursday, 28 July 2016. HDR Holders, holders of other securities of the Company and/or potential investors will be notified by way of an announcement of such withdrawal on the Stock Exchange.

**Chief Financial
and
Investor Relations Officer
of
Vale S.A.**
Luciano Siani Pires

Hong Kong, 19 July 2016

* Based on the Real / Hong Kong dollar exchange rate of 0.4242.