

Vale S.A.
Form 6-K
June 02, 2010

Table of Contents

**United States
Securities and Exchange Commission
Washington, D.C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the
Securities Exchange Act of 1934
For the month of
June 2010
Vale S.A.**

Avenida Graça Aranha, No. 26
20030-900 Rio de Janeiro, RJ, Brazil
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-__.)

TABLE OF CONTENTS

Press Release
Signature Page

Table of Contents

Vale increases stake in Belvedere

Rio de Janeiro, June 1, 2010 Vale S.A. (Vale) informs that it has acquired an additional 24.5% stake in the Belvedere coal project (Belvedere) for US\$92 million from AMCI Investments Pty Ltd (AMCI). As an outcome of this transaction, Vale increased its participation in Belvedere to 75.5% from 51.0%.

Belvedere is an underground coal project, in the southern Bowen Basin region, near the city of Moura, in the state of Queensland, Australia. According to our preliminary estimates, once it is fully developed Belvedere has the potential to reach in the future a production capacity up to 7.0 million metric tons per year of coking coal.

The price for this transaction was settled before the announcement by Australian government of the project to create the Resource Super Profits Tax to be imposed on mining companies.

Investment in the coal business is an important part of Vale's growth strategy. Vale has coal operating assets and a portfolio of exploration projects in Australia and Colombia, and minority interests in two joint ventures in China. Vale is also developing the Moatize project in Mozambique and has mineral exploration initiatives in several other countries.

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This press release may include declarations about Vale's expectations regarding future events or results. All declarations based upon future expectations, rather than historical facts, are subject to various risks and uncertainties. Vale cannot guarantee that such declarations will prove to be correct. These risks and uncertainties include factors related to the following: (a) the countries where Vale operates, mainly Brazil and Canada; (b) the global economy; (c) capital markets; (d) the mining and metals businesses and their dependence upon global industrial production, which is cyclical by nature; and (e) the high degree of global competition in the markets in which Vale operates. To obtain further information on factors that may give rise to results different from those forecast by Vale, please consult the reports filed with the Brazilian Comissão de Valores Mobiliários (CVM), the French Autorité des Marchés Financiers (AMF), and with the U.S. Securities and Exchange Commission (SEC), including Vale's most recent Annual Report on Form 20F and its reports on Form 6K.

Table of Contents

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Vale S.A.
(Registrant)

Date: June 1, 2010

By: /s/ Roberto Castello Branco
Roberto Castello Branco
Director of Investor Relations