

VALE OVERSEAS LIMITED

A Wholly-Owned Subsidiary of

VALE S.A.

(incorporated in the Federative Republic of Brazil)

OFFER TO PURCHASE FOR CASH

UP TO US\$750,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF ITS 4.625% GUARANTEED NOTES DUE 2020

THE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON SEPTEMBER 27, 2017 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED IN THE COMPANY'S SOLE DISCRETION, THE "EXPIRATION DATE"). TO BE ELIGIBLE TO RECEIVE THE TOTAL CONSIDERATION (AS DEFINED HEREIN), HOLDERS MUST VALIDLY TENDER AND NOT VALIDLY WITHDRAW THEIR NOTES ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, ON SEPTEMBER 13, 2017 (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED IN THE COMPANY'S SOLE DISCRETION, THE "EARLY TENDER DATE"). HOLDERS VALIDLY TENDERING THEIR NOTES AFTER THE EARLY TENDER DATE AND ON OR PRIOR TO THE EXPIRATION DATE WILL ONLY BE ELIGIBLE TO RECEIVE THE TENDER OFFER CONSIDERATION (AS DEFINED HEREIN), WHICH EQUALS THE TOTAL CONSIDERATION LESS THE EARLY TENDER PREMIUM. VALIDLY TENDERED NOTES MAY BE WITHDRAWN IN ACCORDANCE WITH THE TERMS OF THE OFFER ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME, SEPTEMBER 13, 2017 (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED, IN THE COMPANY'S SOLE DISCRETION, THE "WITHDRAWAL DATE").

Vale Overseas Limited ("we," "us," "our," "ours," the "Company"), a wholly-owned subsidiary of Vale S.A. ("Vale"), hereby offers to purchase for cash (the "Offer") up to an aggregate principal amount of US\$750,000,000.00 (the "Maximum Tender Amount") of its outstanding 4.625% Guaranteed Notes due 2020 (the "Notes") from each registered holder (each, a "Holder" and, collectively, the "Holders"), upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, this "Offer to Purchase") for the consideration displayed below and described herein. Holders whose Notes are accepted for payment pursuant to the Offer will be paid accrued and unpaid interest on the Notes ("Accrued Interest") up to, but excluding, the applicable Settlement Date (as defined below). For the avoidance of doubt, we will not pay Accrued Interest for any periods following the applicable Settlement Date in respect of any Notes accepted in the Offer.

Title of Security	CUSIP / ISIN Nos.	Outstanding Principal Amount of Notes	Maximum Tender Amount	Tender Offer Consideration*	Early Tender Premium*	Total Consideration*
4.625% Guaranteed Notes due 2020	CUSIP: 91911TAL7 ISIN: US91911TAL70	US\$1,000,000,000.00	US\$750,000,000.00	US\$1,037.50	US\$30.00	US\$1,067.50

* The amount to be paid for each US\$1,000.00 principal amount of Notes validly tendered and accepted for purchase, excluding accrued and unpaid interest on the Notes.

The Dealer Managers for the Offer are:

Citigroup

Credit Agricole CIB

RBC Capital Markets

Scotiabank

August 28, 2017

Holders should take note of the following dates in connection with the Offer:

Date	Calendar Date	Event
Launch Date.....	August 28, 2017	Commencement of the Offer.
Early Tender Date.....	5:00 p.m., New York City time, on September 13, 2017, unless extended by the Company in its sole discretion.	The last day and time for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Total Consideration and Accrued Interest. Each Holder that validly tenders its Notes prior to the Early Tender Date and does not withdraw such Notes on or prior to the Withdrawal Date will be eligible to receive the Total Consideration and Accrued Interest.
Withdrawal Date.....	5:00 p.m., New York City time, on September 13, 2017, unless extended by the Company in its sole discretion.	The last day and time to validly withdraw tendered Notes pursuant to the Offer. A valid withdrawal of Notes on or prior to the Withdrawal Date will result in the Holder not being eligible to receive either the Total Consideration or the Tender Offer Consideration.
Early Acceptance Date....	If the Company elects to exercise the Early Settlement Right, a date following the Early Tender Date and prior to the Expiration Date, expected to be the first Business Day following the Early Tender Date.	The date that the Company accepts for purchase all Notes validly tendered at or prior to the Early Tender Date pursuant to the applicable Offer, provided that all conditions of the applicable Offer have been satisfied or, where applicable, waived by the Company.
Early Settlement Date.....	Promptly after the acceptance by the Company for purchase of the Notes validly tendered before the Early Tender Date and not withdrawn on or prior to the Withdrawal Date, upon satisfaction (or waiver by the Company) of each and all of the conditions set forth in this Offer to Purchase. The Company expects that the Early Settlement Date will be within three business days following the Early Tender Date, which will be September 18, 2017, unless the Early Tender Date is extended by the Company in its sole discretion.	The date on which payment of the Total Consideration and Accrued Interest for all Notes validly tendered on or prior to the Early Tender Date and not validly withdrawn on or prior to the Withdrawal Date.
Expiration Date.....	11:59 p.m., New York City time, September 27, 2017, unless extended by the Company in its sole discretion.	The last day and time for Holders to tender Notes pursuant to the Offer in order to be eligible to receive the Tender Offer Consideration and Accrued Interest.
Final Settlement Date.....	Promptly after the acceptance by the Company for purchase of the Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date, upon satisfaction (or waiver by the Company) of each and all of the conditions set forth in this Offer to Purchase. The Company	The date on which payment of the Tender Offer Consideration and Accrued Interest for all Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date will occur.

expects that the Final Settlement Date will be within two business days following the Expiration Date, which will be September 29, 2017, unless the Expiration Date is extended by the Company in its sole discretion.

Please note the above dates and times relating to the Offer are indicative only and are subject to change. See “The Offer—Early Tender Date; Expiration Date; Extensions; Amendments; Termination.”

holders are advised to check with the broker, dealer, bank, custodian, trust company, or other nominee through which they hold their Notes as to the deadlines by which such intermediary would require receipt of instructions from holders to participate in the Offer in accordance with the terms and conditions of the Offer as described in this Offer to Purchase in order to meet the deadlines set out above. The deadlines set by The Depository Trust Company (“DTC”) or any such intermediary for the submission of tenders of Notes may be earlier than the relevant deadlines specified above.

IMPORTANT INFORMATION REGARDING THE OFFER

This Offer to Purchase contains important information, and you should read it in its entirety before you make any decision with respect to the Offer.

Tendered Notes may be withdrawn at any time at or prior to the Withdrawal Date but may not be validly withdrawn after such time. If the Offer is terminated or otherwise not completed, we will promptly return all tendered Notes to the tendering Holders thereof.

Following the Early Tender Date and prior to the Expiration Date, we may, but are not required to, elect to accept the Notes validly tendered at or prior to the Early Tender Date (the “Early Settlement Right”), provided that all conditions set forth in this Offer to Purchase have been satisfied or waived by us (the date of such acceptance, the “Early Acceptance Date”). Notes accepted on an Early Acceptance Date will be settled promptly thereafter (the “Early Settlement Date”). The “Final Settlement Date” is the date that we settle all Notes not previously settled on the Early Settlement Date, if any, and we expect such date to be promptly following the Expiration Date. We refer to each of the Early Settlement Date and the Final Settlement Date as a “Settlement Date.” If we determine, in our sole discretion, to extend the Offer beyond the Expiration Date, we will have a new Settlement Date with respect to Notes validly tendered on or prior to the Expiration Date. During any extension of the Offer, all Notes previously tendered and not accepted for purchase pursuant to the Offer will remain subject to the Offer and may, subject to the terms and conditions of the Offer, be accepted for purchase by us.

Our obligation to accept for payment, and to pay the applicable Total Consideration or the Tender Offer Consideration, as set forth on the table on the cover of this Offer to Purchase, and Accrued Interest, for Notes validly tendered and not validly withdrawn pursuant to the Offer are subject to, and conditioned upon, the satisfaction or our waiver of the conditions set forth in this Offer to Purchase.

If any Notes are purchased in the Offer, Notes validly tendered (and not validly withdrawn) on or prior to the Early Tender Date will be accepted for purchase in priority to other Notes validly tendered in the Offer after the Early Tender Date. **Accordingly, if the Maximum Tender Amount is reached in respect of tenders made on or prior to the Early Tender Date, no Notes that are validly tendered after the Early Tender Date will be accepted for purchase, and any Notes tendered on or prior to the Early Tender Date and accepted for purchase on the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised) will be accepted on a prorated basis such that we purchase an aggregate principal amount of Notes equal to the Maximum Tender Amount.**

If the Offer is not oversubscribed at the Early Tender Date and the purchase of all Notes validly tendered in the Offer on or prior to the Expiration Date would cause us to purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount, then the Offer will be oversubscribed at the Expiration Date and we will (assuming satisfaction or, where applicable, the waiver of the conditions set forth in this Offer to Purchase) accept for purchase such tendered Notes as follows:

- first, promptly after the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised), we will accept for purchase all Notes validly tendered on or prior to the Early Tender Date; and
- second, promptly after the Expiration Date, we will accept for purchase all Notes validly tendered after the Early Tender Date and on or prior to the Expiration Date on a prorated basis such that we purchase an aggregate amount of Notes equal to the Maximum Tender Amount.

All Notes not accepted as a result of proration will be rejected from such Offer and returned to the tendering holder.

To ensure the return of Notes in minimum principal amounts of US\$2,000.00 and integral multiples of US\$1,000.00 in excess thereof, if necessary, we will make appropriate adjustments downward to the nearest US\$1,000.00 principal amount, or if applicable, the minimum denomination of US\$2,000.00, with respect to each

Holder validly tendering Notes. Any tender of Notes, the proration of which would otherwise result in a return of Notes to a tendering Holder in a principal amount below the minimum denomination of US\$2,000.00, may be rejected in full or accepted in full in our sole discretion. Holders who tender less than all their Notes must continue to hold Notes in minimum principal amounts of US\$2,000.00 and integral multiples of US\$1,000.00 above US\$2,000.00 (such minimum denominations, “Authorized Denominations”).

From time to time after the Expiration Date or termination of the Offer, we may acquire any Notes that are not purchased pursuant to the Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine, which may be more or less than the price to be paid pursuant to the Offer and could be for cash or other consideration. We may also exercise our right to redeem any Notes not purchased in the Offer and that remain outstanding after the Expiration Date pursuant to an amended and restated indenture dated as of November 21, 2006 (the “Base Indenture”), between the Company, Vale and The Bank of New York Mellon, as trustee (the “Trustee”), as supplemented and modified by the eleventh supplemental indenture dated as of September 15, 2010, among the Company, Vale and the Trustee (the Base Indenture, as so supplemented and modified, the “Indenture”). Although we may redeem the Notes that are not tendered and accepted in the Offer, we are not required to do so, and there can be no assurance we will do so. No statement in this Offer to Purchase shall constitute a notice of redemption under the Indenture. Any such notice, if made, will only be made in accordance with the provisions of the Indenture.

We expressly reserve the right, subject to applicable law, to (1) terminate the Offer prior to the Expiration Date and not accept for payment any Notes not theretofore accepted for payment pursuant to the Offer for any reason, (2) waive any and all of the conditions of the Offer, (3) extend the Early Tender Date, the Withdrawal Date, the Expiration Date or any Settlement Date and (4) otherwise amend the terms of the Offer in any respect. The foregoing rights are in addition to the right to delay acceptance for payment of Notes validly tendered pursuant to the Offer or the payment of Notes accepted for payment pursuant to the Offer in order to comply with any applicable law, subject to Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which requires that we pay the consideration offered or return the Notes deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of the Offer, as applicable.

All of the Notes are held in book-entry form through the facilities of DTC. Unless the context otherwise requires, all references herein to Holders include each person who is shown on the records of DTC as a holder of Notes (each, a “Holder”). In the event of a termination of, or withdrawal of Notes from, the Offer, the Notes will be credited to the tendering Holder through DTC. Because only registered holders of Notes may tender Notes, beneficial owners of Notes must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Notes on their behalf to tender Notes on such beneficial owners’ behalf. DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders.

We may exercise our right to redeem any Notes not purchased in the Offer and that remain outstanding after the Expiration Date pursuant to the Indenture. In the event we do not exercise our right to redeem the Notes, we may, from time to time after the Expiration Date, purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we will choose to pursue in the future. Any future purchases of Notes may be on the same terms or on terms that are more or less favorable to Holders than the terms of the Offer. Any future purchases by us will depend on various factors existing at that time.

Although we may redeem the Notes that are not tendered and accepted in the Offer, we are not required to do so, and there can be no assurance we will do so. No statement in this Offer to Purchase shall constitute a notice of redemption under the Indenture. Any such notice, if made, will only be made in accordance with the provisions of the Indenture.

See “The Offer—Certain Significant Consequences to Holders” and “Certain Tax Consequences” for a discussion of certain factors that should be considered in evaluating the Offer.

No dealer, salesperson or other person is authorized to give any information or to make any representations with respect to the matters described in this Offer to Purchase other than information or representations contained in

this Offer to Purchase and, if given or made, such information or representation must not be relied upon as having been authorized by us, the Dealer Managers, the Trustee or the Depositary and Information Agent (as defined below).

NONE OF THE COMPANY, VALE, THE DEALER MANAGERS, THE TRUSTEE OR THE DEPOSITARY AND INFORMATION AGENT IS MAKING ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD TENDER NOTES IN RESPONSE TO THE OFFER. EACH HOLDER MUST MAKE HIS, HER OR ITS OWN DECISION AS TO WHETHER TO TENDER NOTES AND, IF SO, AS TO THE PRINCIPAL AMOUNT OF NOTES TO TENDER.

THIS OFFER TO PURCHASE AND THE RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO BUY OR THE SOLICITATION OF AN OFFER TO SELL NOTES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. IN THOSE JURISDICTIONS WHERE THE SECURITIES, BLUE SKY OR OTHER LAWS REQUIRE THE OFFER TO BE MADE BY A LICENSED BROKER OR DEALER, THE OFFER SHALL BE DEEMED TO BE MADE ON BEHALF OF US BY THE DEALER MANAGERS OR ONE OR MORE REGISTERED BROKERS OR DEALERS LICENSED UNDER THE LAWS OF SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFER TO PURCHASE NOR ANY PURCHASE OF NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY INFERENCE THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE HEREOF, OR THAT THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THEREOF, RESPECTIVELY.

THIS OFFER TO PURCHASE HAS NOT BEEN FILED WITH OR REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE OR ANY OF THE ACCOMPANYING ANCILLARY DOCUMENTS DELIVERED HERewith. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

NONE OF THE DEALER MANAGERS, THE DEPOSITARY AND INFORMATION AGENT NOR ANY OF THEIR RESPECTIVE DIRECTORS, EMPLOYEES OR AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONCERNING THE OFFER, THE COMPANY OR ANY OF ITS AFFILIATES CONTAINED IN THIS OFFER TO PURCHASE OR FOR ANY FAILURE BY THE COMPANY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Offer and the Company) and each Holder must make its own decision as to whether accept the Offer or not. None of the Company, Vale, the Trustee, the Depositary and Information Agent, the Dealer Managers or any of their respective affiliates, directors, officers, agents, attorneys or employees makes any recommendation as to whether Holders should tender, or refrain from tendering all or any portion of the principal amount of their Notes pursuant to the Offer. Holders must make their own decisions with regard to tendering Notes and no one has been authorized by any of them to make such a recommendation.

Holders should consult their own tax, accounting, financial and legal advisors regarding the suitability to themselves of the tax or accounting consequences of participating in the Offer. None of the Company, Vale, the Trustee, the Depositary and Information Agent, the Dealer Managers or any of their respective affiliates, directors, officers, agents, attorneys or employees has made or will make any assessment of the merits of the Offer or of the impact of the Offer on the interests of Holders either as a class or as individuals. Holders are liable for their own taxes and have no recourse to the Company, Vale, the Trustee, the Depositary and Information Agent, the Dealer Managers or any of their respective affiliates, directors, officers, agents, attorneys or employees with respect to taxes arising in connection with the Offer.

Questions about the Offer may be directed to Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., RBC Capital Markets, LLC and Scotia Capital (USA) Inc., which are serving as the dealer managers in connection

with the Offer (the “Dealer Managers”), at their addresses and telephone numbers set forth on the back cover of this Offer to Purchase.

Questions regarding the procedures for tendering Notes and requests for additional copies of this Offer to Purchase and any of the accompanying ancillary documents or any document incorporated herein by reference may be directed to Global Bondholder Services Corporation, the depositary and information agent with respect to the Offer (in such respective capacities, the “Depositary” and the “Information Agent” and together, the “Depositary and Information Agent”), at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase may be directed to your broker, dealer, commercial bank or trust company.

We will make announcements with respect to the Offer by providing a press release to be distributed through DTC for communication to persons who are shown in the records of DTC as Holder of the Notes. Announcements with respect to the Offer may also be obtained upon request from the Information Agent, the contact details for which are on the last page of this Offer to Purchase. Significant delays may be experienced where notices are delivered to DTC and beneficial owners of Notes are urged to contact the Information Agent for the relevant announcements during the course of the Offer. In addition, beneficial owners may contact the Dealer Managers for information using the contact details on the last page of this Offer to Purchase.

Notwithstanding any other provision of the Offer to Purchase, our obligation to accept for purchase, and to pay the Tender Offer Consideration or Total Consideration (each as defined below) for the Notes validly tendered pursuant to the Offer is subject to, and conditioned upon, the satisfaction or, where applicable, our waiver of the conditions set forth in this Offer to Purchase. We reserve the right, in our sole discretion, to waive any one or more of the conditions at any time. See “The Offer—Conditions of the Offer.”

Because only registered holders of Notes may tender Notes, beneficial owners of Notes must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Notes on their behalf to tender Notes on such beneficial owners’ behalf. Beneficial owners of Notes are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a beneficial owner of Notes in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Offer by the deadlines specified in this Offer to Purchase. The deadlines set by any such intermediary and DTC for the submission and withdrawal of tender instructions will likely be earlier than the relevant deadlines specified in this Offer to Purchase.

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to the Dealer Managers, the Depositary and Information Agent, or the Trustee or us or to pay transfer taxes with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such nominee for tendering Notes on such beneficial owners’ behalf. We will pay all other charges and expenses in connection with the Offer.

We do not intend to permit tenders of Notes by guaranteed delivery procedures.

This Offer to Purchase contains important information that Holders are urged to read before any decision is made with respect to the Offer.

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SUMMARY

We are providing this summary for your convenience. It highlights certain material information in this Offer to Purchase, but does not describe all of the details of the Offer to the same extent described in this Offer to Purchase. The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Offer to Purchase and the accompanying ancillary documents. You are urged to read this Offer to Purchase and the accompanying ancillary documents in their entirety because they contain the full details of the Offer.

The Company	Vale Overseas Limited.
The Guarantor.....	Vale S.A.
The Notes	The 4.625% Guaranteed Notes due 2020 issued by the Company and guaranteed by Vale under the Indenture. As of the date hereof, the aggregate principal amount of the Notes outstanding is US\$1,000,000,000.00.
The Offer.....	The Company is offering to purchase for cash its outstanding Notes up to the Maximum Tender Amount, upon the terms and subject to the conditions set forth in this Offer to Purchase and for the consideration described in this Offer to Purchase. The Company expressly reserves its right, but it is not required, to increase the Maximum Tender Amount in its sole discretion, without extending the Withdrawal Date, the Early Tender Date, the Expiration Date or any Settlement Date or otherwise reinstating withdrawal rights.
Maximum Tender Amount.....	The aggregate principal amount of the Notes tendered and accepted for purchase pursuant to this Offer will not exceed US\$750,000,000.00, as the same may be increased in the Company's sole discretion.
Launch Date	August 28, 2017.
Early Tender Date	5:00 p.m., New York City time, on September 13, 2017, unless extended by the Company in its sole discretion.
Withdrawal Date.....	5:00 p.m., New York City time, on September 13, 2017, unless extended by the Company in its sole discretion.
Expiration Date.....	11:59 p.m., New York City time, on September 27, 2017, unless extended by the Company in its sole discretion.
Early Acceptance Date	The date on which the Company accepts for purchase all Notes validly tendered at or prior to the Early Tender Date, assuming that the Company exercises the Early Settlement Right and all conditions of the Offer have been satisfied, or where applicable, waived by the Company.
Early Settlement Date.....	Promptly after the acceptance by the Company for purchase of the Notes validly tendered before the Early Tender Date and not withdrawn on or prior to the Withdrawal Date, upon satisfaction (or waiver by the Company) of each and all of the conditions set forth in this Offer to Purchase. The Company expects that the Early Settlement Date will be within three business days following the Early Tender Date, which will be September 18, 2017, unless the Early Tender Date is extended by the Company in its sole discretion.
Final Settlement Date	Promptly after the acceptance by the Company for purchase of the Notes validly tendered after the Early Tender Date but on or prior to the Expiration Date, upon satisfaction (or waiver by the Company) of each and all of the conditions set forth in this Offer to Purchase. The Company expects that the

Final Settlement Date will be within two business days following the Expiration Date, which will be September 29, 2017, unless the Expiration Date is extended by the Company in its sole discretion.

Business Day	Any day, other than Saturday, Sunday or a federal holiday in the United States, and shall consist of the time period from 12:00 a.m. through 11:59 p.m. Eastern time.
Total Consideration and Early Tender Premium	Holders who validly tender their Notes on or prior to the Early Tender Date and do not validly withdraw on or prior to the Withdrawal Date will be eligible to receive the Total Consideration of US\$1,067.50 per US\$1,000.00 per principal amount of Notes tendered. The Total Consideration includes an Early Tender Premium of US\$30.00 per US\$1,000.00 principal amount of Notes validly tendered on the Early Tender Date and not validly withdrawn on or prior to the Withdrawal Date.
Tender Offer Consideration.....	Holders who validly tender their Notes after the Early Tender Date but on or prior to the Expiration Date will be eligible to receive the Tender Offer Consideration of US\$1,037.50 per US\$1,000.00 per principal amount of Notes tendered.
Accrued Interest	Holders whose Notes are accepted for purchase shall receive accrued and unpaid interest from, and including, the last interest payment date to, but not including, the applicable Settlement Date, payable on the applicable Settlement Date.
Conditions to the Offer.....	Consummation of the Offer is conditioned upon satisfaction of each and all of the conditions set forth in this Offer to Purchase. The Company reserves the right to waive any and all conditions to the Offer on or prior to the Early Tender Date or the Expiration Date. See “The Offer—Conditions of the Offer.”
Acceptance Proration.....	If the Maximum Tender Amount is reached in respect of tenders made on or prior to the Early Tender Date, no Notes that are validly tendered after the Early Tender Date will be accepted for purchase, and any Notes validly tendered on or prior to the Early Tender Date and accepted for purchase on the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised) will be accepted on a prorated basis such that we purchase an aggregate principal amount of Notes equal to the Maximum Tender Amount.

If the Offer is not oversubscribed at the Early Tender Date and the purchase of all Notes validly tendered in the Offer on or prior to the Expiration Date would cause the Company to purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount, then the Offer will be oversubscribed at the Expiration Date and the Company will (assuming satisfaction or, where applicable, the waiver of the conditions set forth in this Offer to Purchase) accept for purchase such tendered Notes as follows:

- first, promptly after the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised), the Company will accept for purchase all Notes validly tendered on or prior to the Early Tender Date; and

- second, promptly after the Expiration Date, the Company will accept for purchase all Notes validly tendered after the Early Tender Date and on or prior to the Expiration Date on a prorated basis such that we purchase an aggregate principal amount of Notes equal to the Maximum Tender Amount.

All Notes not accepted as a result of prorating will be rejected from such Offer and returned to the tendering holder.

Withdrawal Rights..... Notes validly tendered by Holders on or prior to the Withdrawal Date may be validly withdrawn at any time up until the Withdrawal Date, but not after such date.

A valid withdrawal of Notes will result in the Holder not being eligible to receive the Total Consideration, the Tender Offer Consideration or any Accrued Interest. Notes tendered after the Withdrawal Date may not be validly withdrawn or revoked, except as required by applicable law. A valid withdrawal of tendered Notes on or prior to the Withdrawal Date shall be deemed a valid revocation of the tender of the applicable Notes. In addition, Notes validly tendered pursuant to the Offer may be validly withdrawn if the Offer is terminated without any Notes being purchased. In the event of a termination of the Offer, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders or credited to the Holder's account without further compensation of any sort.

Procedures for Tendering Notes Any Holder desiring to tender Notes pursuant to the Offer should contact its Custodian if such beneficial owner desires to tender Notes. Only registered Holders of Notes are entitled to tender Notes. Any holder of Notes who holds Notes through Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream, Luxembourg") or Euroclear Bank S.A./N.V. ("Euroclear") must also comply with the applicable procedures of Clearstream, Luxembourg or Euroclear, as applicable, in connection with a tender of Notes. Both Clearstream, Luxembourg and Euroclear are indirect participants in the DTC system. See "The Offer—Procedures for Tendering Notes."

There is no letter of transmittal for the Offer to Purchase.

Certain Tax Consequences For a discussion of certain tax considerations of the Offer applicable to Holders, see "Certain Tax Consequences."

Dealer Managers..... Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., RBC Capital Markets, LLC and Scotia Capital (USA) Inc.

Depository and Information Agent Global Bondholder Services Corporation

Additional Documentation; Further Information; Assistance..... Any questions or requests for assistance concerning the Offer may be directed to the Dealer Managers at the respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additionally, requests for additional copies of this Offer to Purchase may be directed to the Information Agent at the address and telephone number set forth on the back cover of this Offer to Purchase. Requests for copies of the Indenture may be directed to the Trustee. Beneficial owners may also contact their custodians for assistance concerning the Offer.

INFORMATION ABOUT THE COMPANY AND VALE

Overview

The Company

The Company, Vale Overseas Limited, is a finance company wholly owned by Vale. Vale Overseas' business is to issue debt securities to finance Vale's activities. Vale Overseas was incorporated as a Cayman Islands exempted company with limited liability on April 3, 2001.

Vale

Vale is one of the largest metals and mining companies in the world, based on market capitalization. Vale is the world's largest producer of iron ore and iron ore pellets and the world's largest producer of nickel. Vale also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals (PGMs), gold, silver and cobalt. Vale is engaged in greenfield mineral exploration in six countries around the globe. Vale operates large logistics systems in Brazil and other regions of the world, including railroads, maritime terminals and ports, which are integrated with our mining operations. In addition, Vale has a portfolio of maritime freight assets, a floating transfer station and distribution centers to support the delivery of iron ore worldwide. Directly and through affiliates and joint ventures, Vale also has investments in energy and steel businesses.

Vale's principal executive offices are located at Avenida das Américas, 700 – bloco 8 – loja 318 – Barra da Tijuca, Rio de Janeiro, RJ, Brazil, and our telephone number is +55-21-3485-5000.

Available Information

Vale files annual and current reports and other information with the SEC. Vale's SEC filings are available to the public from the SEC's web site at <http://www.sec.gov>. You may also read and copy any document Vale files at the SEC's public reference room located at 100 F Street N.E., Room 1580, Washington, D.C. 20549 or obtain copies of any document Vale files at prescribed rates by writing to the Public Reference Section of the SEC at that address. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Information about Vale, including Vale's SEC filings, is also available on our web site at <http://www.vale.com/>. The information on or linked to/from Vale's web site is not part of, and is not incorporated by reference into, this Offer to Purchase. Reference to Vale's web site is made as an inactive textual reference and is not intended to be an active link to Vale's website. You may also inspect reports and other information about Vale at the office of the New York Stock Exchange (the "NYSE"). For further information on obtaining copies of our public filings at the NYSE, you should call 212-656-2000.

Documents Incorporated by Reference

The SEC allows us to "incorporate by reference" in this Offer to Purchase the information in other documents that Vale files with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offer to Purchase, and information in documents that Vale files with the SEC after the date of this Offer to Purchase will automatically update and supersede this information. We incorporate by reference in this Offer to Purchase the documents listed below and any future filings that Vale may make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this Offer to Purchase and prior to the expiration or termination of the Offer (in each case, except as specifically included below, other than information that is deemed, under SEC rules, not to have been filed):

- Vale's current report on Form 6-K furnished to the SEC on the date hereof announcing the make-whole redemption by the Company of its 5.625% guaranteed notes due 2019 and the Offer.
- Vale's current report on Form 6-K furnished to the SEC on August 25, 2017 (SEC Accession No: 0001104659-17-053481) announcing that Vale's board of directors approved to submit to its shareholders the proposal for mandatory conversion of the remaining preferred shares of Vale into common shares.
- Vale's current report on Form 6-K furnished to the SEC on August 18, 2017 (SEC Accession No: 0001654954-17-007759) announcing that Vale's executive officers will recommend to the board of directors a proposal for mandatory conversion of the remaining preferred shares of Vale into common shares.

- Vale's current report on Form 6-K furnished to the SEC on August 15, 2017 (SEC Accession No: 0001104659-17-051962) containing Vale's Bylaws.
- Vale's current report on Form 6-K furnished to the SEC on August 15, 2017 (SEC Accession No: 0001104659-17-051910) containing Vale's Shareholders' Agreement.
- Vale's current report on Form 6-K furnished to the SEC on August 15, 2017 (SEC Accession No: 0001104659-17-051890) announcing conclusion of Vale's corporate restructuring.
- Vale's current report on Form 6-K furnished to the SEC on August 14, 2017 (SEC Accession No: 0001104659-17-051438) announcing the results of the voluntary conversion of Vale's preferred shares.
- Vale's current report on Form 6-K furnished to the SEC on August 9, 2017 (SEC Accession No: 0001104659-17-050752) announcing conclusion of sale of vessels to Bank of Communications Finance Leasing Co., Ltd. (Bocomm).
- Vale's current report on Form 6-K furnished to the SEC on July 31, 2017 (SEC Accession No: 0001104659-17-047844) announcing that Luiz Eduardo Fróes do Amaral Osorio was appointed executive officer responsible for Sustainability and Institutional Relations of Vale.
- Vale's current report on Form 6-K furnished to the SEC on July 28, 2017 (SEC Accession No: 0001104659-17-047487) announcing recent developments and analysis regarding the process of obtaining the necessary licenses for resumption of Samarco's operation.
- Vale's current report on Form 6-K furnished to the SEC on July 27, 2017 (SEC Accession No: 0001104659-17-047178) containing Vale's interim financial statements as of and for the six months ended June 30, 2017.
- Vale's current report on Form 6-K furnished to the SEC on July 27, 2017 (SEC Accession No: 0001104659-17-047124) announcing that Alexandre Pereira was appointed Executive Officer of Business Support of Vale.
- Vale's current report on Form 6-K furnished to the SEC on July 20, 2017 (SEC Accession No: 0001104659-17-045924) containing Vale's production report for the second quarter of 2017.
- Vale's current report on Form 6-K furnished to the SEC on July 19, 2017 (SEC Accession No: 0001104659-17-045681) informing on the suspension of the public civil claim filed by the federal prosecutors.
- Vale's current report on Form 6-K furnished to the SEC on July 10, 2017 (SEC Accession No: 0001104659-17-044137) announcing Vale's new executive board structure.
- Vale's current report on Form 6-K furnished to the SEC on June 30, 2017 (SEC Accession No: 0001104659-17-042597) informing Vale's intention to make available short-term facilities to Samarco.
- Vale's current report on Form 6-K furnished to the SEC on June 27, 2017 (SEC Accession No: 0001104659-17-041820) announcing approval of Vale's corporate restructuring proposal at the extraordinary shareholders' meeting of Vale.
- Vale's current report on Form 6-K furnished to the SEC on June 12, 2017 (SEC Accession No: 0001104659-17-038505) informing that Vale obtained a US\$2 billion revolving credit facility.
- Vale's current report on Form 6-K furnished to the SEC on May 22, 2017 (SEC Accession No: 0001104659-17-034228), announcing the appointment of Fabio Schvartsman as Vale's CEO.
- Vale's current report on Form 6-K furnished to the SEC on April 21, 2017 (SEC Accession No: 0001104659-17-025020) containing the minutes of our annual general shareholders' meeting that, among others, appoints the members of the board of directors and of the fiscal council of Vale.

- Vale's current report on Form 6-K furnished to the SEC on April 21, 2017 (SEC Accession No: 0001104659-17-024970) announcing the payment of shareholder remuneration for the year of 2016.
- Vale's annual report on Form 20-F for the year ended December 31, 2016, filed with the SEC on April 10, 2017 (SEC Accession No: 0001047469-17-002477).

You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference herein (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Vale S.A.
Avenida das Américas, 700 – Bloco 8 – 2nd Floor
22640-100 Rio de Janeiro, RJ, Brazil
Attn: Investor Relations Department
+55-21-3485-3900

The Information Agent will also provide without charge to each person to whom this Offer to Purchase is delivered upon the request of such person, a copy of any or all of these filings (other than an exhibit to a filing unless such exhibit is specifically incorporated by reference into that filing). Requests for such filings should be directed to the Information Agent at its address set forth on the back cover of this Offer to Purchase.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information included or incorporated by reference in this Offer to Purchase contains forward-looking statements. Forward-looking statements are those that address activities, events or developments that Vale or its management intend, expect, project, believe or anticipate will or may occur in the future. They are based on management's assumptions and assessments in light of past experience and trends, current conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ significantly from those envisaged by the forward-looking statements. We do not undertake to update or revise any of our forward-looking statements. These forward-looking statements are also subject to risks and uncertainties that can affect Vale's performance in both the near- and long-term. These forward-looking statements should be considered in light of the information included in this Offer to Purchase, including the information under the heading "Risk Factors" and the description of trends and other factors in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in Vale's Annual Report on Form 20-F for the year ended December 31, 2016, and in our other filings with the SEC.

THE OFFER

This Offer to Purchase contains important information, and you should read it carefully in its entirety before you make any decision with respect to the Offer.

General

The Company is offering to purchase for cash its outstanding Notes up to the Maximum Tender Amount, upon the terms and subject to the conditions set forth in this Offer to Purchase and for the consideration described in this Offer to Purchase.

Purpose of the Offer

The purpose of the Tender Offer is to retire a portion of the Notes with cash on hand in order to reduce Vale's leverage.

Source and Amount of Funds

The source of funds for the purchase of Notes in the Offer will be our cash on hand. We will not incur any indebtedness to finance the Total Consideration, the Tender Offer Consideration or Accrued Interest pursuant to the Offer.

Tender Offer Consideration and Total Consideration

Holders who validly tender their Notes on or prior to the Early Tender Date and do not validly withdraw on or prior to the Withdrawal Date will be eligible to receive the Total Consideration of US\$1,067.50 per US\$1,000.00 per principal amount of Notes tendered. The Total Consideration includes an Early Tender Premium of US\$30.00 per US\$1,000.00 principal amount of Notes validly tendered on the Early Tender Date and not validly withdrawn on or prior to the Withdrawal Date. Holders who validly tender their Notes after the Early Tender Date but on or prior to the Expiration Date will be eligible to receive the Tender Offer Consideration of US\$1,037.50 per US\$1,000.00 per principal amount of Notes tendered.

In addition to the Total Consideration or the Tender Offer Consideration, as the case may be, Holders whose Notes are accepted for payment pursuant to the Offer will be paid Accrued Interest up to, but excluding, the applicable Settlement Date. For the avoidance of doubt, we will not pay Accrued Interest for any periods following the Settlement Date applicable in respect of any Notes accepted in the Offer.

Settlement Dates

For Notes that have been validly tendered on or prior to the Early Tender Date, if we exercise the Early Settlement Right, the Early Settlement Date will be promptly following the Early Acceptance Date. Assuming that we exercise the Early Settlement Right and all conditions of the Offer have been satisfied, or where applicable, waived by us, we expect that the Early Settlement Date for the Offer will occur no later than three Business Days following the Early Tender Date.

For Notes that have been validly tendered after the Early Tender Date and on or prior to the Expiration Date (exclusive of Notes purchased on the Early Settlement Date, if any) and that are accepted for purchase, settlement will occur on the Final Settlement Date, subject to all conditions to the Offer having been satisfied or, where possible, waived by us. The Final Settlement Date for the Offer is expected to be promptly following the Expiration Date. Assuming that the Offer is not extended and all conditions of such Offer have been satisfied or, where applicable, waived by us, we expect that the Final Settlement Date will occur no later than two Business Days following the Expiration Date.

Holders whose Notes are purchased in the Offer will receive Accrued Interest, payable on the applicable Settlement Date. No tenders of Notes will be valid if submitted after the Expiration Date. In the event of termination of the Offer on or prior to the Early Acceptance Date (if applicable), the Notes tendered pursuant to the Offer prior to the Early Acceptance Date will be promptly returned to the tendering Holders. In the event of termination of the Offer after

the Early Acceptance Date (if applicable), the Notes tendered pursuant to the Offer and not purchased on the Early Settlement Date (if applicable) will be promptly returned to the tendering Holders.

The Company will calculate the Total Consideration, Tender Offer Consideration and the Accrued Interest payable to Holders whose Notes are accepted for purchase and any applicable exchange rates. Such calculations will be final and binding on all Holders whose Notes were accepted for purchase, absent manifest error. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by the Depositary or DTC. The Company will publicly announce the actual Total Consideration for the Notes subject to the Offer promptly after it is determined.

The Company will announce its acceptance of valid tenders of Notes pursuant to the Offer and the principal amounts of the Notes so accepted as soon as reasonably practicable after each of the Early Acceptance Date (if applicable) and Expiration Date; subject, in each case, to the satisfaction or waiver of the conditions described in this Offer to Purchase.

Maximum Tender Amount; Proration

The Company is offering to purchase for cash its outstanding Notes up to the Maximum Tender Amount, upon the terms and subject to the conditions set forth in this Offer to Purchase and for the consideration described in this Offer to Purchase.

If the purchase of all Notes validly tendered on or prior to the Early Tender Date would cause the Company to purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount, then the Offer will be oversubscribed at the Early Tender Date. **Accordingly, the Company will not accept for purchase any Notes after the Early Tender Date and the Company will (assuming satisfaction or, where applicable, the waiver of the conditions to the Offer) accept for purchase on the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised), the Notes tendered on or prior to the Early Tender Date on a prorated basis such that the Company purchase an aggregate principal amount of Notes equal to the Maximum Tender Amount.**

If the Offer is not oversubscribed at the Early Tender Date and the purchase of all Notes validly tendered in the Offer on or prior to the Expiration Date would cause the Company to purchase an aggregate principal amount of Notes in excess of the Maximum Tender Amount, then the Offer will be oversubscribed at the Expiration Date and the Company will (assuming satisfaction or, where applicable, the waiver of the conditions to the Offer) accept for purchase such tendered Notes as follows:

- first, on the Early Acceptance Date (or the Expiration Date, if the Early Settlement Right is not exercised), the Company will accept for purchase all Notes validly tendered on or prior to the Early Tender Date; and
- second, promptly after the Expiration Date, the Company will accept for purchase all Notes validly tendered after the Early Tender Date and on or prior to the Expiration Date on a prorated basis such that the Company purchase an aggregate principal amount of Notes equal to the Maximum Tender Amount.

All Notes not accepted as a result of proration will be rejected from the Offer and returned to the tendering holder.

Notes may be tendered and accepted for payment only in principal amounts equal to US\$2,000.00 and integral multiples of US\$1,000.00 in excess thereof. No alternative, conditional or contingent tenders will be accepted. To ensure we return Notes in minimum principal amounts of US\$2,000.00 and integral multiples of US\$1,000.00 above US\$2,000.00, if necessary, we will make appropriate adjustments downward to the nearest US\$1,000.00 principal amount, or if applicable, the minimum denomination of US\$2,000.00, with respect to each Holder validly tendering Notes. Any tender of Notes, the proration of which would otherwise result in a return of Notes to a tendering Holder in a principal amount below the minimum denomination of US\$2,000.00, may be rejected in full or accepted in full in our sole discretion. Holders who tender less than all their Notes must continue to hold Notes in Authorized Denominations.

Conditions of the Offer

The Offer is not contingent upon the tender of any minimum principal amount of Notes.

Notwithstanding any other provision of the Offer, the Company will not be required to accept for purchase and pay for any validly tendered Notes pursuant to the Offer if any of the following shall not be satisfied at the Expiration Date:

(1) no action or event shall have occurred or been threatened, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered, enforced or deemed to be applicable to the Offer by or before any court or governmental regulatory or administrative agency, authority or tribunal, including, without limitation, taxing authorities, that either:

(a) challenges the making of the Offer or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the Offer or its anticipated benefits to us; or

(b) in our reasonable judgment, could materially adversely affect our business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or materially impair the contemplated benefits to us of the Offer or the delivery of any cash amounts;

(2) nothing has occurred or may occur that would or might, in our reasonable judgment, prohibit, prevent or delay the Offer or impair our ability to realize the anticipated benefits of the Offer;

(3) there shall not have occurred (a) any general suspension of or limitation on trading in securities on the B3 S.A. – Brasil, Bolsa, Balcão, the New York Stock Exchange, the Luxembourg Stock Exchange, the London Stock Exchange or in the over-the-counter market, whether or not mandatory, (b) a material impairment in the general trading market for debt securities, (c) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in Brazil, the United States or any member state of the European Union, whether or not mandatory, (d) a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to Brazil, the United States or any member state of the European Union, (e) any limitation, whether or not mandatory, by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in Brazil, the United States or any member state of the European Union, (f) any material adverse change in the securities or financial markets in Brazil, the United States or any member state of the European Union generally or (g) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; and

(4) the Trustee shall not have objected in any respect to, or taken any action that could, in our reasonable judgment, adversely affect the consummation of the Offer, nor shall the Trustee have taken any action that challenges the validity or effectiveness of the procedures used by us in making the Offer or the delivery of any cash amounts.

The foregoing conditions are for our sole benefit and may be waived by us, in whole or in part, in our absolute discretion. Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding.

If any of the foregoing conditions are not satisfied, we may, at any time:

- terminate the Offer and promptly unblock all tendered Notes;
- modify, extend or otherwise amend the Offer and retain all tendered Notes until the Expiration Date, as extended, subject, however, to the withdrawal rights of Holders; or
- waive the unsatisfied conditions with respect to the Offer and accept all Notes tendered and not previously validly withdrawn.

In addition, subject to applicable law, we may in our absolute discretion terminate the Offer for any other reason.

Certain Significant Consequences to Holders

In deciding whether to participate in the Offer, each Holder should consider carefully, in addition to the other information contained and incorporated by reference in this Offer to Purchase, the following:

Limited Trading Market

To the extent that Notes are tendered and accepted in the Offer, the trading market for the Notes may become more limited. A bid for securities with a smaller outstanding aggregate principal amount available for trading (a smaller “float”) may be lower than a bid for a comparable security with a greater float. Therefore, the market price for Notes not tendered or tendered but not purchased may be affected adversely to the extent that the amount of Notes purchased pursuant to the Offer reduces the float. The reduced float may also tend to make the trading price more volatile. Holders of unpurchased Notes may attempt to obtain quotations for the Notes from their brokers; however, there can be no assurance that an active trading market will exist for the Notes following the Offer. The extent of the public market for the Notes following the consummation of the Offer would depend upon, among other things, the number of Holders remaining, the outstanding aggregate principal amount of Notes at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors. See “—Treatment of Notes not Tendered in the Offer: Other Actions Affecting Notes” below.

Consideration for the Notes May Not Reflect Their Fair Value

The consideration offered to purchase the Notes does not reflect any independent valuation of the Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Offer. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration for the Notes. If you tender Notes, you may or may not receive more or as much value than if you chose to keep them.

Treatment of Notes not Tendered in the Offer; Other Actions Affecting Notes

Notes not tendered and purchased in the Offer will remain outstanding. The terms and conditions governing the Notes, including the covenants and other protective provisions contained in the Indenture, will remain unchanged. No amendments to these documents are being sought.

Whether or not the Offer is consummated, the Company or its affiliates may from time to time following the expiration of the Offer take any of the following actions:

- acquire Notes, other than pursuant to the Offer, through open-market purchases, privately negotiated transactions, other tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration;
- redeem the Notes pursuant to the terms thereof; or
- effect a defeasance of the Notes if the Company, among other things, irrevocably deposits funds or certain governmental securities in trust, in accordance with the terms of the indenture, sufficient to pay the principal of and interest on the outstanding Notes to maturity and subject to certain other conditions.

The effect of any of these actions may directly or indirectly affect the price of any Notes that remain outstanding after the consummation of the Offer.

Procedures for Tendering Notes

General

The tender by a Holder of Notes (and subsequent acceptance thereof by us) pursuant to the procedures set forth below will constitute a binding agreement between such Holder and the Company in accordance with the terms and subject to the conditions set forth in this Offer to Purchase.

The tender of Notes pursuant to the Offer and in accordance with the procedures described below will constitute a valid tender of such Notes. A defective tender of Notes (which defect is not waived by us) will not constitute valid delivery of the Notes and will not entitle the Holder thereof to our payment of the Tender Offer Consideration or the Total Consideration, as the case may be, or Accrued Interest applicable to the Notes. Any beneficial owner whose Notes are registered in the name of a Custodian or held through the Book-Entry Transfer Facility and who wishes to tender its Notes should contact such Holder promptly and instruct such Holder to tender its Notes on such beneficial owner's behalf. In no event shall the Holder send any Notes to the Company or the Dealer Managers.

There is no letter of transmittal for the Offer to Purchase.

Tender of Notes Held Through DTC

Within two Business Days after the date of this Offer to Purchase, the Depository will establish accounts with respect to the Notes at DTC for purposes of the Offer. The Depository and DTC have confirmed that the Offer is eligible for DTC's Automated Tender Offer Program ("ATOP"), whereby a financial institution that is a participant in DTC's system may tender Notes by making a book-entry delivery of Notes by causing DTC to transfer Notes into an ATOP account.

To effectively tender Notes, DTC participants should transmit their acceptance through ATOP, and DTC will then edit and verify the acceptance and send an Agent's Message to the Depository for its acceptance. The term "Agent's Message" means a message, transmitted by DTC to, and received by, the Depository and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering participant stating that such participant has accepted the relevant Offer and agrees to be bound by the terms, conditions and provisions of such Offer (if applicable). An Agent's Message and any other required documents must be transmitted through ATOP to, and received by, the Depository before the Early Tender Date or the Expiration Date, as applicable. Any documents in physical form must be sent to the Depository at one of its addresses set forth on the back cover page of this Offer to Purchase. Delivery of the Agent's Message by DTC will satisfy the terms of the Offer in lieu of execution and delivery of a letter of transmittal by the participant identified in the Agent's Message. Accordingly, Holders do not need to complete a letter of transmittal with respect to Notes being tendered.

You are advised to check with any bank, securities broker or other intermediary through which you hold Notes whether such intermediary would require to receive instructions to participate in, or revoke their instruction to participate in, the Offer before the deadlines specified in this Offer to Purchase.

Delivery of such documents to DTC does not constitute delivery to the Depository.

The delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Depository, until receipt by the Depository of a properly transmitted Agent's Message together with all accompanying evidences of authority and any other required documents in a form satisfactory to the Company. The method of delivery of the Notes and all other required documents, including delivery through DTC and acceptance of an Agent's Message transmitted through ATOP, is at the option and risk of the tendering Holder. In all cases, sufficient time should be allowed for such documents to reach the Depository prior to the Expiration Date in order to be eligible to receive the applicable Tender Offer Consideration or Total Consideration.

Representations, Warranties and Undertakings; the Company's Acceptance Constitutes an Agreement

By tendering your Notes through DTC and delivering an Agent's Message through ATOP, you will be agreeing with, acknowledging, representing, warranting and undertaking to us, the Depository and the Dealer Managers substantially the following on each of the Early Acceptance Date (if applicable), the Expiration Date and the applicable

Settlement Dates, as the case may be (if you are unable to give these agreements, acknowledgements, representations, warranties and undertakings, you should contact the Dealer Managers or the Depository immediately):

(1) You irrevocably constitute and appoint the Depository as your true and lawful agent and attorney-in-fact (with full knowledge that the Depository also acts as our agent) with respect to such Notes, with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) present such Notes and all evidences of transfer and authenticity to, or transfer ownership of, such Notes on the account books maintained by DTC to, or upon the order of, the Company, (ii) present such Notes for transfer of ownership on the books of the Company, and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes, all in accordance with the terms and conditions of the relevant Offer.

(2) You understand that tenders of Notes may be withdrawn by written notice of withdrawal received by the Depository at any time prior to the Withdrawal Date. In the event of a termination of the relevant Offer, the Notes tendered pursuant to such Offer will be credited to the account maintained at DTC from which such Notes were delivered.

(3) You understand that tenders of Notes pursuant to any of the procedures described in this Offer to Purchase and acceptance of such Notes by the Company will constitute a binding agreement between you and the Company upon the terms and subject to the conditions of this Offer to Purchase. For purposes of the relevant Offer, you understand that validly tendered Notes (or defectively tendered Notes with respect to which the Company has or has caused to be waived such defect) will be deemed to have been accepted by the Company if, as and when the Company gives oral or written notice thereof to the Depository.

(4) You have full power and authority to tender, sell, assign and transfer the Notes tendered and that when such tendered Notes are accepted for purchase and payment by the Company, the Company will acquire good title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and together with all rights attached thereto. You will, upon request, execute and deliver any additional documents deemed by the Depository or by the Company to be necessary or desirable to complete the sale, assignment, transfer and cancellation (if any) of the Notes tendered or to evidence such power and authority.

(5) You have received the Offer to Purchase, and have reviewed and accepted the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the relevant Offer, all as described in this Offer to Purchase, and have undertaken an appropriate analysis of the implications of such Offer without reliance on us, the Dealer Managers, the Depository or the Information Agent. All authority conferred or agreed to be conferred shall not be affected by, and shall survive, your death or incapacity, and any obligation of you hereunder shall be binding upon your heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns.

(6) You understand that the Company will pay the applicable Tender Offer Consideration or Total Consideration, as the case may be, and the applicable accrued and unpaid interest from, and including, the last interest payment date for the Notes up to, but not including, the applicable Settlement Date with respect to the Notes accepted for purchase.

(7) You recognize that under certain circumstances set forth in this Offer to Purchase, the Company may terminate or amend the relevant Offer (if applicable) or may postpone the acceptance for payment of, or the payment for, Notes tendered or may not be required to purchase any of the Notes tendered.

(8) You are not a person to whom it is unlawful to make an invitation pursuant to the relevant Offer under applicable securities or blue sky laws and you acknowledge that you must inform yourself about, and observe, any such laws.

(9) You understand that the delivery and surrender of any Notes is not effective, and the risk of loss of the Notes does not pass to the Depository, until receipt by the Depository of an Agent's Message properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Company. All questions as to form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by the Company, in its sole discretion, which determination shall be final and binding.

(10) You request that any Notes representing principal amounts not tendered or not accepted for purchase be

issued in the name of, and delivered by credit to, the account of DTC who will credit the account of the participant from which such Notes were received.

(11) You have observed (and will observe) the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid (or will pay) any issue, transfer or other taxes or requisite payments due from you in each respect in connection with any offer or acceptance, in any jurisdiction and that you have not taken or omitted to take any action in breach of the representations or which will or may result in the Company or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the relevant Offer or tender of Notes in connection therewith.

(12) You acknowledge that none of the Company, Vale, the Dealer Managers, the Information Agent, the Depository or the Trustee is making any recommendation as to whether or not you should tender Notes in response to the Offer.

(13) You are outside the Republic of France or, if you are located in the Republic of France, you are a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *monétaire et financier*, are eligible to participate in the Offer. Additionally, you acknowledge that the Offer to Purchase has not been and will not be submitted to the clearance procedures (*visa*) of the *Autorité des marchés financiers*.

(14) You are outside the Republic of Italy or, if you are located in the Republic of Italy, you are an authorized person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”), Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Additionally, you acknowledge that (i) the Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-*bis*, paragraph 3-*bis* of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”), article 35-*bis*, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Issuers’ Regulation”) and article 35-*bis*, paragraph 7 of the Issuers’ Regulation and (ii) the Offer to Purchase has not been submitted and will not be submitted to the clearance procedure of CONSOB pursuant to Italian laws and regulations. Furthermore, if you are a financial intermediary, you acknowledge that you must comply with the applicable laws and regulations concerning information duties vis-à-vis your clients in connection with the Notes and the Offer to Purchase.

(15) You are not resident and/or located in the United Kingdom or, if you are resident and/or located in the United Kingdom, you are a person falling within the definition of investment professional (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”)) or within Article 43(2) of the Order, or within Article 49(2)(a) to (d) of the Order or to whom this Offer to Purchase may lawfully be communicated in accordance with the Order. Additionally, you acknowledge that the Offer to Purchase and any other documents or materials relating to the Offer has not been and will not be approved, by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000.

(16) You are outside the Kingdom of Belgium or, if you are located in the Kingdom of Belgium, you are a “qualified investor” in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account/professional or institutional investor referred to in article 3.2 of the Public Decree, acting on behalf of your own account. Additionally, you acknowledge that neither the Offer to Purchase nor any other documents or materials relating to the Offer has been nor will it be submitted for approval or recognition to the Financial Services and Markets Authority (“*Autorite des services et marches financiers/Autoriteit financiële diensten en markten*”).

(17) You are not located or resident in Australia or, if you are located or resident in Australia, you are a professional investor as defined in Section 9 of the Corporations Act 2001 (Cth) (“Corporations Act”) or a wholesale client as defined in Section 761 G of the Corporations Act or otherwise a person to whom an offer may be made under Part 6D.2 or Corporations Regulation 7.9.97, each under the Corporations Act. Additionally you acknowledge that the disclosure document (as defined in the Corporations Act) in relation to the Offer has been or will be lodged with the Australian Securities and Investments Commission (“ASIC”) or any other regulatory authority in Australia and the Offer to Purchase

does not comply with Division 5A of Part 7.9 of the Corporations Act.

(18) You are not a resident and/or located in The Netherlands or, if you are a resident and/or located in the Netherlands, you are a legal entity which is a qualified investor (as defined in the Prospectus Directive and which includes authorized discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands and as required by article 5:20(5) of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*).

Your custodian or nominee, by delivering, or causing to be delivered, the Notes and the completed Agent's Message to the Depositary is representing and warranting that you, as owner of the Notes, have represented, warranted and agreed to each of the above. If you are unable to give the foregoing representations, warranties and undertakings, you should contact the Dealer Managers or the Depositary.

Our acceptance for payment of Notes tendered under the Offer will constitute a binding agreement between you and us upon the terms and conditions of the Offer described in this Offer to Purchase.

Tender of Notes Held Through Clearstream, Luxembourg or Euroclear

Any Holder who holds Notes through Clearstream, Luxembourg or Euroclear must also comply with the applicable procedures of Clearstream, Luxembourg or Euroclear, as applicable, in connection with a tender of Notes and must submit their acceptance in sufficient time for such tenders to be made prior to the Early Tender Date or the Expiration Date, as applicable. Clearstream, Luxembourg and Euroclear are indirect participants in the DTC system.

In order to submit Notes held through Clearstream, Luxembourg or Euroclear for tender, Holders must arrange for a Direct Participant in Clearstream, Luxembourg or Euroclear, as the case may be, to submit any tender, which must include Blocking Instructions (as defined herein), to Clearstream, Luxembourg or Euroclear at or prior to the Early Tender Date or Expiration Date. Holders should note that Clearstream, Luxembourg and Euroclear may require that action be taken a day or more prior to the Early Tender Date or Expiration Date, as applicable. "Blocking Instructions" include instructions to block any attempt to transfer a Holder's Notes on or prior to the applicable Settlement Date, to debit the Holder's account for the amount of Notes accepted into the Offer on or about the applicable Settlement Date, and the authorization to disclose the identity of the participant account holder and account information.

No Guaranteed Delivery

The Company does not intend to permit tenders of Notes by guaranteed delivery procedures.

Early Tender Date; Expiration Date; Extensions; Amendments; Termination

The Early Tender Date for the Offer is 5:00 p.m., New York City time, on September 13, 2017, unless extended, in which case the Early Tender Date with respect to the Offer will be such date to which the Early Tender Date is extended.

The Expiration Date for the Offer is 11:59 p.m., New York City time, on September 27, 2017, unless extended, in which case the Expiration Date with respect to the Offer will be such date to which the Expiration Date is extended.

The Company, in its sole discretion, may amend the terms of the Offer. In addition, the Company, in its sole discretion, may extend the Early Tender Date or Expiration Date for the Offer for any purpose, including to permit the satisfaction or, where possible, waiver of the conditions to the Offer. To extend the Early Tender Date or the Expiration Date, the Company will notify the Depositary and will make a public announcement thereof before 9:00 a.m., New York City time, on the next Business Day after the previously scheduled Early Tender Date or Expiration Date, as applicable. Such announcement will state that the Company is extending the relevant term for a specified period.

All references to the Early Tender Date or Expiration Date in this Offer to Purchase are to the Early Tender Date or Expiration Date, respectively, as may be extended or terminated. The Company expressly reserves the right to extend the Early Tender Date or Expiration Date with respect to the Offer.

The Company expressly reserves the right, subject to applicable law, to:

- delay accepting the Notes, extend the Early Tender Date or Expiration Date or, if the conditions to the Offer are not satisfied, terminate such Offer at any time and not accept the Notes; and
- if the conditions to the Offer are not satisfied, amend or modify at any time, the terms of the Offer in any respect, including by waiving, where possible, any conditions to consummation of the Offer.

If the Company exercises any such right, the Company will give written notice thereof to the Depository and will make a public announcement thereof as promptly as practicable and, in the case of a termination, all Notes tendered pursuant to the terminated Offer and not accepted for payment will be returned promptly to the tendering Holders thereof.

The minimum period during which the Offer will remain open following material changes in the terms of the Offer or in the information concerning the Offer will depend upon the facts and circumstances of such change, including the materiality of the changes. If any of the terms of the Offer are amended in a manner determined by the Company to constitute a material change adversely affecting any Holder, the Company will (i) promptly disclose any such amendment in a manner reasonably calculated to inform Holders of such amendment, (ii) extend the Offer for a period that the Company deems appropriate, subject to applicable law, depending upon the significance of the amendment and the manner of disclosure to Holders, if the Offer would otherwise expire during such period, and (iii) extend withdrawal rights for a period that the Company deems appropriate to allow tendering Holders a reasonable opportunity to respond to such amendment.

Transfer Taxes

The Company will pay all transfer taxes applicable to the purchase and transfer of Notes pursuant to this Offer to Purchase, except that if the payment of the applicable Tender Offer Consideration or Total Consideration, as the case may be, is being made to, or if Notes that are not tendered or not purchased in the Offer are to be registered or issued in the name of, any person other than the Holder of the Notes or the DTC participant in whose name the Notes are held on the books of DTC, or if a transfer tax is imposed for any reason other than the purchase of Notes under the Offer, then the amount of any such transfer tax (whether imposed on the Holder or any other person) will be payable by the tendering Holder. If satisfactory evidence of payment of that tax or exemption from payment is not submitted, then the amount of that transfer tax will be deducted from the applicable Tender Offer Consideration or Total Consideration, as the case may be, otherwise payable to the tendering Holder.

Acceptance of Notes for Purchase; Payment for Notes

Upon the terms and subject to the conditions of the Offer, the Company will notify the Depository and Information Agent promptly after the Early Tender Date and the Expiration Date, as applicable, of which Notes are accepted for purchase and payment pursuant to the Offer. For purposes of the Offer, the Company will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which the Company has waived such defect) if, as and when the Company gives oral (promptly confirmed in writing) or written notice thereof to the Depository and Information Agent. With respect to tendered Notes that are to be returned to Holders, such Notes will be credited to the account maintained at DTC promptly following the Expiration Date or termination of the Offer.

Upon the terms and subject to the conditions of the Offer, the Company will accept for purchase, and pay for, Notes validly tendered pursuant to the Offer and not validly withdrawn upon the satisfaction or, where possible, waiver of the conditions of the Offer. The Company will promptly pay for all Notes accepted for purchase. In all cases, payment for Notes accepted for purchase pursuant to the Offer will be made only after confirmation of book-entry transfer thereof. The Company will pay for Notes accepted for purchase in the Offer by depositing such payment in cash with DTC, which will act as agent for the tendering Holders for the purpose of receiving payment for Notes. Upon the terms and subject to the conditions of the Offer, delivery by DTC of the applicable Tender Offer Consideration or Total Consideration, as the case may be, with respect to the purchased Notes will be made on the Early Settlement Date or the Settlement Date, as applicable.

If, for any reason (including if the Company chooses to do so), acceptance for purchase of, or payment for, validly tendered Notes pursuant to the Offer is delayed, or the Company is unable to accept for purchase or to pay for validly tendered Notes pursuant to the Offer, then the Depository may, nevertheless, on behalf of the Company, retain the tendered Notes (which may not then be withdrawn), without prejudice to the rights of the Company as described under “—Early Tender Date; Expiration Date; Extensions; Amendments; Termination” and “—Conditions of the Offer” above and “—Withdrawal of Tenders” below, but subject to Rule 14e-1 under the Exchange Act, which requires that the Company pay the applicable consideration offered or return

the Notes tendered promptly after the termination or withdrawal of the Offer.

If any tendered Notes are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, such Notes will be credited to the account maintained at DTC promptly following the Expiration Date or termination of the Offer. Holders of Notes tendered and accepted for payment pursuant to the Offer will be entitled to any Accrued Interest on their Notes from, and including, the last interest payment date up to, but excluding, the Early Settlement Date or the Final Settlement Date, as applicable, which will be payable on the Early Settlement Date or the Final Settlement Date, as applicable. Under no circumstances will any additional interest be payable because of any delay by DTC in the transmission of funds to the Holders of purchased Notes or otherwise.

The Company may transfer or assign, in whole or from time to time in part, to one or more of its affiliates or any third party the right to purchase all or any of the Notes tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Company of its obligations under the Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and not validly withdrawn and accepted for payment pursuant to the Offer.

The Company reserves the right to arrange for alternate settlement mechanisms if we are required to do so for legal reasons.

Withdrawal of Tenders

Tenders of Notes, as applicable, may be validly withdrawn or revoked on or prior to the Withdrawal Date but may not be validly withdrawn or revoked after such time. In the event of termination of the Offer, the Notes tendered pursuant to the Offer will be promptly returned to the tendering Holders.

For a withdrawal of tendered Notes to be effective, a properly transmitted “Request Message” through ATOP must be received by the Depository prior to the Withdrawal Date, at its address set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must:

- specify the name of the participant in the book-entry transfer facility whose name appears on the security position listing as the owner of such Notes;
- contain the description of the aggregate principal amount represented by such Notes; and
- specify the name and number of the account at the book-entry transfer facility to be credited with withdrawn Notes.

If the Notes to be withdrawn have been delivered or otherwise identified to the Depository, notice of withdrawal is effective immediately upon receipt by the Depository of the “Request Message” through ATOP.

Withdrawal of Notes may only be accomplished in accordance with the foregoing procedures.

Any permitted withdrawal of Notes may not be rescinded. Any Notes validly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer; *provided, however*, that withdrawn Notes may be re-tendered by again following one of the appropriate procedures described herein at any time prior to the Expiration Date.

Other Matters

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to the Dealer Managers, the Depository, the Information Agent, the Trustee, Vale or the Company or to pay transfer taxes (except as indicated above in “—Transfer Taxes”) with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such nominee for tendering Notes on such beneficial owners’ behalf. The Company will pay all other charges and expenses in connection with the Offer.

All questions as to the form of documents and validity, eligibility (including time of receipt), acceptance for payment and any withdrawal of tendered Notes will be determined by the Company in its sole discretion, and its determination will be final and binding on all Holders. The Company reserves the absolute right to reject any and all

tenders of Notes that it determines are not in proper form or for which the acceptance for payment or payment may, in the opinion of its counsel, be unlawful. The Company also reserves the absolute right, in its sole discretion, subject to applicable law, to waive or amend any of the Conditions of the Offer or any defect or irregularity in the tender or withdrawal of Notes of any particular Holder, whether or not similar conditions, defects or irregularities are waived in the case of other Holders.

The Company's interpretation of the terms and conditions of the Offer will be final and binding on all Holders. Any defect or irregularity in connection with tenders of Notes must be cured within such time as the Company determines, unless waived by the Company. Tenders of Notes will not be deemed to have been made until all defects or irregularities have been waived by the Company or cured. None of the Company, Vale, the Dealer Managers, the Depository, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification.

There are no appraisal or other similar statutory rights available to Holders in connection with the Offer.

We and our affiliates expressly reserve the absolute right, in our sole discretion, subject to applicable law and the indenture governing the Notes, from time to time to purchase any Notes that remain outstanding after the Expiration Date through open market purchases or privately negotiated transactions (including, one or more additional tender or exchange offers) or otherwise, on terms that may be more or less favorable to Holders of Notes than the terms of this Offer to Purchase. Any future purchases or redemptions by us or our affiliates will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we or our affiliates will choose to pursue in the future.

CERTAIN TAX CONSEQUENCES

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations related to the Offer that may be relevant to a beneficial owner of Notes that is (i) a citizen or resident of the United States, (ii) a domestic corporation or (iii) otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a “U.S. Holder”), or, in certain cases, a beneficial owner of Notes that is not a U.S. Holder (a “Non-U.S. Holder”). The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change or differing interpretations, possibly with retroactive effect. This discussion does not deal with special classes of Holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, individuals present in the United States for 183 days or more during the taxable year, persons holding Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or U.S. Holders that have a functional currency other than the U.S. dollar. This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). The discussion does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal, state and local taxation that may be relevant to a Holder. Accordingly, each Holder should consult its own tax advisor with regard to the Offer and the application of U.S. federal tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to its particular situation.

Sale of the Notes

Sales of Notes pursuant to the Offer by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Notes pursuant to the Offer generally will recognize U.S. source capital gain or loss in an amount equal to the difference between the amount of cash received (including the Early Tender Premium, but not including amounts received attributable to accrued and unpaid interest, which will be taxed as such) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any market discount previously taken into account by the U.S. Holder and reduced by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Notes. Any gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period for the Notes on the date of sale was more than one year. Long-term capital gains for non-corporate U.S. Holders may be eligible for reduced rates of taxation. The deductibility of capital losses by U.S. Holders is subject to limitations.

In general, market discount is the excess, if any, of the principal amount of a Note over the U.S. Holder’s tax basis therein at the time of the acquisition (unless the amount of the excess is less than a specified de minimis amount, in which case, market discount is considered zero). In general, if a U.S. Holder acquired the Notes with market discount, any gain realized by a U.S. Holder on the sale of the Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Notes were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues.

Non-U.S. Holders

Other than as set forth below under “Information Reporting and Backup Withholding,” a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax on the proceeds from the Offer, including amounts treated as accrued interest.

Information Reporting and Backup Withholding

A U.S. Holder who tenders its Notes may be subject to information reporting and backup withholding unless the U.S. Holder (i) is an exempt recipient and demonstrates this fact, or (ii) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. In order for a Non-U.S. Holder to qualify for exemption from backup withholding, the Non-U.S. Holder generally may be required to submit an IRS Form W-8BEN or W-8BEN-E or other applicable IRS Form W-8, signed under penalties of perjury, attesting to the Non-U.S. Holder’s non-U.S. status. The amount of any backup withholding will be allowed as a credit against the Holder’s federal income tax liability and may entitle the Holder to a

refund, provided that the required information is furnished to the IRS in a timely manner.

Certain Brazilian Tax Considerations

The following discussion is a summary of the Brazilian tax considerations relating to the tender of the Notes by an individual, entity, trust or organization that is not resident or domiciled in Brazil for purposes of Brazilian taxation (“Non-Resident Holder”). The discussion is based on the tax laws of Brazil as in effect on the date hereof which are subject to change, possibly with retroactive effect, and to differing interpretations, which may result in different tax consequences than those described below.

The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to an investment in the Notes. Prospective investors should consult their own tax advisers as to the consequences of purchasing the Notes, including, without limitation, the consequences of the receipt of interest and the sale, redemption or repayment of the Notes.

Brazilian Tax Considerations

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition or sale of assets located in Brazil.

Taxation of interest, premium or principal payments made by the Company

Based on the fact that the Company is considered for tax purposes as a company domiciled abroad, any interest, premium (if any) or principal payments made by the Company in respect of the Notes in favor of Non-Resident Holders will not be subject to any withholding or deduction in respect of Brazilian income tax or any other Brazilian taxes, duties, assessments or governmental charges, provided that such payments are made with funds held by the Company outside of Brazil.

Taxation on gains realized from sale or other disposition of the Notes

Generally, capital gains generated outside Brazil as a result of a transfer of assets located outside Brazil between non-Brazilian residents are not subject to taxation in Brazil. On the other hand, capital gains derived from the transfer of assets located in Brazil between non-Brazilian residents, and between a non-Brazilian resident and a Brazilian resident, are subject to income tax, according to Law No. 10,833, enacted on December 29, 2003. Based on the fact that the Company is an entity incorporated under the laws of Cayman and the Notes are issued and registered abroad, we believe that the Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833; thus, capital gains realized by a Non-Resident Holder on the sale of the Notes should not be subject to taxation in Brazil.

Taxation of foreign exchange transactions (“IOF/Exchange”)

As long as interest, premium (if any) or principal payments under the Notes are made by the Company, with its own funds maintained outside Brazil, no IOF/Exchange should be due in Brazil. As a general rule, exchange transactions carried out under remittances from Brazil to foreign countries are subject to the IOF/Exchange assessment at a rate of 0.38%.

Other Brazilian taxes.

Generally, there are no inheritance, gift, succession, stamp or other similar taxes in Brazil with respect to the ownership, sale, transfer, assignment or any other disposition of any debt instrument outside Brazil (including the Notes) nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the Notes, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such Brazilian states.

Certain Cayman Tax Considerations

The Cayman Islands currently have no exchange control restrictions and no income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax applicable to the Company or any holder of notes. Accordingly, payment of principal of and interest on the notes will not be subject to taxation in the Cayman Islands, no Cayman Islands withholding tax will be required on such payments to any holder of a note and gains derived from the sale of notes will not be subject to Cayman Islands capital gains tax. The Cayman Islands does not have an income tax treaty arrangement with the United States or any other country that is applicable to any payments made to or by the Company; however, the Cayman Islands has entered into a tax information exchange agreement with the United States and other jurisdictions.

The Company has received an undertaking dated April 24, 2001 from the Governor-in-Council of the Cayman Islands that, in accordance with section 6 of the Tax Concession Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

No stamp duties or similar taxes or charges are payable under the laws of the Cayman Islands in respect of the execution and issue of the notes unless they are executed in or brought within (for example, for the purposes of enforcement) the jurisdiction of the Cayman Islands, in which case stamp duty of 0.25% of the face amount thereof may be payable on each note (up to a maximum of 250 Cayman Islands dollars (“CI\$”) (US\$312.50)) unless stamp duty of CI\$500 (US\$625.00) has been paid in respect of the entire issue of notes.

The above conversions of Cayman Islands dollars to U.S. dollars have been made on the basis of US\$1.25 = CI\$1.00.

THE DEALER MANAGER; THE DEPOSITARY AND INFORMATION AGENT

The Dealer Managers

We have retained Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., RBC Capital Markets, LLC and Scotia Capital (USA) Inc. to serve as the Dealer Managers in connection with the Offer. We will pay the Dealer Managers a customary fee for their services and reimburse the Dealer Managers for their reasonable out-of-pocket expenses. We have agreed to indemnify the Dealer Managers and their respective affiliates against certain liabilities in connection with their services, including liabilities under the federal securities laws. In the ordinary course of their business, the Dealer Managers and their affiliates have provided, and may in the future provide, commercial and/or investment banking and financial advisory services to the Company and its affiliates, for which they have in the past received, and may in the future receive, customary compensation from the Company and its affiliates.

At any given time, the Dealer Managers may trade the Notes or other of our securities for their accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Notes. The Dealer Managers may also tender Notes into the Offer that they may hold or acquire, but are under no obligation to do so.

The Dealer Managers may contact Holders by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Offer to beneficial holders. Questions regarding the terms of the Offer may be directed to the Dealer Managers at its address and telephone numbers listed on the back cover of this Offer to Purchase.

The Depositary and Information Agent

Global Bondholder Services Corporation is acting as the Depositary and Information Agent for the Offer. All deliveries, correspondence and questions sent or presented to the Depositary and Information Agent relating to the Offer should be directed to its address or telephone numbers set forth on the back cover of this Offer to Purchase.

We will pay the Depositary and Information Agent reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses. We will indemnify the Depositary and Information Agent against certain liabilities and expenses in connection therewith, including liabilities under the federal securities laws.

Questions regarding the procedures for tendering Notes and requests for additional copies of this Offer to Purchase should be directed to the Depositary and Information Agent at its address and telephone number set forth on the back cover of the Offer to Purchase.

The Depositary and Information Agent assumes no responsibility for the accuracy or completeness of the information concerning the Offer or us contained in, or incorporated by reference into, this Offer to Purchase or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

Solicitation

Directors, officers and regular employees of us and/or our affiliates (who will not be specifically compensated for such services), the Depositary and Information Agent and the Dealer Managers may contact Holders by mail, telephone, or facsimile regarding the Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

FEES AND EXPENSES

Tendering Holders of Notes purchased in the Offer will not be required to pay brokerage fees or commissions to the Dealer Managers, the Depositary and Information Agent, or the Trustee or us or to pay transfer taxes with respect to the purchase of their Notes. However, beneficial owners of Notes that are held through a broker, dealer, commercial bank or other nominee may be charged a fee by such broker, dealer, commercial bank or other nominee for tendering Notes on such beneficial owners' behalf.

Brokers, dealers, commercial banks and trust companies will be reimbursed by us for customary mailing and handling expenses incurred by them in forwarding material to their customers. We will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Managers and the Depositary and Information Agent) in connection with the solicitation of tenders of Notes pursuant to the Offer.

MISCELLANEOUS

We are not aware of any jurisdiction where the making of the Offer is not in compliance with the laws of such jurisdiction. If we become aware of any jurisdiction where the making of the Offer would not be in compliance with such laws, we will make a good faith effort to comply with any such laws or seek to have such laws declared inapplicable to the Offer. If, after such good faith effort, we cannot comply with any such applicable laws, the Offer will not be made to (nor will tenders be accepted from or on behalf of) Holders residing in such jurisdiction.

None of the Dealer Managers, the Depositary and Information Agent nor any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Offer, the Company or any of its affiliates contained in this Offer to Purchase or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

No person has been authorized to give any information or make any representation on behalf of the Company that is not contained in this Offer to Purchase and, if given or made, such information or representation should not be relied upon.

None of the Company, the Dealer Managers, the Trustee, the Depositary and Information Agent nor any of their respective affiliates makes any representation to any Holder as to whether or not to tender Notes. Holders must make their own decision as to whether to tender Notes.

To obtain additional copies of the Offer to Purchase, please contact the Information Agent.

The Information Agent for the Offer is:

Global Bondholder Services Corporation

65 Broadway – Suite 404
New York, New York 10006
Attn: Corporate Actions

Banks and Brokers call: (212) 430-3774
Toll free (866) 470-3900

The Depositary for the Tender Offer is:

Global Bondholder Services Corporation

By Mail:
65 Broadway – Suite 404
New York, NY 10006

By Overnight Courier:
65 Broadway – Suite 404
New York, NY 10006

By Hand:
65 Broadway – Suite 404
New York, NY 10006

Any questions about the Offer or procedures for accepting the Offer may be directed to the Dealer Managers.

The Dealer Managers for the Offer are:

**Citigroup Global
Markets Inc.**

388 Greenwich Street – 1st Floor
New York, New York 10013
Collect: (212) 723-6106
U.S. Only Toll-Free: (800) 558-3745
Attn: Liability Management Group

**Credit Agricole
Securities (USA) Inc.**

1301 Avenue of the Americas
New York, New York 10019
Collect: (212) 261-7802
U.S. Toll Free: (866) 807-6030
Attn: Debt Capital Markets

**RBC Capital
Markets, LLC**

Brookfield Place
200 Vesey Street – 8th Fl
New York, New York 10281
Collect: (212) 618-7822
Toll-free: (877) 381-2099
Attn: Liability Management Team

**Scotia Capital
(USA) Inc.**

250 Vesey Street
New York, New York 10281
Toll-Free: (800) 372-3930
Collect: (212) 225-5559
Attn: Debt Capital Markets