



**OI S.A. – UNDER JUDICIAL REORGANIZATION,
PORTUGAL TELECOM INTERNATIONAL FINANCE B.V. – UNDER JUDICIAL
REORGANIZATION
AND
OI BRASIL HOLDINGS COÖPERATIEF U.A. – UNDER JUDICIAL REORGANIZATION
ANNOUNCE CLOSING OF THE NON- QUALIFIED RECOVERY SETTLEMENT**

RIO DE JANEIRO, RJ, BRAZIL, July 31, 2018 — Oi S.A. – Under Judicial Reorganization (“*Oi*”), Portugal Telecom International Finance B.V. – Under Judicial Reorganization (“*PTIF*”) and Oi Brasil Holdings Coöperatief U.A. – Under Judicial Reorganization (“*Oi Coop*”); and together with Oi and PTIF, collectively the “*Issuers*”) announce that the closing of the Non-Qualified Recovery Settlement took place on July 27, 2018.

Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Information Statement dated June 15, 2018 (as supplemented by the Supplement to the Information Statement dated July 3, 2018, the “*Information Statement*”).

The Non-Qualified Recovery Settlement consisted of the delivery of participation interests in the Non-Qualified Credit Agreement among the Original Lenders (as defined in the Non-Qualified Credit Agreement) and Lucid Agency Services Limited, as agent of the other Financing Parties (as defined in the Non-Qualified Credit Agreement), to Non-Qualified Holders whose surrendered Notes were accepted in accordance with the previously announced settlement procedures.

The aggregate principal amount of the loans under the Non-Qualified Credit Agreement is US\$79,572,641.00. Non-Qualified Holders whose surrendered Notes were accepted in accordance with the previously announced settlement procedures were entitled to a participation interest in the Non-Qualified Credit Agreement in the principal amount of US\$500 for each US\$1,000 of Bondholder Credits held by such Non-Qualified Holder.

Non-Qualified Holders that did not validly participate and surrender their Notes in accordance with the settlement procedures set forth in the Information Statement will ONLY be entitled to receive the Default Recovery.

Copies of the Information Statement are available through the settlement website at <https://sites.dfkingltd.com/oisettlement>.