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Sent: Thursday, January 3, 2019 2:57 PM  
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Subject: RE: [EXT] RE: Samarco - Supporting Creditor Counterproposal

FOR SETTLEMENT PURPOSES  
SUBJECT TO CONFIDENTIALITY AGREEMENTS

Houlihan Lokey, FTI Consulting, Dechert and Sidley Austin:

Samarco (the “Company”) and its advisors have considered the request of [REDACTED] and Steering Committee of the Ad Hoc Bondholders (collectively, the “Creditors”) to equitize or structurally subordinate the Shareholders Debentures (“SD”) and Samarco’s obligation to reimburse the Shareholders for funding they provided directly to Fundação Renova (“RRO”), and have also discussed such request with BHP Billiton Brasil Ltda. and Vale S.A. (the “Shareholders”) and their respective advisors.

The SD and RRO have been essential to the funding of environmental remediation, the compensation of impacted communities, the advancement of the required environmental license processes and the investments to maintain and restart Samarco’s operations. This funding was provided at a time of critical need and on attractive terms to the Company, when no other source of financing was available. As such, the SD and RRO have provided substantial benefits to Samarco and its stakeholders, including the Creditors.

As the Creditors know, in restructurings, rescue financing typically ranks senior in priority to pre-existing debt, and must be paid off in full before other financial creditors receive any recovery. Nevertheless, Samarco’s latest proposal contemplates treating the SD and RRO in a manner that is significantly more favorable to the Creditors relative to typical rescue financings. This is a meaningful concession in order to facilitate a consensual restructuring of Samarco’s financial debts.

Samarco remains willing to engage in a constructive negotiation process with the Creditors, but will not negotiate any terms in isolation.

We look forward to the Creditors responding to the Company’s latest proposal with a comprehensive proposal in a manner that allows us to progress towards a mutually acceptable agreement.

Yours respectfully,

JPM/CC