PRESS RELEASE

Tuesday, June 11, 2018

COFINA Announces the Launch of an Invitation to Exchange Bonds

(San Juan, P.R.) – Last night, the Puerto Rico Sales Tax Financing Corporation ("COFINA," by its Spanish acronym) announced an Invitation to Exchange Bonds and Consent to Amendments dated June 10, 2019 (the "Invitation") of all or portions of the following restructured sales tax bonds ("Restructured Sales Tax Bonds") originally issued on February 12, 2019 (the "Effective Date"). The Restructured Sales Tax Bonds subject to the Invitation are referred to as the "Invited Bonds" and are described as follows:

Maturity Date (July 1)	Subseries	Principal Amount	Interest Rate	CUSIP No.[1]
2040	2019A-2	$1,905,085,000	4.550 %	74529JPY5
2040	2019A-2	865,919,000	4.550	74529JQY4
2053	2019A-2	57,021,000	4.750	74529JPZ2
2058	2019A-2	763,784,000	5.000	74529JQA6
2040	2019B-2	35,156,000	4.550	74529JQN8
2053	2019B-2	723,000	4.750	74529JQP3
2058	2019B-2	9,691,000	5.000	74529JQQ1

For further information, please refer to the materials provided in connection with the Invitation including the Invitation, an Information Statement, dated June 10, 2019, attached as Appendix A to the Invitation (the "Information Statement"), Questions and Answers dated June 10, 2019 (the "Questions and Answers") and related materials which can be found at: https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=ER950924.

The Invited Bonds were originally issued without an opinion relating to the status of interest for United States ("U.S.") federal income tax purposes. The

[1] CUSIP is a registered trademark of American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. None of the Corporation or the Information and Exchange Agent makes any representation as to, or takes any responsibility for, the accuracy of such CUSIP numbers. CUSIP numbers are provided for convenience of reference only.

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Invitation and supporting materials invite holders of Invited Bonds to exchange those bonds for bonds the interest on which is tax-exempt for U.S. federal income tax purposes, and with an interest rate that has been adjusted to reflect a yield that is no more than twenty-five (25) basis points lower than the yield on the Invited Bonds of the same series, subseries and maturity. The Invitation is being provided pursuant to the terms of the Tax Exemption Implementation Agreement dated as of February 12, 2019 (the "Tax Exemption Implementation Agreement"). A copy of the Tax Exemption Implementation Agreement was posted to EMMA and can be found at: https://emma.msrb.org/ES1240566-ES968665-ES1370318.pdf.

As explained in the Invitation and related materials, in large part because of delays caused by the federal government shutdown, the U.S. Internal Revenue Service (the "IRS") had not concluded its review of the Restructured Sales Tax Bonds before their issuance on February 12, 2019. The Tax Exemption Implementation Agreement provided that COFINA would continue to pursue a ruling from the IRS regarding the tax treatment of the Restructured Sales Tax Bonds and, if a favorable ruling was obtained, offer holders of Invited Bonds the opportunity to exchange those bonds for tax-exempt bonds with a twenty-five (25) basis point reduction in yield. The Tax Exemption Implementation Agreement was entered into by and among COFINA, the Financial Oversight and Management Board for Puerto Rico, the Puerto Rico Fiscal Agency and Financial Advisory Authority and certain holders and insurers of COFINA bonds based on the belief that the IRS would be unlikely to grant relief to COFINA after the bonds were originally issued on the Effective Date if there was no financial benefit to COFINA or the Commonwealth of Puerto Rico. On May 15, 2019, COFINA and the IRS entered into a closing agreement with respect to the Restructured Sales Tax Bonds (the "IRS Closing Agreement").

In considering the Invitation, in addition to the matters discussed in the Invitation and related materials, holders of Invited Bonds should take into consideration the following:

- The IRS entered into the IRS Closing Agreement, in part, based on COFINA's representation that there would be a twenty-five (25) basis point reduction in the yields of the tax-exempt bonds. The twenty-five (25) basis point reduction is specifically referenced in the IRS Closing Agreement.

- The IRS Closing Agreement does not state that the Invited Bonds are tax-exempt. Rather, it provides to COFINA the steps and allocations that COFINA can take, in its discretion, in order to qualify all or part of the bonds as tax-exempt for U.S. federal income tax purposes. The Invitation is consistent with the guidance provided in the IRS Closing Agreement.

- Bondholders are not required to exchange their Invited Bonds and may retain their Invited Bonds without any changes to the terms thereof. However, Invited Bonds that are not exchanged are not covered by the conclusion contained in the IRS Closing Agreement and will be fully subject to U.S. federal income taxation (except with respect to Puerto Rico residents and corporations that meet certain requirements of the U.S. Internal Revenue Code, as further discussed in the Information Statement).

Holders of Invited Bonds are advised to review the Invitation, Information Statement, Questions and Answers and related materials in full for further information.

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This press release is not a solicitation of votes, an offer to sell, or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation, or sale in any jurisdiction in which such offering, solicitation, or sale would be unlawful.

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