

**NOT FOR DISTRIBUTION TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION
WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT**

October 16, 2017



GOVERNMENT OF MONGOLIA

The Government of Mongolia (the “**Government**”) is offering (the “**Offer**”) to repurchase for cash any and all of its 7.50% CNY Notes due 2018 (the “**Notes**”). The Repurchase Price for the Notes will be an amount equal to CNY10,037.50 for each CNY10,000 in principal amount of Notes tendered at or before the Expiration Date and accepted in the Offer. Holders of the Notes (the “**Noteholders**”) may participate in the Offer by validly and irrevocably tendering their Notes at or before the Expiration Date.

The Offer is made on the terms and subject to conditions to set out in an offer to purchase memorandum dated October 16, 2017 (the “**Offer to Purchase Memorandum**”)

All capitalized terms used but not defined in this announcement have the respective meanings specified in the Offer to Purchase Memorandum.

Description of the Notes	ISIN	Common Code	Outstanding Principal	Repurchase Price ⁽¹⁾
			Amount	
7.50% Notes due 2018	XS1253962168	125396216	CNY1,000,000,000	CNY10,037.50

(1) Per CNY10,000 in principal amount of Notes.

The Offer will expire at 5:00 p.m. (Central European time) on October 24, 2017 unless extended or terminated as provided in the Offer to Purchase Memorandum (the “Expiration Date”). Noteholders must validly and irrevocably tender their Notes such that Tender Instructions in respect of their Notes have been received by the Tender and Information Agent at or before the Expiration Date to be eligible to receive the Repurchase Price.

Purpose of the Offer

The purpose of the Offer is to extend the maturity profile of a portion of the Government’s external indebtedness. The Government believes that the Offer provides an opportunity for Noteholders to gain liquidity with respect to the Notes (by tendering their Notes for purchase by the Government) that might not otherwise be available to such Noteholders.

Source of Funds

The Government intends to use the funds it receives from the issuance of New Notes, which is a Financing Condition (as defined below).

Financing Condition

The Offer is conditioned upon the Financing Condition, which shall be deemed to have been satisfied as of the Settlement Date only if the Government issues and receives payment for the concurrent offering of a new issue of notes (“**New Notes**”) by the Government (the “**New Notes Offering**”) in an amount and on terms acceptable to the Government, and certain other conditions. The New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any other jurisdiction. Accordingly, the New Notes are being offered and sold only to qualified institutional buyers (“**QIBs**”) as defined in Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States in accordance with Regulation S under the Securities Act. The Offer is not an offer to sell or a solicitation of an offer to buy the New Notes.

Allocation Identifier Code

Noteholders who wish to tender their Notes for cash and also subscribe for the New Notes should quote an allocation identifier code (“**Allocation Identifier Code**”), which can be obtained by contacting the Dealer Managers, in their ATOP or Tender Instructions. The receipt of an Allocation Identifier Code in conjunction with any tender of Notes in the Offer is not an allocation of the New Notes. In order to apply for the purchase of the New Notes from the Government such Noteholder must make a separate application in respect of the New Notes for the purchase of such New Notes. The Government will review Tender Instructions and may in its sole and absolute discretion give priority to those investors tendering with Allocation Identifier Codes in connection with the allocation of New Notes. However, no assurance can be given that any Noteholder that tenders Notes will be given an allocation of New Notes at the levels it may subscribe for, or at all. The ability to purchase New Notes and for the use of Allocation Identifier Codes to be effective is subject to all applicable securities laws and regulations in force in any relevant jurisdiction. In particular, Noteholders in the United States must be QIBs in order to be eligible to apply for and obtain an Allocation Identifier Code or purchase New Notes. The New Notes Offering will be made solely by means of an offering memorandum relating to that offering, and this announcement does not constitute an offer to sell or the solicitation of an offer to buy the New Notes.

Accrued and Unpaid Interest on Notes accepted in the Offer

Noteholders of Notes accepted in the Offer will also receive a cash payment equal to the accrued and unpaid interest in respect of such Notes from, and including, the most recent interest payment date to, but excluding, the Settlement Date.

Indicative Offer Timetable

Events	Times and Dates
Launch of Offer	October 16, 2017
Expiration Date	5.00 p.m. (Central European time) October 24, 2017
Announcement of Tender Instructions Received	On or about 2.00 a.m. (Central European time) October 25, 2017
Final Results Announcement Date	On or about October 26, 2017
Settlement Date	On or about November 1, 2017

Subject to applicable law and as provided in the Offer to Purchase Memorandum, the Government may, in its sole and absolute discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time. Details of any extension, re-opening, amendment, waiver or termination will be announced as provided in the Offer to Purchase Memorandum as soon as reasonably practicable after the relevant decision is made. The Repurchase Price and the Accrued Interest (each as defined herein) will only become payable upon acceptance by the Government of the Notes tendered in the Offer.

The information in this announcement is only a summary. Before making a decision with respect to the Offer, Noteholders should carefully consider all of the information in the Offer to Purchase Memorandum. You may request a copy of the Offer to Purchase Memorandum by contacting D.F. King Ltd. (the “**Tender and Information Agent**”) at the addresses, and telephone numbers set forth below, or you may download the Offer to Purchase Memorandum at the Offer website: <https://sites.dfkingltd.com/mongolia>. All capitalized terms used but not defined in this announcement have the respective meanings specified in the Offer to Purchase Memorandum.

The Tender and Information Agent for the Offer is:

D. F. King Ltd.

In London:

125 Wood Street
London EC2V 7AN
United Kingdom
Telephone: +44 20 7920 9700

In Hong Kong:

Suite 1601, 16/F, Central Tower
28 Queen’s Road Central
Central Hong Kong
Telephone: +852 3953 7230

In New York:

48 Wall Street 22nd Floor
New York, New York 10005
United States of America
Banks and Brokers call: +1 (212) 269-5550
All others call Toll-Free: +1 (888) 628-1041

Email: mongolia@dfkingltd.com

Website: <https://sites.dfkingltd.com/mongolia>

The Dealer Managers for the Offer are:

Credit Suisse (Hong Kong) Limited

Level 88, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong
Telephone: +852 2101 6000
Email: list.projectgerege@credit-
suisse.com

**Deutsche Bank AG, Singapore
Branch**

One Raffles Quay
#17-00 South Tower
Singapore 048583
Telephone: +65 6423 7959

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom
Fax: +44 20 3493 1413

This announcement is not an offer or a solicitation of offers. The Offer is made solely by means of the Offer to Purchase Memorandum. The Offer does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction where an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any New Notes and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offer is being made pursuant to exemptions from the U.S. tender offer rules provided for in Rule 3a12-3 of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to the offer timetable, settlement procedures and timing of payments that are different from those applicable to tender offers subject to Section 14 of the Exchange Act.

The communication of this announcement and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within (i) the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), (ii) Article 34 of the Financial Promotion Order, or (iii) any other applicable provision or provisions, of the Financial Promotion Order, or to persons to whom it may lawfully be communicated in accordance with the Financial Promotion Order.

Neither this announcement nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the FSMA (“*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*”) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3, §1, 1° and 6 of the Belgian Takeover Law as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement nor any other documents or materials relating to the Offer (including this announcement, any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to “qualified investors” in the sense of Article 10 of the Belgian Law of June 16, 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account; or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. The Offer to Purchase Memorandum and this announcement have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Invitation. Accordingly, the information contained in the Offer to Purchase Memorandum and this announcement may not be used for any other purpose or disclosed to any other person in Belgium.

This announcement is not being distributed in the context of a public offer in France and has accordingly not been submitted to the *Autorité des marchés financiers* for prior approval and clearance. This announcement is not to be further distributed or reproduced (in whole or in part) by the recipients.

The Offer has not been and will not be made, directly or indirectly, to the public in France and neither this announcement nor any offering material relating to the Offer will be distributed or caused to be distributed to the public in France. Offers, sales and distributions have been and shall only be made in France to (i) qualified investors other than individuals acting for their own account or (ii) providers of investment services relating to portfolio management for the account of third parties as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

With respect to persons in Hong Kong, the Offer is only made to and is only capable of acceptance by “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571) of Hong Kong (the “SFO”) and rules made thereunder.

No advertisement, invitation or document relating to the Notes (including this announcement) has been issued or been in the possession of the Dealer Managers for the purposes of issue, and will not be issued or be in the possession of the Dealer Managers for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

Neither this announcement nor any other documents or materials relating to the Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian laws and regulations. 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 February 24, 1998, as amended (the “Financial Services Act”), and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “**Issuers’ Regulation**”), as the case may be. The Offer is also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers’ Regulation.

A holder of Notes located in the Republic of Italy can tender Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 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.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Offer.

The Offer is made in Switzerland to Noteholders only. Neither this announcement nor any other document related to the Offer constitutes a prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations.