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September 21, 2020



GOVERNMENT OF MONGOLIA

The Government of Mongolia (the “**Government**”) is offering (the “**Offer**”) to repurchase for cash any and all of its 10.875% Bonds due 2021 (the “**2021 Bonds**”) and up to the 2022 Maximum Acceptance Amount of its 5.125% Bonds due 2022 (the “**2022 Bonds**” and together with the 2021 Bonds, the “**Bonds**”). If the Government decides to accept for purchase 2022 Bonds validly offered for sale in the Offer and the aggregate principal amount of the 2022 Bonds validly offered for sale is greater than the 2022 Maximum Acceptance Amount, the Government will accept any 2022 Bonds for purchase subject to adjustment on a *pro rata* basis. The repurchase price for the 2021 Bonds will be an amount equal to US\$1,044.00 for each US\$1,000 in principal amount of 2021 Bonds tendered at or before the Expiration Date and accepted in the Offer (the “**2021 Bonds Repurchase Price**”). The repurchase price for the 2022 Bonds will be an amount equal to US\$1,024.50 for each US\$1,000 in principal amount of 2022 Bonds tendered at or before the Expiration Date and accepted in the Offer (the “**2022 Bonds Repurchase Price**”). Holders of the Bonds (the “**Bondholders**”) may participate in the Offer by validly and irrevocably tendering their Bonds 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 September 21, 2020 (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. The table below sets forth certain information relating to the Bonds.

Description of the Bonds	ISIN / CUSIP	Outstanding Principal Amount	Repurchase Price ⁽¹⁾	Maximum Acceptance Amount
10.875% Bonds due 2021	Reg S: US60937GAD88/ 60937G AD8 Rule 144A: US60937FAD06/ 60937F AD0	US\$500,000,000	US\$1,044.00	Any and all (the “ 2021 Maximum Acceptance Amount ”)
5.125% Bonds due 2022	Reg S: US60937GAB23/ 60937G AB2 Rule 144A: US60937FAB40/ 60937F AB4	US\$1,000,000,000	US\$1,024.50	Such aggregate principal amount of the 2022 Bonds as the Government may determine to accept in its sole and absolute discretion (the “ 2022 Maximum Acceptance Amount ”, together with the 2021 Maximum Acceptance Amount, the “ Maximum Acceptance Amount ”).

The Maximum Acceptance Amount is expected to be announced by the Government on September 27, 2020 and may be subject to increase or decrease by the Government in its sole and absolute discretion.

⁽¹⁾Per US\$1,000 in principal amount of Bonds.

The Offer will expire at 5:00 p.m. (New York City time) on September 25, 2020 unless extended or terminated as provided in the Offer to Purchase Memorandum (the “Expiration Date”). Bondholders must validly and irrevocably tender their Bonds such that Tender Instructions in respect of their Bonds 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 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 Bondholders to gain liquidity with respect to the Bonds (by tendering their Bonds for purchase by the Government) that might not otherwise be available to such Bondholders.

Source of Funds

The Government intends to use the funds it receives from the issuance of New Bonds, which is a Financing Condition.

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 bonds (“**New Bonds**”) by the Government (the “**New Bonds Offering**”) in an amount and on terms acceptable to the Government, and certain other conditions. The New Bonds 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 Bonds 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.

Allocation Identifier Codes

Bondholders who wish to tender their Bonds and subscribe for the New Bonds should contact any Dealer Manager to obtain an Allocation Identifier Code to be quoted in their ATOP or Tender Instructions. An Allocation Identifier Code is not required for a Bondholder to tender its Bonds, but if a tendering Bondholder wishes to subscribe for the New Bonds, such Bondholder may obtain an Allocation Identifier Code from any of the Dealer Managers and quote it in its ATOP or Tender Instruction.

The Government will review tender instructions received on or prior to the Expiration Date 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 Bonds. However, no assurance can be given that any Bondholder that tenders Bonds will be given an allocation of New Bonds at the levels it may subscribe for, or at all.

Bondholders who wish to tender their Bonds and subscribe for the New Bonds must submit one instruction per beneficial owner. The Bondholder applying for the Allocation Identifier Code must disclose the identity of the beneficial holder of the relevant Bonds.

The ability to purchase New Bonds 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, Bondholders in the United States must be QIBs in order to be eligible to apply for and obtain an Allocation Identifier Code or purchase New Bonds. The New Bonds Offering will be made solely by means of an offering memorandum relating to that offering, and the Offer and this announcement do not constitute an offer to sell or the solicitation of an offer to buy the New Bonds.

Accrued and Unpaid Interest

Bondholders of Bonds accepted in the Offer will also receive a cash payment equal to Accrued Interest in respect of such Bonds from, and including, the most recent interest payment date to, but excluding, the Settlement Date.

Indicative Offer Timetable

Events

Launch of Offer

Expiration Date

Times and Dates

September 21, 2020

5.00 p.m. (NYC time) September 25, 2020

Announcement of Maximum Acceptance Amount	On or about 9.00 p.m. (NYC time) September 27, 2020
Announcement of Tender Instructions Received	On or about 9.00 p.m. (NYC time) September 27, 2020
Final Results Announcement Date	On or about September 29, 2020
Settlement Date	On or about October 7, 2020

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 relevant Repurchase Price and the Accrued Interest will only become payable upon acceptance by the Government of the Bonds tendered in the Offer.

The information in this announcement is only a summary. Before making a decision with respect to the Offer, Bondholders 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 Morrow Sodali Limited (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://bonds.morrowsodali.com/mongolia>.

The Tender and Information Agent for the Offer is:

Morrow Sodali Limited

In London:
103 Wigmore Street
London W1U 1QS
Telephone: +44 208 089 3287

In Stamford:
470 West Ave., Suite 3000
Stamford, CT 06902
United States of America
Telephone: +1 203 609 4910

In Hong Kong:
Unit 1106, Level 11,
Two ChinaChem Central
26 Des Voeux Road Central
Hong Kong
Telephone: +852 2158 8405

Email: mongolia@investor.morrowsodali.com
Offer Website: <https://bonds.morrowsodali.com/mongolia>

The Dealer Managers for the Offer are:

J.P. Morgan Securities plc
Attention: J.P. Morgan Debt Capital
Markets team
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom
Telephone:
+44 20 7134 1470 (London)
+852 2800 7650 (Hong Kong)
Fax: +44 20 3493 1413
E-mail:
Liability_Management_HK@jpmorgan.com

Morgan Stanley & Co. International plc
Attention: Liability Management
25 Cabot Square
Canary Wharf
London E14 4QA
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Telephone:
+1 800 624 1808 (U.S. toll free) or
collect +1 212 761 1057 (New York)
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+852 2239 1484 (Hong Kong)
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+44 (0)20 7103 6597 (London)
Fax: +852 2536 1888
E-mail:
Liability.Management@nomura.com

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Attention: Liability Management
Level 17, HSBC Main Building
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+44 207 992 6237 (London)
+1 212 525 5552 (New York)
E-mail:
liability.management@hsbcib.com

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 Bonds 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 Bonds (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 Bonds 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 Bonds located in the Republic of Italy can tender Bonds 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 Bonds or the Offer.

The Offer is made in Switzerland to Bondholders 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.