

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”)



GOVERNMENT OF MONGOLIA

EXPIRATION OF OFFER TO EXCHANGE GOVERNMENT OF MONGOLIA NOTES FOR UP TO US\$580 MILLION OF DEVELOPMENT BANK OF MONGOLIA LLC's OUTSTANDING 5.75% GUARANTEED NOTES DUE 2017

The Government of Mongolia (the “**Government**”) hereby announces the expiration of the Government’s offer to exchange (the “**Exchange Offer**”) up to US\$580 million of Development Bank of Mongolia LLC’s (“**DBM**”) outstanding 5.75% Guaranteed Notes due 2017 (the “**Old Notes**”) for the Government’s new debt securities (the “**New Notes**”) upon the terms and subject to the conditions set forth in the exchange offer memorandum dated February 20, 2017 (the “**Exchange Offer Memorandum**”). Capitalized terms not otherwise defined herein shall have the same meaning as in the Exchange Offer Memorandum.

The Exchange Offer commenced on **February 20, 2017**. The Exchange Expiration Date passed at **5:00 p.m. Central European time** on **March 1, 2017**.

The financing parameters underpinning the program that has been agreed with the International Monetary Fund (“**IMF**”) staff (subject to IMF Executive Board approval) assume that external private creditor exposure will be maintained at its current level over the program period, on terms consistent with debt sustainability; and that gross financing needs will remain at prudent levels during the post-program period. Accordingly, the Government will only proceed with this exchange offer if the participation rate is sufficiently high and if the terms of the New Notes are consistent with the requirements for debt sustainability and gross financing needs.

Copies of the Exchange Offer Memorandum describing the Exchange Offer may be obtained from Lucid Issuer Services Limited (the “**Information and Exchange Agent**”), at the addresses, website and telephone numbers set forth below.

The Dealer Managers for the Exchange 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.ibprojectkhuraldai@credit-suisse.com

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom
Fax: +44 20 3493 1413

The Information and Exchange Agent for the Exchange Offer is:

Lucid Issuer Services Limited
Tankerton Works
12 Argyle Walk
London WC1H 8HA
United Kingdom
For information by telephone: +44 20 7704 0880
Attention: Thomas Choquet / Arlind Bytyqi
Email: mongolia@lucid-is.com

This notice 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 New Notes have not been and will not be registered under the US. Securities Act of 1933, as amended or the securities laws of any state of the United States or other jurisdiction.

The exchange offer described in the Exchange Offer Memorandum is not being made, directly or indirectly, in or into the United States, or by the use of mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, e-mail and other forms of electronic transmission) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States and no exchange offer may be made by any such use, means, instrumentality from or within the United States.

The distribution of the Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Holders of Old Notes and any other person into whose possession the Exchange Offer Memorandum comes are required by the Government and DBM to inform themselves about, and to observe, any such restrictions.