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**January 9, 2023**



**GOVERNMENT OF MONGOLIA**

The Government of Mongolia (the “**Government**”) is offering (i) to purchase for cash any and all of the 2023 Notes (the “**2023 Tender Offer**”); (ii) subject to the Maximum Exchange Acceptance Amount, to exchange 2023 Notes for New Notes (the “**2023 Exchange Offer**”); (iii) subject to the Maximum Exchange Acceptance Amount, to exchange 2024 Notes for New Notes (the “**2024 Exchange Offer**”); and (iv) to purchase for cash up to the Maximum 2024 Tender Acceptance Amount of 2024 Notes (the “**2024 Tender Offer**”); held by Eligible Holders, for, at the election of each Eligible Holder, the relevant Offer Consideration.

The Offers are made on the terms and subject to conditions to set out in an offer to exchange and tender offer memorandum dated January 9, 2023 (the “**ETOM**”), which is available, subject to eligibility and registration, on the Offer Website: <https://projects.morrowsodali.com/mongolia> (the “**Offer Website**”). All capitalized terms used but not defined in this announcement have the respective meanings specified in the ETOM. The table below sets forth certain information relating to the Offers.

Description of the Old Notes	ISIN / CUSIP	Outstanding Principal Amount	Exchange Price per US\$1,000 of Old Notes tendered for exchange	Exchange Consideration per US\$1,000 of Old Notes tendered for exchange	Tender Consideration per US\$1,000 of Old Notes tendered for repurchase for cash	Target Amount, Upon the Terms and Conditions of the Offer
The Government’s 5.625% Notes due 2023 (the “ <b>2023 Notes</b> ”)	<b>Reg S:</b> USY6142NAB48/ Y6142N AB4 <b>Rule 144A:</b> US60937LAB18/ 60937L AB1	US\$517,230,000	US\$1,000	(1) US\$1,000 in principal amount of New Notes <i>multiplied</i> by the relevant Exchange Ratio; <i>plus</i> (2) Accrued Interest.	(1) US\$1,000 in cash; <i>plus</i> (2) Accrued Interest.	In respect of the 2023 Tender Offer, any and all 2023 Notes tendered for repurchase for cash.  In respect of the 2023 Exchange Offer, such aggregate principal amount as the Government may determine to accept, subject to the Maximum Exchange Acceptance Amount
The Government’s 8.75% Notes due 2024 (the “ <b>2024 Notes</b> ” and, together with the 2023 Notes, the “ <b>Old Notes</b> ”)	<b>Reg S:</b> USY6142NAA64/ Y6142NAA6 <b>Rule 144A:</b> US60937LAA35/ 60937LAA3	US\$600,000,000	US\$1,000	(1) US\$1,000 in principal amount of New Notes <i>multiplied</i> by the relevant Exchange Ratio; <i>plus</i> (2) Accrued Interest.	(1) US\$1,000 in cash; <i>plus</i> (2) Accrued Interest.	In respect of the 2024 Exchange Offer, such aggregate principal amount as the Government may determine to accept, subject to the Maximum Exchange Acceptance Amount  In respect of the 2024 Tender Offer, up to the Maximum 2024 Tender Acceptance Amount

THE OFFERS (AS DEFINED HEREIN) WILL EXPIRE AT 5:00 P.M., NEW YORK TIME, ON 13 JANUARY, 2023, UNLESS EXTENDED OR TERMINATED BY THE GOVERNMENT AT THE GOVERNMENT’S SOLE DISCRETION (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED, THE “**EXPIRATION DATE**”). THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEM MAY BE EARLIER THAN THE DEADLINES SET OUT IN THIS EXCHANGE AND TENDER OFFER MEMORANDUM.

INSTRUCTIONS ONCE GIVEN, ARE IRREVOCABLE AND MAY NOT BE WITHDRAWN.

The Government is concurrently conducting an offering of debt securities (the “**New Notes Issuance**”). Such concurrent transaction is not part of the Offers and is being conducted pursuant to a separate offering memorandum. The new notes (if any) to be issued pursuant to the Exchange Offers (the “**New Notes**”) will be issued on the same terms and form a single series with the notes to be issued as part of the New Notes Issuance.

### **Offer Consideration**

The Offer Consideration of an Eligible Holder validly participating and accepted in the relevant Offer with respect to each US\$1,000 principal amount of 2023 Notes consists of either (but not both):

(1) US\$1,000 in principal amount of New Notes *multiplied* by the relevant Exchange Ratio; *plus* (2) Accrued Interest, pursuant to the 2023 Exchange Offer; or

(2) US\$1,000 in cash; *plus* (2) Accrued Interest, pursuant to the 2023 Tender Offer;

and with respect to each US\$1,000 principal amount of 2024 Notes of either (but not both):

(1) US\$1,000 in principal amount of New Notes *multiplied* by the relevant Exchange Ratio; *plus* (2) Accrued Interest, pursuant to the 2024 Exchange Offer; or

(2) US\$1,000 in cash; *plus* (2) Accrued Interest, pursuant to the 2024 Tender Offer.

### **Purpose of Offers**

The purpose of the Offers is to extend the maturity profile of a portion of the Government's external indebtedness. The Government believes that the Offers provide an opportunity for Holders of the Old Notes (by tendering their Old Notes for purchase by the Government or to exchange for New Notes issued by the Government) to gain liquidity with respect to the Old Notes that might not otherwise be available to such Holders.

### **Source of Funds**

The Government intends to use the funds it receives from the New Notes Issuance, which is a Financing Condition, to finance the cash consideration, payment of Accrued Interest and payment of Cash Rounding Amount in connection with the Offers.

### **Financing Condition**

The Offers will only be consummated if the pricing of the debt securities pursuant to the New Notes Issuance occurs. If the pricing of the debt securities pursuant to the New Notes Issuance does not occur, the Government may terminate or withdraw the Offers (or any of them). The New Notes 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.

### **Maximum Exchange Acceptance Amount, Acceptance Priority**

The Exchange Offers are subject to a cap on the aggregate principal amount of Old Notes that the Government will accept for exchange for New Notes (the "**Maximum Exchange Acceptance Amount**").

The Government expects to announce the Maximum Exchange Acceptance Amount as soon as practicable after pricing of the New Notes Issuance.

If the aggregate principal amount of Old Notes tendered for exchange in the Exchange Offers exceeds the Maximum Exchange Acceptance Amount, the Government intends to prioritize accepting 2023 Notes tendered in the 2023 Exchange Offer over 2024 Notes tendered in the 2024 Exchange Offer.

The Government reserves the right to increase or decrease, in its sole and absolute discretion, the Maximum Exchange Acceptance Amount and will make a further announcement as soon as practicable should the Government change the Maximum Exchange Acceptance Amount.

## **Maximum 2024 Tender Acceptance Amount**

The 2024 Tender Offer is subject to a cap on the aggregate principal amount of 2024 Notes that the Government will accept for repurchase (the “**Maximum 2024 Tender Acceptance Amount**”).

The Maximum 2024 Tender Acceptance Amount will be such amount that results in the aggregate 2024 Tender Consideration equalling the aggregate gross proceeds of the New Notes Issuance (i.e., the “new money”), *less* Accrued Interest and Cash Rounding Amount (if any) pursuant to the Exchange Offers, *plus* the aggregate principal amount of 2023 Notes accepted by the Government for exchange pursuant to the 2023 Exchange Offer *minus* US\$517,230,000 (being the aggregate principal amount of 2023 Notes outstanding as of the date of the Exchange and Tender Offer Memorandum).

The Government expects to announce the determination of the Maximum 2024 Tender Acceptance Amount as soon as practicable on or after the Expiration Date. Holders are accordingly cautioned that a determination with respect to their instructions (if any) in the 2024 Tender Offer will be made only after the Expiration Date and based on instructions received in the other Offers.

## **Proration**

As a result of the Maximum Exchange Acceptance Amount and the Maximum 2024 Tender Acceptance Amount, Old Notes validly tendered in the 2023 Exchange Offer, the 2024 Exchange Offer and/or the 2024 Tender Offer may be subject to proration.

## **Exchange Ratio**

The Exchange Ratio applicable to Old Notes tendered in the Exchange Offers will be calculated by dividing the relevant Exchange Price (expressed as a percentage of the nominal amount of the relevant Old Notes) by the issue price of the notes issued as part of the New Notes Issuance (rounded to six decimal places, with 0.0000005 rounded upwards).

The Government expects to announce the Exchange Ratio as soon as practicable after pricing of the New Notes Issuance.

## **Indicative Offer Timetable**

<b>Events</b>	<b>Times and Dates</b>
Launch of Offers	January 9, 2023
Announcement of Pricing of the New Notes Issuance, the Exchange Ratios and the Maximum Exchange Acceptance Amount	As soon as reasonably practicable after the pricing of the New Notes Issuance, subject to market conditions
Expiration Date	5.00 p.m. (New York City time) January 13, 2023
Announcement of the Results of the Offers and the Maximum 2024 Tender Acceptance Amount	As soon as January 16, 2023
Settlement Date	As soon as January 19, 2023

Custodians, direct participants and clearing systems may have deadlines prior to the Expiration Date for receiving instructions, and you should contact them as soon as possible to ensure proper and timely delivery of instructions.

Subject to applicable law and as provided in the ETOM, the Government may, in its sole and absolute discretion, extend, re-open, amend, waive any condition of or terminate the Offers at any time. Details of any extension, re-opening, amendment, waiver or termination will be announced as provided in the ETOM as soon as reasonably practicable after the relevant decision is made.

The information in this announcement is only a summary. Before making a decision with respect to the Offers, Holders should carefully consider all of the information in the ETOM. You may request a copy of the ETOM by contacting Morrow Sodali Limited (the “**Information, Exchange and Tender Agent**”) at the addresses, and telephone numbers set forth below, or you may download the ETOM at the Offer Website: <https://projects.morrowsodali.com/mongolia>.

*The Information, Exchange and Tender Agent for the Offers is:*

### **Morrow Sodali Limited**

*In London:*  
103 Wigmore Street  
W1U 1QS London  
United Kingdom  
Telephone: +44 20 4513 6933

*In Stamford:*  
333 Ludlow Street  
South Tower, 5th Floor  
Stamford, CT 06902  
United States of America  
Telephone: +1 203 609 4910

*In Hong Kong:*  
The Hive  
33-35 Hillier Street  
Sheung Wan  
Hong Kong  
Telephone: +852 2319 4130

Email: [mongolia@investor.morrowsodali.com](mailto:mongolia@investor.morrowsodali.com)  
Offer Website: <https://projects.morrowsodali.com/mongolia>

*The Dealer Managers for the Offers are:*

**Credit Suisse (Hong Kong) Limited**  
Attention: Legal – Investment  
Banking and Capital Markets  
Level 88, International Commerce  
Centre  
1 Austin Road West  
Kowloon, Hong Kong  
Telephone: +852 2101 6000  
Fax: +852 2284 7184  
Email:  
[list.liabilitymanagementasia@credit-suisse.com](mailto:list.liabilitymanagementasia@credit-suisse.com)

**J.P. Morgan Securities plc**  
Attention: Liability Management  
Desk  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Telephone:  
+852 2800 8219 (Hong Kong)  
+852 2800 7632 (Hong Kong)  
E-mail:  
[liability\\_Management\\_HK@jpmorgan.com](mailto:liability_Management_HK@jpmorgan.com)

**MUFG Securities Asia Limited**  
Attention: Liability Management  
Group  
11/F AIA Central, 1 Connaught  
Road, Central, Hong Kong  
Telephone: +33 1709 14279  
+852 2860 1678  
Email:  
[liability.management@mufgsecurities.com](mailto:liability.management@mufgsecurities.com)

**The Hongkong and Shanghai Banking Corporation Limited**  
Attention: Liability Management  
Level 17, HSBC Main Building  
1 Queen’s Road Central  
Hong Kong  
Telephone:  
US Toll Free: 1-888-HSBC-4LM  
+852 3941 0223 (Hong Kong)  
+44 207 992 6237 (London)  
+1 212 525 5552 (New York)  
E-mail:  
[liability.management@hsbcib.com](mailto:liability.management@hsbcib.com)

**This announcement is not an offer or a solicitation of offers. The Offers are made solely by means of the ETOM. The Offers do 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 2023 Tender Offer and the 2024 Tender Offer are 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 Offers 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 2023 Exchange Offer and the 2024 Exchange Offer will only be made to, and the New Notes thereunder are being offered and will be issued only to, eligible holders who are (a) located outside the United States in offshore transactions pursuant to Regulation S and (b) QIBs as defined in Rule 144A in the United States to in connection with resales by the Dealer Managers in accordance with Rule 144A.

The communication of this announcement and any other document or materials relating to the Offers are not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA").

Accordingly, the announcement and such other documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, save in circumstances where section 21(1) of the FSMA does not apply, and are only for circulation to and directed at persons outside the United Kingdom or to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43(2) of the Order, or to other persons to whom the ETOM and such other documents and/or materials may lawfully be communicated in accordance with the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this ETOM and/or such other documents and/or materials relates is available only to and will be engaged in only with Relevant Persons, and any person who is not a Relevant Person should not rely on them. It is a condition of you receiving such documents and/or materials that you represent and warrant to the Government and its professional advisers and contractors that (i) you are a Relevant Person; and (ii) you have read and agree to comply with the contents of this notice.

Neither this announcement nor any other documents or materials relating to the Offers 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 Offers 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 Offers may not be advertised and the Offers will not be extended, and neither this ETOM nor any other documents or materials relating to the Offers (including 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. This ETOM has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the information contained in this ETOM 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 Offers have 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 Offers 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 to D.411-3 of the French *Code monétaire et financier*.

With respect to persons in Hong Kong, the Offers are only made (a) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (b) to "professional investors" as defined in the Securities and Futures

Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (c) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the New 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 New 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 Offers have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (the “CONSOB”) pursuant to Italian laws and regulations. The Offers are being carried out in 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 Offers are also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers’ Regulation.

A Holder located in Italy can tender the Old Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Consolidated Financial Act, the CONSOB Regulation No. 20307 of 15 February 2018, as amended, 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 New Notes or the Offers.

The Offers are made in Switzerland to Holders only. Neither this announcement nor any other document related to the Offers constitute a prospectus within the meaning of Art. 652a or Art. 1156 of the Swiss Code of Obligations.