

NOTICE OF SETTLEMENT INSTRUCTIONS

**STATE ENTERPRISE
“FINANCING OF INFRASTRUCTURAL PROJECTS”**

(incorporated as a State enterprise under the laws of Ukraine)

(the “Issuer”)

**THIS NOTICE OF SETTLEMENT INSTRUCTIONS IS FOR THE ATTENTION OF
HOLDERS OF THE FOLLOWING SECURITIES ISSUED BY THE ISSUER HOLDING
THROUGH EUROCLEAR AND CLEARSTREAM ONLY:**

U.S.\$550,000,000 9.0 per cent. Notes due 2017
(ISIN: XS0862476230; CUSIP: 31771VAC7)

U.S.\$568,000,000 8.375 per cent. Notes due 2017
(ISIN: XS0619856460; CUSIP: 3177IVAB9)

U.S.\$690,000,000 7.40 per cent. Notes due 2018
(ISIN: XS0917605841; CUSIP: 903724AG7)

(together the “Notes”)

guaranteed by Ukraine (“Ukraine” or the “Guarantor”)

This Notice of Settlement Instructions should be read in conjunction with the Guarantor’s Exchange Offer Memorandum dated 23 September 2015 (the “**Memorandum**”) which can be obtained (subject to certain restrictions) from the Offer Website at <http://sites.dfkingltd.com/ukraine>. Terms used in this Notice of Settlement Instructions and defined in the Memorandum are used herein as so defined.

This Notice is for Holders of Designated Securities who did **not** submit valid Participation Instructions, or who did not submit valid Participation Instructions containing the required information by the applicable Voting Deadline as described in the Memorandum (each a “Non-Participating Holder”).

The Consideration to which such Non-Participating Holders are entitled pursuant to the terms of the Memorandum will, upon receipt by the Settlement and Tabulation Agent of a certification as to such Non-Participating Holder’s status as an Eligible Holder in the form attached hereto as Exhibit A (a “Delivery Certificate”) prior to the date falling 150 days after the Settlement Date which is 10 April 2016 (the “Expiry Date”), be issued as soon as practicable after the Expiry Date by Ukraine and delivered to such Non-Participating Holder.

In the event that such Non-Participating Holder fails to, or is unable to, deliver a Delivery Certificate prior to the Expiry Date, such Consideration shall be sold in one or more transactions (each, a “Sale”) at any time following the Expiry Date. The price, terms, timing and manner of such Sale will be on the best terms reasonably available at the time using a transparent open market process and shall be for cash. Ukraine will not have any liability for any loss or alleged loss arising from such sale or a failure to procure any purchaser for such New Notes and GDP-linked Securities (or any of them).

The proceeds of such Sales (net of the costs of sale including the fees of any marketing agent, placement agent or underwriter appointed in relation to the Sales and any taxes and provisions for tax on sale or as a result of the Pending Distribution Arrangement) (the “Net Cash Proceeds”) will be held for the benefit of such Non-Participating Holders until such time as Sales of all such Consideration have been effected, and the pro rata shares of such Net Cash Proceeds will be delivered to the relevant

Accountholders in Euroclear or Clearstream in accordance with the instructions contained in the Delivery Certificate on behalf of the Non-Participating Holder entitled to such Consideration as soon as reasonable practicable thereafter.

A Non-Participating Holder whose interest in the Designated Securities was (prior to their cancellation) held through Euroclear or Clearstream must submit or arrange to have submitted on its behalf before the deadlines set by such Clearing System, Delivery Certificates in relation to the Designated Securities held by them immediately prior to their cancellation to the relevant Clearing System in accordance with the requirements thereof and in the manner specified herein. Such Delivery Certificates shall constitute such Holder's Participation Instructions for the purposes of the Memorandum. Holders should check with their bank, securities broker or any other intermediary through which they hold their Designated Securities whether such bank, securities broker or other intermediary will apply earlier deadlines for participation to those set out in this Notice of Settlement Instructions and, if so, should comply with those deadlines.

The receipt of Delivery Certificates by the relevant Clearing System will be acknowledged by the relevant Clearing System. By submitting the Delivery Certificates through the relevant Clearing System, each Accountholder will be deemed to have consented to having the relevant Clearing System provide details concerning such Accountholders identity to, amongst others, the Issuer, the Settlement and Tabulation Agent and their respective advisers.

Only Accountholders may submit Delivery Certificates. Each Non-Participating Holder that is not an Accountholder must arrange for the Accountholder through which it held the relevant Designated Securities to submit a Delivery Certificates on its behalf to the relevant Clearing System.

Accountholders who held Designated Securities on behalf of more than one Beneficial Owner do not need to submit separate Delivery Certificates for each Beneficial Owner but may nonetheless do so.

Before completing and submitting Delivery Certificates, Non-Participating Holders should read the detailed instructions contained in this Notice of Settlement Instructions.

Any questions relating to the completion and submission of Delivery Certificates should be addressed to the Settlement and Tabulation Agent as follows:

The Bank of New York Mellon, London Branch

Tel: +44 1202 68 9644

Fax: +44 20 7964 2728

E-mail: debtstructuring@bnymellon.com

This Notice of Settlement Instructions and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

Instructions for the Completion and Submission of Delivery Certificates

Accountholder Details

The Delivery Certificate must include the full name of the Accountholder through which the Non-Participating Holder holds its Designated Securities and the securities account number with the relevant Clearing System through which the Designated Securities are held.

Investor Status

The Accountholder must specify in the relevant Delivery Certificate whether such Delivery Certificate is submitted on behalf of:

- (i) a Holder residing in the United States who is a QIB (or a person acting on behalf of a Holder who is residing in the United States and is a QIB); or
- (ii) a Holder residing in the United States who is an Accredited Investor (or a person acting on behalf of a Holder who is residing in the United States and is an Accredited Investor); or
- (iii) a Holder who is residing outside the United States and is not a U.S. Person (or a person acting on behalf of a Holder residing outside the United States who is not a U.S. Person) (a Holder falling within paragraphs (i), (ii) or (iii), an “**Eligible Investor**”); or
- (iv) a Holder who does not fall within either (i), (ii) or (iii) above.

Entitlements

Non-Participating Holders wishing to understand the Consideration they will receive should refer to the Investor Presentation which is available on the Offer Website at <http://sites.dfkingltd.com/ukraine>.

Settlement

The Consideration to which the relevant Non-Participating Holder is entitled will be credited to the Clearing System account from which such Delivery Certificates were sent.

Representations and Undertakings

By submitting, or arranging to have submitted on its behalf, Delivery Certificates, Holders (other than Holders who are not Eligible Investors and confirm their status as such in their Delivery Certificates) will be deemed, on the date on which such Delivery Certificates are submitted and the date on which the Consideration is distributed in accordance with such Delivery Certificates, to make the representations warranties and undertakings set out on page 25 (*Noteholders’ Agreements, Acknowledgements, Representations, Warranties and Undertakings*) of the Memorandum.

Holders who are not Eligible Investors

A Holder who is not an Eligible Investor will have the Consideration due to them sold in accordance with the procedures set out in this Notice and must in its Delivery Certificate direct Ukraine to sell its Consideration and provide account details for delivery to it of the Net Proceeds of Sale.

The price, terms, timing and manner of any sale referred to above will be on the best terms reasonably available at the time using a transparent open market process and shall be for cash and shall take place as soon as reasonably practicable after the Expiry Date, and neither the Issuer nor Ukraine, nor any of their advisers, or any person acting on their behalf will have any liability for any loss or alleged loss arising from such sale or a failure to procure any purchaser for such Consideration.

Each Holder who is not an Eligible Investor shall be deemed to have agreed that any sale of the Consideration to which such Holder would otherwise be entitled shall be conducted on the basis described above.

The Issuer is:

STATE ENTERPRISE
“FINANCING OF INFRASTRUCTURAL PROJECTS”
4A Khotivska Street
Kyiv, 03118
Ukraine

The Guarantor is:

UKRAINE
The Ministry of Finance of Ukraine
12/2 Vul. Grushevskogo
Kyiv, 01008
Ukraine

The Settlement and Tabulation Agent is:

THE BANK OF NEW YORK MELLON, LONDON BRANCH
One Canada Square
London E14 5AL
United Kingdom

Tel: +44 1202 68 9644
Fax: +44 20 7964 2728
E-mail: debtstructuring@bnymellon.com

The Information Agent is:

D.F. KING

In London:
85 Gresham Street
London, EC2V 7NQ
England
Telephone: +44 20 7920 9700

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

In New York:
48 Wall Street, 22nd Floor
New York, New York 10005
United States
Telephone: + 1 212 269 5550/ + 1 800 331 5963
Email: Ukraine@dfkingltd.com
Offer Website: <http://sites.dfkingltd.com/ukraine>

This notice is given by:

STATE ENTERPRISE “FINANCING OF INFRASTRUCTURAL PROJECTS”

4A Khotivska Street

Kyiv, 03118

Ukraine

**UKRAINE, REPRESENTED BY THE MINISTRY OF FINANCE OF UKRAINE,
ACTING ON THE INSTRUCTIONS OF THE CABINET OF MINISTERS OF
UKRAINE**

c/o The Ministry of Finance of Ukraine

12/2 Vul. Grushevskogo

Kyiv, 01008

Ukraine

11 November 2015

EXHIBIT A

DELIVERY CERTIFICATE

**STATE ENTERPRISE
“FINANCING OF INFRASTRUCTURAL PROJECTS”**

(incorporated as a State enterprise under the laws of Ukraine)

(the “Issuer”)

in respect of the

**U.S.\$[•],000,000 [•] per cent. Guaranteed Notes due [•]
(the “Notes”)**

(ISIN: XS[•])

guaranteed by Ukraine (“Ukraine” or the “Guarantor”)

(To be completed by Accountholders only)

This Delivery Certificate should be completed and signed by Accountholders and submitted in accordance with the procedures, requirements and deadlines of the relevant Clearing System

We hereby certify that:

- (1) this form is submitted on behalf of a Noteholder

A	who is an Eligible Holder and who is outside the United States and is not a U.S. person (as defined in Rule 902 under the Securities Act)	<input type="checkbox"/>
B	who is an Eligible Holder and who is a qualified institutional buyer (as defined in Rule 144A under the Securities Act)	<input type="checkbox"/>
C	who is an Eligible Holder and who is an accredited investor (as defined in Rule 501(a) under the Securities Act)	<input type="checkbox"/>
D	who is not an Eligible Holder	<input type="checkbox"/>

- (2) Notes of aggregate principal amount specified below were held by the Accountholder specified below on 12 November 2015:

Principal Amount of Notes: U.S.\$.....

.....

Signed by a duly authorised officer on behalf of the Accountholder

Name of Accountholder:

Date: