

UPDATE ON STATUS OF UKRAINE CASH SETTLEMENT ARRANGEMENT

Kyiv, 19 May 2016

Further to the notice published on 20 April 2016, the Ministry of Finance of Ukraine (“Ukraine”) is pleased to announce that on 16 May 2016 it completed the sale of those New Notes and GDP-linked Securities previously held by the Settlement and Tabulation Agent in respect of (i) entitlements to Consideration which fell below the minimum denomination of the relevant form of Consideration, or (ii) amounts of Consideration rounded down as described under “*The Invitation – Minimum Denominations*” of the Exchange Offer Memorandum ((i) and (ii) together the “Fractional Entitlements”).

The net proceeds of sale (and any interest paid in relation to such Securities) were distributed by the Settlement and Tabulation Agent on 17 May 2016 through the clearing systems to the accounts of holders who delivered a valid and complete Participation Instruction in relation to the Exchange Offer or the Consent Solicitation on or before the Expiration Deadline or the Voting Deadline.

Terms used herein and defined in the Exchange Offer Memorandum dated 23 September 2015 (as amended and supplemented, the “Exchange Offer Memorandum”) are used as so defined, unless otherwise defined herein. The Exchange Offer Memorandum is available at the Offer Website details of which are set out below.

Furthermore, on 28 April 2016, Ukraine issued further Securities to holders of the Designated Securities of the Series set out in the table below who did not deliver a valid Participation Instruction in the Invitation prior to the Expiration Deadline or the Voting Deadline (“Non-Participating Holders”), other than to those holders who did not deliver a valid and complete Delivery Certificate on or prior to 11 April 2016 or are not eligible to receive the Consideration (the “Ineligible Non-Participating Holders”). The entitlements of such Ineligible Non-Participating Holders were issued to the Settlement and Tabulation Agent’s custody account on 28 April 2016 and will be sold during the course of May, with the distribution of the net proceeds of sale (and any interest paid in relation to such Securities) through the clearing systems to the accounts of such holders expected to take place as soon as practicable thereafter.

Details of each series of notes (the “Designated Securities”) this notice relates to are as follows:

| Ukraine Sovereign Bonds: | ISIN | CUSIPS |
|--|--------------|---------------|
| U.S.\$ 500,000,000 6.875 per cent. due 2015 | XS0543783434 | 603674AB8 |
| U.S.\$ 1,500,000,000 7.75 per cent. due 2020 | XS0543783194 | 603674AA0 |
| U.S.\$ 1,250,000,000 7.5 per cent. due 2023 | XS0917605841 | 903724AG7 |
| U.S.\$ 700,000,000 6.75 per cent. due 2017 | XS0330776617 | NO CUSIP |
| U.S.\$ 1,000,000,000 6.58 per cent. due 2016 | XS0276053112 | 903724AB8 |
| U.S.\$ 2,250,000,000 7.8 per cent. due 2022 | XS0858358236 | 903724AF9 |
| U.S.\$ 1,250,000,000 6.25 per cent. due 2016 | XS0638552942 | 903724AC6 |
| U.S.\$ 2,600,000,000 9.25 per cent. due 2017 | XS0808758196 | 903724AD4 |
| U.S.\$ 1,500,000,000 7.95 per cent. due 2021 | XS0594390816 | 126826AH9 |
| € 600,000,000 4.95 per cent. due 2015 | XS0232329879 | NO CUSIP |

| FinInPro Guaranteed Bonds | ISIN | CUSIPS |
|---|--------------|---------------|
| U.S.\$ 568,000,000 8.375 per cent. due 2017 | XS0556327822 | 31771VAA1 |
| U.S.\$ 690,000,000 7.40 per cent. due 2018 | XS0619856460 | 31771VAB9 |
| U.S.\$ 550,000,000 9.0 per cent. due 2017 | XS0862476230 | 31771VAC7 |

This notice is given by:

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

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