

UKRAINE CONFIRMS PROCESS FOR ISSUANCE OF CONSIDERATION TO NON-PARTICIPATING HOLDERS, PAYMENT OF UNPAID INTEREST AND CASH PROCEEDS ARRANGEMENT

Kyiv, 22 March 2016

In accordance with the terms of the Exchange Offer Memorandum dated 23 September 2015 (as amended and supplemented, the “Exchange Offer Memorandum”), the Ministry of Finance of Ukraine (“Ukraine”) wishes to notify 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 of the process for the issuance, delivery and (where applicable) sale of the relevant holders’ Consideration, as well as the timing and method of delivery of interest relating to such Consideration for the interest period from 1 September 2015 to 1 March 2016.

Terms used herein and defined in the Exchange Offer Memorandum are used as so defined, unless otherwise defined herein.

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

Delivery of New Notes and GDP-linked Securities to Non-Participating Holders who have provided Delivery Certificates

Those holders of Designated Securities that did not deliver 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 (each a “Non-Participating Holder” and together the “Non-Participating Holders”) are subject to the mechanism set out under “*Cash Proceeds Arrangement*” in the Exchange Offer Memorandum, as supplemented by the notices of settlement instructions published on 11 November 2015.

Accordingly such holders must provide a valid and complete Delivery Certificate prior to the date falling 150 days after the Settlement Date (the “Expiry Date”) in order to be eligible to receive the New Notes and GDP-linked Securities to which they are entitled under the terms of the Exchange Offer Memorandum.

For the avoidance of doubt, the Expiry Date falls on Sunday, 10 April 2016 and is therefore extended to 5.00 pm Pacific Standard Time on Monday, 11 April 2016.

Non-Participating Holders should note that the deadlines to be met to ensure that a Delivery Certificate is received by the Settlement and Tabulation Agent by the Expiry Date set by any bank, securities broker or other intermediary through which they held Designated Securities and the relevant Clearing System may be earlier than the Expiry Date.

The issuance of the New Notes and the GDP-linked Securities (the “New Securities”) due to all Non-Participating Holders who have delivered their Delivery Certificates prior to the Expiry Date and are eligible to receive the Consideration (the “Eligible Non-Participating Holders”) will take place during the week beginning 18 April 2016 (subject to the timing of the publication of the appropriate resolution of the Cabinet of Ministers of Ukraine). The entitlements to New Securities of the Eligible Non-Participating Holders will be delivered through the Clearing Systems as soon as practicable following the issue thereof.

Cash Proceeds Arrangement

In relation to those Non-Participating Holders who do not deliver a valid and complete Delivery Certificate prior to the Expiry Date or are not eligible to receive the Consideration (the “Ineligible Non-Participating Holders”), the New Securities attributable to their holdings of Designated Securities will be aggregated and issued and delivered to the Settlement and Tabulation Agent’s custody account. Such New Securities (and any entitlement to interest due in relation thereto) will be sold and the pro rata shares of the Net Cash Proceeds of sale will be delivered to such Ineligible Non-Participating Holders in accordance with the Cash Proceeds Arrangement set out in the Exchange Offer Memorandum.

In addition, those New Notes and GDP-linked Securities currently 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”) (and in each case any entitlement to interest due in relation thereto) shall be sold separately as part of the Cash Proceeds Arrangement following the issue date of the New Securities. The pro rata shares of the Net Cash Proceeds of sale of such New Notes and GDP-linked Securities (and any related entitlement to interest) will be delivered to the relevant holders in accordance with the Cash Proceeds Arrangement set out in the Exchange Offer Memorandum.

While there is no specified deadline by which the Consideration that is subject to the Cash Proceeds Arrangement must be sold or the Net Cash Proceeds resulting therefrom must be delivered to entitled

holders, it is expected that the sale process will begin shortly after the issuance of the New Securities (expected to take place during the week beginning 18 April) and for the Net Cash Proceeds to be returned to those entitled to them as soon as practicable following the sale of the total aggregate amount of (i) the New Securities, in the case of Ineligible Non-Participating Holders, and (ii) the Securities which were issued to cover the Fractional Entitlements, in the case of holders entitled to Fractional Entitlements, (subject in each case to the provisions of the Cash Proceeds Arrangement).

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. Neither the Settlement and Tabulation Agent nor Ukraine will have any liability for any loss or alleged loss arising from such sale or a failure to procure any purchaser for the New Notes and GDP-linked Securities (or any of them).

Treatment of interest for the period 1 September 2015 to 1 March 2016

Interest due to Eligible Non-Participating Holders

Any accrued interest which has become due but is currently unpaid in relation to the New Securities to be issued to Eligible Non-Participating Holders is expected to be paid to such holders in the week commencing 9 May 2016. This payment will cover interest due for the first interest period from and including 1 September 2015 to but excluding 1 March 2016, and will be made to those accounts the details of which the Settlement and Tabulation Agent has for the Eligible Non-Participating Holders as of the Settlement Date.

Ineligible Non-Participating Holders' entitlement to interest

The entitlement to interest for the period from and including 1 September 2015 to but excluding 1 March 2016 in relation to New Securities issued in respect of holdings of Designated Securities held by Ineligible Non-Participating Holders will be sold along with the relevant Securities and the proceeds of such sale will form part of the Net Cash Proceeds due to such Ineligible Non-Participating Holders. Such interest is expected to be paid to the holders purchasing the New Securities in the week commencing 9 May 2016 (subject to the sale of such New Securities having taken place by that time).

Interest due in relation to Securities issued in respect of Fractional Entitlements

Interest for the period from and including 1 September 2015 to but excluding 1 March 2016 already paid in relation to Securities issued in respect of Fractional Entitlements will be delivered along with the Net Cash Proceeds due to the Holders entitled to such Fractional Entitlements.

Listing and consolidation of the New Securities

It is expected that the New Securities will be admitted to trading on the EU-regulated market of the Irish Stock Exchange on the issue date thereof.

The New Securities will be consolidated and form a single series with the existing New Notes and GDP-linked Securities on the issue date thereof.

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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