

COMMUNIQUE



Republic of Zambia
MINISTRY OF FINANCE

THIS ANNOUNCEMENT DOES NOT CONSTITUTE A SOLICITATION OF AN OFFER TO SELL OR RECOMMENDATION TO PURCHASE THE NOTES REFERRED TO IN THIS ANNOUNCEMENT OR ANY OTHER SECURITIES. THE CONSENT SOLICITATION IS NOT BEING MADE, AND THIS ANNOUNCEMENT SHALL NOT BE DISTRIBUTED, IN ANY JURISDICTION IN WHICH SUCH SOLICITATION OF CONSENT IS NOT IN COMPLIANCE WITH THE LAWS OR REGULATIONS OF SUCH JURISDICTION.

Lusaka, 22 September 2020

The Ministry of Finance (the "Ministry") of the Republic of Zambia (the "Republic") has announced a Consent Solicitation to holders of its (i) U.S.\$750,000,000 5.375 per cent. Notes due 2022, (ii) U.S.\$1,000,000,000 8.500 per cent. Notes due 2024 and (iii) U.S.\$1,250,000,000 8.970 per cent. Notes due 2027 (the "Notes") to request the suspension of debt service payments for a period of six months from 14 October 2020, effectively covering the upcoming three coupon payments due on 14 October 2020, 30 January 2021, and 20 March 2021 on the respective Notes.

The Republic of Zambia is confronted with a very challenging macroeconomic and fiscal situation aggravated by the Covid-19 crisis that has severely affected the country's public finances. A combination of declining revenues and increased unbudgeted costs caused by the Covid-19 pandemic have resulted in a material impact on the Government's available resources to make timely payments on its indebtedness leading to increasing debt servicing difficulties. This is the reason why the Republic of Zambia has taken the decision to apply for the G20 Debt Service Suspension Initiative in August 2020 and is requesting similar debt service suspension from its commercial creditors, including its noteholders.

The Government meanwhile continues to actively engage with the IMF to secure financial assistance within a programme of reforms that would help in stabilising the macroeconomic outlook of the country and restoring its fiscal balance. In this context, the Government is committed to finding a consensual and collaborative resolution to the debt sustainability issues it is currently facing.

The Ministry invites all holders of direct and guaranteed external commercial obligations of the Republic, including the Notes, to an Investor VIRTUAL PRESENTATION that will take place on **29 SEPTEMBER 2020 AT 12:30 P.M. (LONDON TIME)**.

Noteholders and other investors who would like to attend the presentation should register at <https://news.whitecase.com/80/15706/landing-pages/blank-registration.asp>. **The deadline for registration is 12:00 p.m. (London time) on 29 September 2020.**

Any questions regarding the Consent Solicitation process may be directed to the Information and Tabulation Agent at zambia@investor.morrowsodali.com.

White & Case LLP and Lazard Frères are respectively acting as the Republic's legal and financial advisors.

Issued By:

Fredson K. Yamba

SECRETARY TO THE TREASURY

ADDRESS: P.O. Box 50062, Chimanga Road, Lusaka

TEL: +260-211-253512/253786/252121/250544

EMAIL: fredson.yamba@mof.gov.zm; mukuli.chikuba@mof.gov.zm; Gregory.chomba@mof.gov.zm

WEBSITE: www.mof.gov.zm

FACEBOOK: <https://m.facebook.com/zambiafinanceministry>