

Հավելված N 5
ՀՀ կառավարության 2015 թվականի
մարտի 10-ի N 218 - Ն որոշման

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached tender offer memorandum (the “**Tender Offer Memorandum**”), whether received by email or otherwise received as a result of electronic communication, and you are therefore required to read this disclaimer carefully before accessing, reading or making any other use of this Tender Offer Memorandum. By accessing this Tender Offer Memorandum, including any e-mail to which this Tender Offer Memorandum may have been attached, you agree (in addition to giving the representations below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Deutsche Bank AG, London Branch and/or HSBC Bank plc and/or J.P. Morgan Securities plc (each, a “**Dealer Manager**” and, together, the “**Dealer Managers**”) and/or Lucid Issuer Services Limited (the “**Tender Agent**”) as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in this Tender Offer Memorandum.

Confirmation of your representation: In order to be eligible to view this Tender Offer Memorandum or participate in the Tender Offer (as defined below), you must be able to participate lawfully in the invitation by the Republic of Armenia (the “**Issuer**” or “**Armenia**”) acting through the Ministry of Finance of Armenia (the “**Ministry of Finance**”) to holders of the U.S.\$700,000,000 6.000 per cent. Notes due 2020 (the “**Notes**”) issued by the Issuer (Reg S ISIN: XS0974642273/ 144A ISIN: US042207AA84 / 144A CUSIP: 042207AA8) to tender their Notes for purchase by the Issuer for cash (the “**Tender Offer**”) on the terms and subject to the conditions set out in this Tender Offer Memorandum including the offer and distribution restrictions set out in this Tender Offer Memorandum. This Tender Offer Memorandum has been sent to you in an electronic form on the basis that (a) you are a holder or beneficial owner of the Notes; (b) you are a person to whom it is lawful to send this Tender Offer Memorandum or to make an invitation pursuant to the Tender Offer in accordance with applicable law; and (c) that you consent to delivery of this Tender Offer Memorandum by electronic transmission. You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Dealer Managers, the Tender Agent or any person who controls (as applicable), or is a director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between this Tender Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Tender Agent.

You are also reminded that this Tender Offer Memorandum has been sent to you on the basis that you are a person into whose possession this Tender Offer Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver this Tender Offer Memorandum to any other person. If you are not the named addressee to which this Tender Offer Memorandum has been delivered, please notify the sender immediately and destroy this Tender Offer Memorandum.

Any materials relating to the Tender Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires the Tender Offer to be made by a licensed broker or dealer and any of the

Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in such jurisdictions, the Tender Offer shall be deemed to be made by such Dealer Manager or affiliate (as the case may be) on behalf of the Issuer in such jurisdiction.

This Tender Offer Memorandum has been issued by the Issuer and is being distributed only to existing holders of the Notes, those holders being investment professionals and high net worth companies/undertakings each within the meaning of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or other persons to whom it can lawfully be communicated under that order.

Restrictions: Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would be unlawful.

THIS TENDER OFFER MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY PERSON OTHER THAN THE RECIPIENT AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS TENDER OFFER MEMORANDUM HAS NOT BEEN FILED WITH, OR REVIEWED BY, ANY NATIONAL OR LOCAL SECURITIES COMMISSION OR REGULATORY AUTHORITY OF THE REPUBLIC OF ARMENIA, BELGIUM, FRANCE, ITALY, THE RUSSIAN FEDERATION, THE UNITED KINGDOM, THE UNITED STATES OR ANY OTHER JURISDICTION, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS TENDER OFFER MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE UNLAWFUL AND MAY BE A CRIMINAL OFFENCE.

This Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Tender Offer. If any holder of Notes is in any doubt as to the action it should take, such holder is recommended to immediately seek its own financial advice, including tax advice relating to the consequences resulting from the Tender Offer from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal advisor. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Tender Offer.



REPUBLIC OF ARMENIA
(acting through the Ministry of Finance)

Invitation to Tender for Purchase for Cash

Up to U.S.\$200,000,000 of the outstanding U.S.\$700,000,000 6.000 per cent. Notes due 2020 (the “Notes”) issued by the Republic of Armenia (the “Issuer” or “Armenia”), acting through the Ministry of Finance of Armenia (the “Ministry of Finance”)

Reg S ISIN: XS0974642273
144A ISIN: US042207AA84 – 144A CUSIP: 042207AA8

The Issuer hereby invites the holders of the Notes (the “**Noteholders**”), subject to the offer restrictions referred to in “*Offer and Distribution Restrictions*” below, and upon the terms and subject to the conditions set forth in this tender offer memorandum (as it may be amended or supplemented from time to time, the “**Tender Offer Memorandum**”), to tender for purchase for cash up to U.S.\$200,000,000 of the outstanding Notes (the “**Maximum Acceptance Amount**”, in accordance with the procedures described herein. The invitation to tender the Notes for purchase is referred to herein as the “**Tender Offer**”.

The Tender Offer will finally expire at 5.00 pm (New York time) on 18 March 2015, unless extended or earlier terminated (such time and date, as the same may be extended, the “Expiration Deadline”).

Noteholders that validly tender their Notes at or prior to the Expiration Deadline (and providing such tender is received by the Tender Agent on or prior to the Expiration Deadline), will be eligible to receive the Purchase Price (as defined below), plus the Accrued Interest Amount (as defined below) on the Payment Date (as defined below).

Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “Procedures for Tendering Notes – Revocation Rights”.

The Tender Offer is made subject to the terms and conditions set forth in this Tender Offer Memorandum, including the closing of a new issue of notes by the Issuer (the “New Notes”), to be denominated in U.S. Dollars, yet to be priced in an amount and on terms and conditions acceptable to the Issuer (the “New Notes Offering”).

Subject to applicable law, the Issuer reserves the right, in its sole and absolute discretion, not to accept any tenders of Notes or to modify in any manner any of the terms and conditions of the Tender Offer (including, but not limited to, modifying the Purchase Price with respect to the Tender Offer). For a more detailed discussion, see “The Tender Offer”.

The Purchase Price (expressed as an amount per U.S.\$1,000 in principal amount of Notes) is set forth below. In addition to the Purchase Price, the Issuer will pay as part of the consideration for the Notes accepted for purchase in the Tender Offer a sum equivalent to accrued and unpaid interest, if any (the “**Accrued Interest Amount**”), from (and including) the immediately preceding interest payment date for the Notes up to but not including the Payment Date. No tenders of Notes will be valid if submitted, and received by the Tender Agent, after the Expiration Deadline.

Description of the Notes	Outstanding Principal Amount	ISIN / CUSIP (Reg S/144A)	Purchase Price	Maximum Acceptance Amount
The U.S.\$700,000,000 6.000 per cent. Notes due 2020	U.S.\$700,000,000	ISINS: XS0974642273/ US042207AA84 CUSIP (144A only): 042207AA8	U.S.\$1,000 per U.S.\$1,000 in principal amount of Notes	U.S.\$200,000,000

Dealer Managers

DEUTSCHE BANK

HSBC

J.P. MORGAN

12 March 2015

Consummation of the Tender Offer is subject to the satisfaction of certain other conditions (each as more fully described herein). Subject to applicable law, the Issuer reserves the right, in its sole discretion, to waive any and all conditions to the Tender Offer.

Only Noteholders that validly tender their Notes on or prior to the Expiration Deadline (providing such tender is received by the Tender Agent on or prior to the Expiration Deadline) (and do not validly revoke their tenders in the limited circumstances in which revocation is permitted) will be eligible to receive the Purchase Price. In addition, all Noteholders validly tendering their Notes that are accepted for purchase by the Issuer in the Tender Offer will receive a cash payment representing the Accrued Interest Amount on those Notes.

The “**Payment Date**”, in respect of any Notes that are (i) validly tendered on or prior to the Expiration Deadline (providing such tender is received by the Tender Agent on or prior to the Expiration Deadline) and (ii) accepted for purchase by the Issuer, will be on or about 26 March 2015.

Subject to applicable law and in accordance with the conditions described herein, the Issuer reserves the right, in its sole and absolute discretion, not to accept any tender of Notes.

The Issuer has not expressed any opinion with respect to the Tender Offer. None of the Issuer, the Dealer Managers (as defined herein), the Tender Agent (as defined herein) nor any of their respective affiliates, as applicable, makes any recommendation as to whether or not any Noteholder should tender its Notes pursuant to the Tender Offer. Each Noteholder must make its own decision as to whether or not to tender its Notes in connection with the Tender Offer.

Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes—Revocation Rights*”.

Each Noteholder is advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which it holds Notes to confirm whether such intermediary needs to receive instructions from such Noteholder before the deadlines specified in this Tender Offer Memorandum in order for that Noteholder to be able to participate in, or revoke its instruction to participate in, the Tender Offer. The deadlines set by intermediaries for the submission and withdrawal of instructions may be earlier than the relevant deadlines specified in this Tender Offer Memorandum.

Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the information contained in “*Risk Factors*” beginning on page 18 of this Tender Offer Memorandum before tendering any Notes.

Questions and requests for assistance in connection with (i) the Tender Offer may be directed to the Dealer Managers and (ii) tendering Notes may be directed to the Tender Agent, the contact details for both of which appear on the last page of this Tender Offer Memorandum.

Notice to U.S. Noteholders

The Tender Offer will be made in the United States 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**”), and otherwise in accordance with the requirements of applicable laws of the Republic of Armenia and English law. Accordingly, the Tender Offer will be subject to disclosure and other procedural requirements, including with respect to offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Tender Offer by a U.S. Noteholder may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign

and other tax laws. Each Noteholder is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Tender Offer.

It may be difficult for U.S. Noteholders to enforce their rights and claims arising out of the U.S. federal securities laws, since the Issuer is a sovereign state. See “ – *Service of Process and Enforcement of Civil Liabilities*”.

Service of Process and Enforcement of Civil Liabilities

Armenia is a sovereign state, and nearly all of the assets of Armenia are located outside the United States and the United Kingdom. There is a risk that, notwithstanding the limited waiver of sovereign immunity by Armenia in connection with the Tender Offer and disputes arising in connection therewith, a claimant will not be able to enforce a foreign court judgment or arbitral award against Armenia (including the imposition of any arrest order or the attachment or seizure of such assets and their subsequent sale), without Armenia having specifically consented to such enforcement at the time when the enforcement is sought. In addition, certain state-owned assets are statutorily exempt from court enforcement procedures within Armenia. Armenia has not waived any immunity in respect of present or future property (i) used by a diplomatic or consular mission of Armenia; (ii) of a military character and under control of a military authority or defence agency; (iii) constituting the international reserves of Armenia held by the Central Bank of Armenia (the “CBA”); or (iv) located in Armenia and dedicated to a public, governmental, religious or cultural use (as distinct from property which is for the time being in use or intended for use for commercial purposes).

It may not be possible to effect service of process against Armenia in courts outside Armenia or in a jurisdiction to which Armenia has not explicitly submitted, and the choice of jurisdiction of a foreign court (including English courts) in contractual agreements may be held to be invalid by an Armenian court. In addition, courts in Armenia will not enforce a judgment obtained in a foreign court unless such enforcement is provided for by treaty ratified by Armenia or by an arrangement between such country and Armenia providing for reciprocal enforcement of judgments, and then only in accordance with the terms of such treaty or arrangement and with Armenian law. Armenia has no such treaty (or arrangement) with the United Kingdom or with the United States.

Notwithstanding that Armenia is a party to the Convention on Recognition and Enforcements of Foreign Arbitral Awards of 10 June 1958 (the “**NY Convention**”) in accordance with which an award of the International Chamber of Commerce (the “**ICC**”) should be recognised and enforced by the courts of Armenia, it may not be possible as a practical matter to enforce foreign arbitral awards against Armenia possibly due to Armenian courts interpreting widely “public policy” as a ground for refusing recognition and enforcement of the award.

See “*Risk Factors – Judgments Relating to Assets in Armenia and Armenian Assets in Other Jurisdictions May Be Difficult to Enforce,*” and “*Risk Factors – Armenian Courts May Not Enforce Foreign Arbitral Awards.*”

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OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Tender Offer Memorandum comes are required by the Issuer, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

Belgium

Neither this Tender Offer Memorandum nor any other documents or materials relating to the Tender Offer have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*) and, accordingly, the Tender Offer may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids and as defined in Articles 3 and 6 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (together the “**Belgian Public Offer Law**”), each as amended or replaced from time to time. Accordingly, the Tender Offer may not be advertised and the Tender Offer will not be extended, and neither this Tender Offer Memorandum nor any other documents or materials relating to the Tender Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any individual or legal entity in Belgium other than:

- (i) qualified investors, as defined in Article 10 of the Prospectus Law;
- (ii) investors required to invest a minimum of €100,000 (per investor and per transaction);

and in any other circumstances set out in Article 3 §§2-4 of the Prospectus Law. Insofar as Belgium is concerned, this Tender Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Tender Offer. Accordingly, the information contained in this Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

France

The Tender Offer is not being made, directly or indirectly, to the public in the Republic of France (“**France**”). Neither this Tender Offer Memorandum nor any other document or material relating to the Tender Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*Investisseurs Qualifiés*) and/or (iii) a limited circle of investors (*cercle restreint*) acting for their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French *Code Monétaire et Financier*, are eligible to participate in the Tender Offer.

This Tender Offer Memorandum has not been and will not be submitted for clearance to the *Autorité des Marchés Financiers*.

Italy

None of the Tender Offer, this Tender Offer Memorandum or any other documents or materials relating to the Tender Offer has been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations.

This Tender Offer is being carried out in the Republic of Italy (“**Italy**”) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as

amended (the “**Financial Services Act**”) and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Issuer’s Regulation**”) as the case may be. The Tender Offer is also being carried out in compliance with article 35-bis, paragraph 7 of the Issuer’s Regulation. Noteholders or beneficial owners of the Notes may tender their Notes in the Tender Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, 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 Notes or the Tender Offer.

United Kingdom

The communication of this Tender Offer Memorandum by the Issuer and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) those persons who are existing members or creditors of the Issuer or other persons within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

Russian Federation

Neither this Tender Offer Memorandum nor information contained therein nor any other document or materials relating to the Tender Offer is an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this Tender Offer Memorandum or any other document or materials relating to the Tender Offer is not intended for any persons in the Russian Federation who are not “qualified investors” within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated 22 April 1996, as amended (the “**Russian QIs**”) and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law.

General

This Tender Offer Memorandum and any related documents do not constitute an offer to buy or the solicitation of an offer to sell Notes in any circumstances in which such offer or solicitation is unlawful. If a jurisdiction requires the Tender Offer to be made by a licensed broker or dealer, and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in such jurisdictions, the Tender Offer shall be deemed to be made by such Dealer Manager or such affiliate (as the case may be) on behalf of the Issuer in such jurisdiction.

In addition to the representations referred to above in respect of Belgium, France, Italy, the Russian Federation and the United Kingdom, each Noteholder participating in the Tender Offer will also be deemed to give certain representations in respect of the jurisdictions referred to above and generally as set out in “*Procedures for Tendering Notes*”. Any tender of Notes for purchase pursuant to the Tender

Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Issuer and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Tender Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such tender of Notes shall not be accepted.

IMPORTANT DATES

This is an indicative timetable of the Tender Offer based on the dates printed in this Tender Offer Memorandum and assuming that neither the Expiration Deadline nor the Payment Date is extended in respect of the Tender Offer. This timetable is subject to change and dates and times may be extended, amended or terminated by the Issuer in accordance with the terms of the Tender Offer (subject to applicable law), as described in this Tender Offer Memorandum. Accordingly, the actual timetable may differ significantly from the timetable below. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Tender Offer Memorandum.

Date	Calendar Date and Time	Event
Commencement Date	12 March 2015	Commencement of the Tender Offer upon the terms and subject to the conditions set forth in this Tender Offer Memorandum.
Expiration Deadline	5.00 pm (New York time) on 18 March 2015, unless extended or earlier terminated by the Issuer. In the case of an extension, the Expiration Deadline will be such other date and time as so extended.	<p>The last time for Noteholders to tender Notes pursuant to the Tender Offer (subject to such tender being validly received by the Tender Agent before such time) in order to be eligible to receive payment of the Purchase Price and the Accrued Interest Amount on the Payment Date. If a broker, dealer, bank, custodian, trust company or other nominee holds Notes of any Noteholder, such nominee may have earlier deadlines for accepting the Tender Offer on or prior to the Expiration Deadline. Each Noteholder should promptly contact the broker, dealer, bank, custodian, trust company or other nominee that holds its Notes to determine its deadline or deadlines.</p> <p>As soon as practicable on or after the Expiration Deadline, the Issuer will announce the results of the Tender Offer and the aggregate principal amount of Notes that will remain outstanding following completion of the Tender Offer.</p>
Payment Date	A date expected to be on or about 26 March 2015.	The day that Noteholders will be paid the Purchase Price and the Accrued Interest Amount, in the case of Notes (i) validly tendered on or prior to the Expiration Deadline (subject to such tender being validly received by the Tender Agent before the Expiration Deadline) and (ii) accepted for purchase by the Issuer.

The above times and dates are subject to the rights of the Issuer to extend, re-open, amend and/or terminate the Tender Offer (subject to applicable law and as provided in this Tender Offer Memorandum).

Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold Notes to confirm whether such intermediary requires that it receives instructions for such Noteholder to participate in the Tender Offer before the deadlines specified above. The deadlines set by each Clearing System (as defined herein) for the submission of Notes subject to the Tender Offer may be earlier than the relevant deadlines above. Please see “Procedures for Tendering Notes”.

GENERAL

No person has been authorised in connection with the Tender Offer to give any information or to make any representation, other than those contained in this Tender Offer Memorandum and any such information or representation must not be relied upon as having been authorised by the Issuer, the Dealer Managers or the Tender Agent. Neither the delivery of this Tender Offer Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that there has not been any change in the affairs of the Issuer since the date of this Tender Offer Memorandum or that the information contained in this Tender Offer Memorandum has remained accurate and complete as of any time subsequent to the date of this Tender Offer Memorandum.

Notes may only be tendered in the Tender Offer in accordance with the procedures described in “*Procedures for Tendering Notes*”. In particular, the Notes may only be tendered in minimum principal amounts of U.S.\$200,000 and integral multiple amounts of U.S.\$1,000 in excess thereof.

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Tender Offer) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Tender Offer.

NONE OF THE ISSUER, THE DEALER MANAGERS, THE TENDER AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT ANY NOTEHOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE TENDER OFFER. THE TENDER AGENT IS THE AGENT OF THE ISSUER AND OWES NO DUTY TO ANY NOTEHOLDER. EACH NOTEHOLDER SHOULD MAKE ITS OWN DECISION AS TO WHETHER TO TENDER ITS NOTES AND IF SO, THE PRINCIPAL AMOUNT OF THE NOTES AS TO WHICH SUCH ACTION IS TO BE TAKEN.

Noteholders holding their Notes through a broker, dealer, bank, custodian, trust company or other nominee must contact that nominee if they desire to tender those Notes. Any questions or requests for assistance or for additional copies of this Tender Offer Memorandum or related documents should be directed to the Tender Agent at its telephone number or email set forth on the back cover of this Tender Offer Memorandum. Noteholders may also contact the Dealer Managers or their respective broker, dealer, bank, custodian, trust company or other nominee for assistance concerning the terms of the Tender Offer.

A Noteholder or a beneficial owner of the Notes who is a Sanctions Restricted Person (as defined in “*Representations, Warranties and Undertakings*”) may not participate in the Tender Offer. No steps taken by a Sanctions Restricted Person to tender any or all of its Notes for purchase pursuant to the Tender Offer will be accepted by the Issuer and such Sanctions Restricted Person will not be eligible to receive either the Purchase Price, or any amount in cash equal to the Accrued Interest Amount in any circumstances.

NOTEHOLDERS SHOULD READ THIS TENDER OFFER MEMORANDUM CAREFULLY BEFORE MAKING A DECISION TO TENDER NOTES.

THIS TENDER OFFER MEMORANDUM HAS NOT BEEN REVIEWED BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY IN THE REPUBLIC OF ARMENIA, BELGIUM, FRANCE, ITALY, THE RUSSIAN FEDERATION, THE UNITED KINGDOM OR THE UNITED STATES, NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR ANY SUCH COMMISSION OR AUTHORITY PASSED UPON

THE ACCURACY OR ADEQUACY OF THIS TENDER OFFER MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND MAY BE A CRIMINAL OFFENCE.

The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Tender Offer in, from or otherwise involving the United Kingdom.

In making a decision whether to tender their Notes pursuant to the Tender Offer, Noteholders must rely on their own examination of the Issuer, the Notes and the information contained in this Tender Offer Memorandum, including their own determination of the merits and risks involved in participating in the Tender Offer.

Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes—Revocation Rights*”.

In the event of a termination by the Issuer of the Tender Offer, all Notes tendered pursuant to the terminated offer will be promptly returned to tendering Noteholders or credited to their account.

Except for fees payable to the Dealer Managers, the Issuer will not pay any commissions or other remuneration to any broker, dealer, salesman, or other person for soliciting tenders of Notes. Tendering Noteholders will not be obligated to pay brokerage fees, commission or transfer taxes to the Issuer, the Dealer Managers or the Tender Agent upon the Issuer’s purchase of Notes pursuant to the Tender Offer or the payment of the Purchase Price, and the Accrued Interest Amount. Tendering Noteholders may be required to pay fees to their own brokerage firm.

A decision to participate or not participate in the Tender Offer will involve certain risks. See “*Risk Factors*”.

Noteholders must comply with all laws that apply in any place in which such Noteholders possess this Tender Offer Memorandum. Noteholders must also obtain any consents or approvals that are needed and comply with any laws that apply in order to tender Notes. None of the Issuer, the Dealer Managers or the Tender Agent is responsible for Noteholders’ compliance with these legal requirements.

None of the Issuer or the Dealer Managers is providing Noteholders with any legal, business, tax or other advice in this Tender Offer Memorandum or in connection with the Tender Offer. Noteholders should consult with their own advisors as needed to assist in making an investment decision and to advise on whether such Noteholders are legally permitted to tender Notes for cash.

Unless the context otherwise requires, references in this Tender Offer Memorandum to a “**Noteholder**” include:

- (a) each person who is shown in the records of the Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream**”) and/or The Depository Trust Company (“**DTC**” and, together with Euroclear and Clearstream, the “**Clearing Systems**”) as a holder of the Notes (“**Direct Participants**”) (except that one Clearing System shall not be treated as the holder of the Notes held in the account of another Clearing System when holding on behalf of the first Clearing System’s accountholders); and
- (b) each beneficial owner of Notes holding such Notes, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner’s behalf,

except that for the purposes of the payment of the Purchase Price and the Accrued Interest Amount, to the extent the beneficial owner of the relevant Notes is not a Direct Participant, the Purchase Price and the

Accrued Interest Amount will only be paid to the relevant Direct Participant, and payment of the Purchase Price and the Accrued Interest Amount to such Direct Participant will satisfy any obligations of the Issuer and the relevant Clearing System in respect of the purchase of such Notes.

As used in this Tender Offer Memorandum and except as the context otherwise requires, “**Business Day**” means each day that is not a Saturday, Sunday or other day on which banking institutions in the Republic of Armenia, New York City, New York or London, England are authorised or required by law to close.

All references in this Tender Offer Memorandum to “U.S. dollars”, “USD” and “U.S.\$” are to the lawful currency of the United States of America.

Governing Law, Arbitration and Jurisdiction

The Tender Offer, and any non-contractual obligations arising out of or in connection with the Tender Offer, will be governed by English law.

Subject to the below, by submitting a tender instruction, the relevant Noteholder irrevocably and unconditionally agrees for the benefit of the Issuer, the Dealer Managers and the Tender Agent that any dispute that may arise out of or in connection with the Tender Offer or such tender instruction (including any dispute relating to any non-contractual obligations arising out of or in connection with the Tender Offer) (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce (the “**Rules**”). The place of such arbitration shall be Paris and the language English.

The arbitral tribunal shall be composed of three arbitrators. The claimant(s), irrespective of number, shall nominate jointly one arbitrator and the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, in accordance with the Rules, for confirmation by the ICC Court. If a party or parties fail(s) to nominate an arbitrator, the appointment shall be made by the ICC Court. The third arbitrator, who shall serve as president of the arbitral tribunal, shall be nominated, for confirmation by the ICC Court, by agreement of the two party-nominated arbitrators within 15 days of the nomination of the second arbitrator, or, in default of such agreement, shall be appointed by the ICC Court as soon as possible.

Before a relevant Noteholder has nominated an arbitrator to resolve any Dispute or Disputes, such relevant Noteholder, at its sole option, may require by notice in writing to the Issuer that all Disputes or a specific Dispute be heard by a court of law. In the event that a relevant Noteholder serves a written notice in respect of any Dispute(s) in the manner described in this paragraph, the Issuer irrevocably agrees for the benefit of the relevant Noteholder that the courts of England shall have exclusive jurisdiction to resolve and settle such Disputes and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as “**Proceedings**”) may be brought in the courts of England. Nothing described in this paragraph shall limit any right of the relevant Noteholder to take proceedings relating to a Dispute against the Issuer in any other court of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England in the manner described in this paragraph and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a final non-appealable judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may, subject to the limitations to the waiver of sovereign immunity given below, be enforced in the courts of any other jurisdiction to which the Issuer is or may be subject.

The Issuer irrevocably waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever of any order, award or judgment made or given in connection with any Proceedings provided, however, that immunity is not waived with respect to (i) present or future “premises of the mission” as defined in the Vienna Convention on Diplomatic Relations signed in 1961, “consular premises” as defined in the Vienna Convention on Consular Relations signed in 1963 or otherwise used by a diplomat or consular mission of Armenia or any agency or instrumentality thereof (except as may be necessary to effect service of process), (ii) property of a military character or under the control of a military authority or defence agency, (iii) the international reserves of Armenia held by the CBA or (iv) property located in Armenia and dedicated to a public, governmental, religious or cultural use (as opposed to a commercial use).

The Issuer irrevocably appoints the Embassy of Armenia, 25a Cheniston Gardens, Kensington, London W8 6TG, United Kingdom as its authorised agent for service of process in England.

NOTE REGARDING FORWARD-LOOKING STATEMENTS AND OTHER FACTORS

This Tender Offer Memorandum includes forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as the words “expect”, “estimate”, “project”, “anticipate”, “believes”, “should”, “could”, “intend”, “plan”, “probability”, “risk”, “target”, “goal”, “objective”, “may”, “will”, “endeavour”, “outlook”, “optimistic”, “prospects” or by the use of similar expressions or variations on such expressions, or by the discussion of strategy or objectives. Forward-looking statements are based on current plans, estimates and projections and are subject to inherent risks, uncertainties and other factors which could cause actual results to differ materially from the future results expressed or implied by such forward-looking statements. Any forward-looking statements made in this Tender Offer Memorandum speak only as of the date hereof. The Issuer does not intend to publicly update or revise these forward-looking statements to reflect events or circumstances after the date of this Tender Offer Memorandum and does not assume any responsibility to do so.

SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this Tender Offer Memorandum. Noteholders are urged to read the entire Tender Offer Memorandum thoroughly.

The Issuer	Republic of Armenia (acting through the Ministry of Finance).
The Notes	The Notes subject to the Tender Offer are the Issuer's U.S.\$700,000,000 6.000 per cent. Notes due 2020.
Overview of the Tender Offer ...	<p>Subject to the offer restrictions referred to in "<i>Offer and Distribution Restrictions</i>" above, and upon the terms and subject to the conditions set forth in this Tender Offer Memorandum, the Issuer is inviting Noteholders to tender for purchase for cash up to the Maximum Acceptance Amount of the outstanding Notes, in accordance with the procedures described herein, at the Purchase Price, plus the Accrued Interest Amount.</p> <p>Subject to applicable law, the Issuer reserves the right, in its sole and absolute discretion, not to accept any tenders of Notes or to modify in any manner any of the terms and conditions of the Tender Offer (including, but not limited to, modifying the Purchase Price with respect to the Tender Offer). For a more detailed discussion, see "<i>The Tender Offer</i>".</p>
Rationale for the Tender Offer...	The Issuer is carrying out the Tender Offer concurrently with the New Notes Offering in order to extend the weighted average maturity of its existing public debt, while also preserving the liquidity of its existing public debt.
Cash to be Received for Tendered Notes.....	<p>Noteholders that validly tender their Notes on or prior to the Expiration Deadline (providing such tender is received by the Tender Agent on or prior to the Expiration Deadline), if the Issuer accepts the tender of such Notes, will be paid (subject to the conditions described herein):</p> <ul style="list-style-type: none">• the Purchase Price; and• an amount in cash in U.S. dollars equal to the Accrued Interest Amount up to but excluding the Payment Date (rounded to the nearest cent, with U.S.\$0.005 to be taken as a full cent).
Maximum Acceptance Amount	U.S.\$200,000,000 in aggregate principal amount of the Notes. The Issuer proposes to accept validly tendered Notes for purchase up to the Maximum Acceptance Amount on the terms and subject to the conditions contained in this Tender Offer Memorandum. In the event that Electronic Instructions are received in respect of an aggregate principal amount of Notes which is greater than the Maximum Acceptance Amount, such Electronic Instructions will be accepted on a <i>pro rata</i> basis.

Purchase Price	<p>U.S.\$1,000 per U.S.\$1,000 in principal amount of Notes.</p> <p>Subject to applicable law, the Purchase Price is subject to amendment by the Issuer in its sole and absolute discretion.</p>
Accrued Interest Amount on the Notes accepted for purchase.....	<p>The Issuer will pay accrued and unpaid interest on the Notes, if any, from (and including) the immediately preceding interest payment date for the Notes to (but excluding) the Payment Date, to all Noteholders whose Notes have been validly tendered and accepted for purchase by the Issuer.</p>
Expiration Deadline.....	<p>5.00 pm (New York) on 18 March 2015, unless earlier terminated or extended by the Issuer, and, in the case of an extension, the Expiration Deadline will be such other date and time as so extended.</p>
Payment Date.....	<p>In respect of any Notes that are validly tendered on or prior to the Expiration Deadline (providing such tender is received by the Tender Agent on or prior to the Expiration Deadline) and that are accepted for purchase by the Issuer, the Payment Date will be on or about 26 March 2015.</p>
Procedures for Tendering Notes	<p>If a Noteholder wishes to participate in the Tender Offer and such Noteholder's Notes are held by a custodial entity such as a broker, dealer, bank, custodian, trust company or other nominee, such holder must instruct that custodial entity to tender such Notes on the Noteholder's behalf pursuant to the procedures of the custodial entity.</p> <p>Each Noteholder tendering Notes through a custodial entity that is a participant in Euroclear or Clearstream must submit an Electronic Instruction (as defined in <i>The Tender Offer – Conditions of the Tender Offer</i>) through Euroclear or Clearstream, as described in this Tender Offer Memorandum under “<i>Procedures for Tendering—Notes Held through Euroclear or Clearstream.</i>”</p> <p>Each Noteholder who holds Notes through DTC must arrange for a Direct Participant in DTC to electronically transmit the Noteholder's tender through ATOP, for which the Tender Offer will be eligible, as described in this Tender Offer Memorandum under “<i>Procedures for Tendering— Notes Held through DTC.</i>”</p> <p><i>Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold Notes whether such intermediary requires receipt of instructions to participate in, or withdraw their instructions to participate in, the Tender Offer before the deadline specified in this Tender Offer Memorandum. The deadlines set by each Clearing System for the submission and withdrawal of instructions may be earlier than the relevant deadlines specified in this Tender Offer Memorandum.</i></p>
Acceptance of Tendered Notes....	<p>Upon the terms and subject to the conditions set forth in this</p>

Tender Offer Memorandum, the Issuer will accept for payment on the Expiration Deadline Notes validly tendered.

Payments for Notes validly tendered and accepted on or prior to the Expiration Deadline (providing such tender is received by the Tender Agent at or prior to the Expiration Deadline) will be made on the Payment Date by the deposit of immediately available funds by the Issuer with the applicable Clearing System. Any Notes validly tendered and accepted for payment pursuant to the Tender Offer will be cancelled.

Amendment, Extensions, Waiver of Conditions to, or Termination of, the Tender Offer.....

Subject to applicable law and in accordance with the conditions described under “*Conditions to the Tender Offer*”, the Issuer may extend, re-open, amend, waive in whole or in part any condition to, and/or terminate the Tender Offer, provided that no such extension, re-opening, amendment, termination or waiver can be effected after the Notes have been accepted for purchase at the Payment Date.

Please see “*Procedures for Tendering Notes—Extension, Termination or Amendment*”.

Conditions to the Tender Offer.....

Notwithstanding any other provision of the Tender Offer (or any extension of or amendments to the Tender Offer), the Issuer will not be required to accept for payment, or pay for, any Notes tendered or accepted for purchase and may terminate the Tender Offer and may postpone the acceptance of any Notes tendered or delay payment for Notes accepted for payment, or delay consummation of the Tender Offer if the conditions to the Tender Offer, including among others the closing of the New Notes Offering, have not been satisfied. See “*The Tender Offer—Conditions to the Tender Offer*”.

Revocation

Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes—Revocation Rights*”.

Sanctions Restricted Person

A Noteholder or a beneficial owner of the Notes who is a Sanctions Restricted Person (as defined in “*Representations, Warranties and Undertakings*”) may not participate in the Tender Offer. No steps taken by a Sanctions Restricted Person to tender any or all of its Notes for purchase pursuant to the Tender Offer will be accepted by the Issuer and such Sanctions Restricted Person will not be eligible to receive the Purchase Price or any amount in cash equal to the Accrued Interest Amount in any circumstances.

Brokerage Commissions.....

Noteholders will not be required to pay any brokerage commissions to the Issuer, the Dealer Managers or the Tender Agent in connection with the tender of Notes for purchase pursuant to the Tender Offer.

Dealer Managers

Deutsche Bank AG, London Branch, HSBC Bank plc and J.P. Morgan Securities plc.

Tender Agent.....

Lucid Issuer Services Limited.

Jurisdictions.....

The Issuer is making the Tender Offer only in those jurisdictions where it is legal to do so. See “*Offer and Distribution Restrictions*”.

THE NOTES

The Notes subject to the Tender Offer are the Issuer's U.S.\$700,000,000 6.000 per cent. Notes due 2020.

RATIONALE FOR THE TENDER OFFER

The Issuer is carrying out the Tender Offer concurrently with the New Notes Offering in order to extend the weighted average maturity of its existing public debt, while also preserving the liquidity of its existing public debt.

SOURCES OF FUNDS

The Issuer will obtain the funds required to consummate the Tender Offer from the proceeds of the New Notes Offering.

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RISK FACTORS

Before making a decision with respect to the Tender Offer, Noteholders should carefully consider, in addition to the other information contained in this Tender Offer Memorandum, the following:

Uncertainty as to the trading market and future price for Notes not purchased.

Although the Notes that are not validly tendered for purchase by Noteholders and accepted for purchase by the Issuer will continue to be listed and quoted on the Official List of the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) and to trading on its Main Securities Market, to the extent that any tendered Notes are accepted by the Issuer for purchase pursuant to the Tender Offer and the Tender Offer is completed, the trading market for Notes that remain available for trading following such purchase may be more limited. As such, any remaining Notes may command a lower market price than would a comparable issue of debt securities with greater market liquidity. A reduced market value may also make the trading price of such Notes more volatile. As a result, the market price for Notes that remain available for trading after completion of the Tender Offer may be adversely affected by the Tender Offer. None of the Issuer, the Dealer Managers or the Tender Agent has any duty to make a market in the Notes not validly tendered and purchased in the Tender Offer.

There is no obligation to accept tenders of Notes for purchase.

The Issuer is under no obligation to accept any tender of Notes for purchase pursuant to the Tender Offer. Prior to acceptance for purchase by the Issuer of Notes in the Tender Offer, tenders of Notes for purchase may be rejected in the sole discretion of the Issuer for any reason, and the Issuer is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept any tender of Notes for purchase. Even if a tender of Notes is accepted, such acceptance or the payment of the relevant consideration may be delayed.

Tenders of Notes by Sanctions Restricted Persons will not be accepted.

A Noteholder or a beneficial owner of the Notes who is a Sanctions Restricted Person (as defined in “*Representations, Warranties and Undertakings*”) may not participate in the Tender Offer. No steps taken by a Sanctions Restricted Person to tender any or all of its Notes for purchase pursuant to the Tender Offer will be accepted by the Issuer and such Sanctions Restricted Person will not be eligible to receive the Purchase Price, or any amount in cash equal to the Accrued Interest Amount in any circumstances.

No recommendation has been made as to whether Noteholders should tender Notes.

The Purchase Price to be paid by the Issuer with respect to the Notes will have no necessary relationship to the actual value of such Notes. Noteholders should independently analyse the value of the Notes and make an independent assessment of the terms of the Tender Offer. None of the Issuer, the Dealer Managers or the Tender Agent has expressed any opinion as to whether the terms of the Tender Offer are fair. None of the Issuer, the Dealer Managers or the Tender Agent makes any recommendation that Noteholders should tender their Notes or refrain from doing so pursuant to the Tender Offer, and none of them has authorised anyone to make any such recommendation.

Upon tender, the Notes will be held in blocked accounts.

When considering whether to tender Notes in the Tender Offer, Noteholders should take into account that restrictions on the transfer of the Notes by Noteholders will apply from the time of such tender. A Noteholder will, on tendering Notes in the Tender Offer, be deemed to agree that the relevant

Notes will be blocked in the relevant Clearing System with effect from the date the relevant tender of Notes is made until the earlier of (i) the time of settlement on the Payment Date and (ii) the date on which the tender of the Notes is terminated by the Issuer, in each case in accordance with the terms of the Tender Offer.

Noteholders are responsible for complying with the procedures of the Tender Offer.

Noteholders are responsible for complying with all of the procedures for submitting tender instructions in the Tender Offer. None of the Issuer, the Dealer Managers or the Tender Agent assumes any responsibility for informing Noteholders of irregularities with respect to a tender instruction in the Tender Offer.

Noteholders are responsible for compliance with the offer and distribution restrictions.

The reader is referred to the offer and distribution restrictions on pages [●] through [●] hereof and the representations, warranties and undertakings on pages [●] through [●] (inclusive) hereof, which Noteholders will be deemed to make on tendering Notes. Non-compliance with any of these restrictions could result in, among other things, the unwinding of trades and/or significant civil and/or criminal penalties.

The Tender Offer may or may not be completed or may be terminated or amended.

Until the Issuer announces whether it has decided to accept valid tenders of Notes pursuant to the Tender Offer, no assurance can be given that the Tender Offer will be completed. In addition, subject to applicable law and as provided in this Tender Offer Memorandum, the Issuer may, in its sole discretion, extend, re-open, amend and/or terminate the Tender Offer.

Tender instructions are irrevocable.

Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “Procedures for Tendering Notes - Revocation Rights”.

Noteholders should consult their tax, accounting, financial and legal advisers before participating in the Tender Offer.

Noteholders should consult their tax, accounting, financial and legal advisers as they may deem appropriate regarding the impact on themselves of the tax, accounting, financial and legal or other consequences of participating or declining to participate in the Tender Offer. This Tender Offer Memorandum does not discuss any tax consequences for Noteholders arising from the purchase by the Issuer of the Notes and the receipt by the Noteholders of any Accrued Interest Amount. Noteholders are urged to consult their professional advisers regarding any tax consequences under the laws of any relevant jurisdictions. Noteholders are liable for their own taxes and have no recourse to the Issuer, the Dealer Managers or the Tender Agent with respect to taxes arising in connection with the Tender Offer.

None of the Issuer, the Dealer Managers or the Tender Agent (nor any director, officer, employee, agent or affiliate of any such person as applicable) is acting for any Noteholder or will be responsible to any Noteholder for providing any protections which might be afforded to its clients or for providing advice in relation to the Tender Offer, and accordingly none of the Issuer, the Dealer Managers or the Tender Agent (nor any director, officer, employee, agent or affiliate of, any such person as applicable) makes any recommendation whether Noteholders should tender Notes in the Tender Offer.

Other Repurchases of Notes.

Whether or not the Tender Offer is completed, the Issuer may, to the extent permitted by applicable law, continue to acquire, from time to time during the Tender Offer, Notes other than pursuant to the Tender Offer, including through open market repurchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Tender Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Tender Offer.

Acceptance on a pro-rata basis

In the event that Electronic Instructions are received in respect of an aggregate principal amount of Notes which is greater than the Maximum Acceptance Amount, such Electronic Instructions will be accepted on a *pro rata* basis.

Such *pro rata* allocations will be calculated in relation to the Notes by multiplying the aggregate principal amount of the Notes represented by each validly submitted Electronic Instruction by a factor equal to (i) the Maximum Acceptance Amount divided by (ii) the aggregate principal amount of the Notes validly tendered in the Tender Offer. Each tender of Notes reduced in this manner will be rounded down to the nearest U.S.\$1,000 principal amount, provided that in the event of any such pro-ration, the Issuer will only accept tenders of Notes subject to pro-ration to the extent such pro-ration will not result in the relevant Noteholder transferring Notes to the Issuer in an aggregate principal amount outstanding of less than U.S.\$200,000 or if the acceptance of such tenders would not result in the Issuer returning Notes to the relevant Noteholder in an aggregate principal amount of less than U.S.\$200,000.

Judgments Relating to Assets in Armenia and Armenian Assets in Other Jurisdictions May Be Difficult to Enforce

Armenia is a sovereign state. There is a risk that, notwithstanding the limited waiver of sovereign immunity by Armenia in connection with disputes arising out of or in connection with the Tender Offer or a specific tender instruction received in connection therewith, a claimant will not be able to enforce a court judgment against certain assets of Armenia (including the imposition of any arrest order or attachment or seizure of such assets and their subsequent sale) without Armenia having specifically consented to such enforcement at the time when the enforcement is sought. In addition, certain state-owned assets are statutorily exempt from court enforcement procedures within Armenia. Armenia has not waived any immunity in respect of present or future property (i) used by a diplomatic or consular mission of Armenia; (ii) of a military character or under control of a military authority or defence agency; (iii) the international reserves of Armenia held by the CBA; or (iv) located in Armenia and dedicated to a public, governmental, religious or cultural use (as distinct from property which is for the time being in use or intended for use for commercial purposes).

It may not be possible to effect service of process against Armenia in courts outside Armenia or in a jurisdiction to which Armenia has not explicitly submitted, and the choice of jurisdiction of a foreign court (including English courts) in contractual agreements may be held to be invalid by an Armenian court. In addition, courts in Armenia will not enforce a judgment obtained in a foreign court unless such enforcement is provided for by treaty ratified by Armenia or by an arrangement between such country and Armenia providing for reciprocal enforcement of judgments, and then only in accordance with the terms of such treaty or arrangement and with Armenian law. Armenia has no such treaty (or arrangement) with the United Kingdom or with the United States. See “*Service of Process and Enforcement of Civil Liabilities*” earlier in this Tender Offer Memorandum.

Armenian Courts May Not Enforce Foreign Arbitral Awards

Notwithstanding that Armenia is a party to the NY Convention in accordance with which an award of the ICC should be recognised and enforced by the courts of Armenia, it may not be possible as a practical matter to enforce foreign arbitral awards against Armenia possibly due to Armenian courts interpreting widely “public policy” as a ground for refusing recognition and enforcement of the award

(there being no established court practice in this regard). Furthermore, it may be difficult to enforce arbitral awards in Armenia due to a number of other factors, including the lack of experience of Armenian courts in international commercial transactions, certain procedural ambiguities, resistance in Armenia to the enforcement of awards against Armenia in favour of foreign investors, Armenian courts' inability to enforce such orders and corruption, thereby introducing delay and unpredictability into the process of enforcing any foreign arbitral award in Armenia. See "*Service of Process and Enforcement of Civil Liabilities*" earlier in this Tender Offer Memorandum.

THE TENDER OFFER

Introduction

Subject to the offer restrictions referred to in “*Offer and Distribution Restrictions*” above, the Issuer is inviting the Noteholders to offer for purchase for cash, upon the terms and subject to the conditions contained in this Tender Offer Memorandum, including among others the closing of the New Notes Offering, Notes up to the Maximum Acceptance Amount validly tendered at the Purchase Price, plus the Accrued Interest Amount.

The Tender Offer

Noteholders that validly tender (and do not validly revoke in the limited circumstances in which revocation is permitted) their Notes at or prior to the Expiration Deadline (providing such tender is received by the Tender Agent on or prior to the Expiration Deadline), if the Issuer accepts the tender of such Notes, will be paid (subject to the conditions described herein):

- the Purchase Price; and
- an amount in cash in U.S. dollars equal to the Accrued Interest Amount up to but excluding the Payment Date (rounded to the nearest cent, with U.S.\$0.005 to be taken as a full cent).

The calculations of the Purchase Price and the Accrued Interest Amount will be made by the Issuer and such calculations will be final and binding on all Noteholders, absent manifest error.

No Recommendation

The Purchase Price to be paid by the Issuer with respect to the Notes will not necessarily bear any relationship to the actual trading or other value of such Notes. Noteholders should independently analyse the value of the Notes and make an independent assessment of the terms of the Tender Offer. None of the Issuer, the Dealer Managers or the Tender Agent has expressed any opinion as to whether the terms of the Tender Offer are fair. None of the Issuer, the Dealer Managers or the Tender Agent makes any recommendation whether Noteholders should tender their Notes or refrain from doing so pursuant to the Tender Offer, and none of them has authorised anyone to make any such recommendation.

Conditions to the Tender Offer

The Tender Offer is conditional on the closing by the Issuer of one or more series of new notes in the New Notes Offering in an amount and on terms and conditions acceptable to the Issuer, and on the subscription agreement for the New Notes Offering and the Dealer Manager Agreement relating to this Tender Offer not having been terminated prior to or at the time of the settlement of the Tender Offer. The Issuer expects to announce the pricing terms of the New Notes at or around 19 March 2015.

In addition, notwithstanding any other provisions of the Tender Offer, the Tender Offer is conditional on there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that (1) makes or seeks to make illegal the acceptance of payment of, or payment for, any of the Notes pursuant to the Tender Offer; (2) would or might result in a delay in, or restrict, the ability of the Issuer to accept for payment or pay for any of the Notes; or (3) imposes or seeks to impose limitations on the ability of the Issuer to purchase or cancel the Notes.

Notwithstanding any other provision of the Tender Offer and in addition to (and not in limitation of) the Issuer’s rights, subject to applicable law, to extend, amend or terminate the Tender Offer in its sole

discretion, the Issuer will not be required to accept for purchase, or to pay for, any Notes tendered pursuant to the Tender Offer and may, subject to applicable law, terminate, extend or amend the Tender Offer and postpone the acceptance for purchase of, and payment for, Notes so tendered if on or prior to the date Notes are first accepted for purchase pursuant to the Tender Offer:

- (1) it becomes necessary to do so in order to comply with applicable laws; or
- (2) any one of the following shall have occurred and be continuing:
 - a) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities in the United States or the European Union (the “EU”) securities or financial markets, (ii) a material impairment in the trading market for debt, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or any member state of the EU (whether or not mandatory), (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States or the EU, (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the United States or the EU that would reasonably be expected to have a materially adverse effect on the Issuer or its tax and budgetary systems, gross public debt, foreign trade and balance of payment figures, foreign exchange reserves, financial position or resources and income and expenditure figures or (vi) any significant adverse change in the United States or the EU securities or financial markets generally or, in the case of any of the foregoing existing on the date of this Tender Offer Memorandum, a material acceleration or worsening thereof;
 - b) there exists an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the Issuer's judgment, would or would be reasonably likely to prohibit, prevent or materially restrict or delay consummation of the Tender Offer or that is, or is reasonably likely to be, materially adverse to the Issuer's tax and budgetary systems, gross public debt, foreign trade and balance of payment figures, foreign exchange reserves, financial position and resources or income and expenditure figures;
 - c) there shall have been instituted or be pending any action or proceeding before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person that challenges the making of the Tender Offer or, in connection with the Tender Offer, that is, or is likely to be, in the Issuer's judgment, materially adverse to its tax and budgetary systems, gross public debt, foreign trade and balance of payment figures, foreign exchange reserves, financial position and resources or income and expenditure figures, or which would or might, in the Issuer's judgment, directly or indirectly prohibit, prevent, restrict or delay consummation of the Tender Offer or otherwise adversely affect the Tender Offer in any material manner;
 - d) there exists any other actual or threatened legal impediment to the Tender Offer or any other circumstances that would materially adversely affect the transactions contemplated by the Tender Offer or the contemplated benefits of the Tender Offer to the Issuer;
 - e) any agent pursuant to any applicable agreement which governs the Notes, shall have objected in any respect to or taken any action that would be likely, in the Issuer's judgment, to materially and adversely affect the Tender Offer or shall have taken any action that challenges the validity or effectiveness of the procedures used by the Issuer in

making the Tender Offer or the acceptance of, or payment for, the Notes tendered pursuant to the Tender Offer; or

- f) there shall have occurred any development which would, in the judgment of the Issuer, materially adversely affect its tax and budgetary systems, gross public debt, foreign trade and balance of payment figures, foreign exchange reserves, financial position and resources or income and expenditure figures.

If the foregoing conditions are not satisfied or waived as of the Payment Date, then all tenders of the Notes that have been accepted and not previously settled will be cancelled. The foregoing conditions to the Tender Offer are for the sole benefit of the Issuer and may be asserted by the Issuer in its sole discretion regardless of the circumstances giving rise to such conditions or may be waived at any time prior to the Payment Date, by the Issuer, in whole or in part, in its sole discretion, whether or not any other condition of the Tender Offer also is waived. The Issuer has not made a decision as to what circumstances would lead it to waive any such condition, and such waiver would depend on circumstances prevailing at the time of such waiver. Any determination by the Issuer concerning the events described in this section will be final and binding upon all Noteholders.

In all cases, the purchase of Notes for cash pursuant to the Tender Offer will only be made after the submission of a valid tender instruction in accordance with the procedures described in “*Procedures for Tendering Notes*”, including (a) (in respect of Notes held through DTC) (i) the submission of instructions through DTC’s ATOP procedures; or (b) (in respect of Notes held through Euroclear or Clearstream), the blocking of the Notes tendered in the relevant account in the relevant Clearing System (each such tender instruction, an “**Electronic Instruction**”), from the date the relevant Electronic Instruction is submitted until the earlier of (i) the time of settlement on the Payment Date, and (ii) the date on which the tender of the Notes is terminated by the Issuer, in each case in accordance with the terms of the Tender Offer. Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes – Revocation Rights*”. The Issuer will, at all times, have the discretion to accept for purchase any Notes tendered in the Tender Offer, the tender or delivery of which would otherwise be invalid or, in the sole opinion of the Issuer, may otherwise be invalid. Subject to applicable laws and in accordance with the conditions set out herein, the Issuer is under no obligation to accept any tender of Notes for purchase pursuant to the Tender Offer.

Noteholders are advised that the Issuer may, in its sole discretion, accept tenders of Notes pursuant to the Tender Offer on multiple dates if the Tender Offer is extended or re-opened. The failure of any person to receive a copy of this Tender Offer Memorandum or any announcement made or notice issued in connection with the Tender Offer shall not invalidate any aspect of the Tender Offer. No acknowledgement of receipt of any Electronic Instruction and/or other documents will be given by the Issuer, the Dealer Managers or the Tender Agent.

Notwithstanding any other provisions of the Tender Offer, or any extension of the Tender Offer, prior to acceptance for purchase by the Issuer of Notes in the Tender Offer, the Issuer will not be required to purchase Notes, and the Issuer may terminate the Tender Offer or, in its option, modify, extend or otherwise amend the Tender Offer subject to applicable laws and in accordance with the conditions set out herein.

Any determination made by the Issuer concerning an event, development or circumstance described or referred to above shall be conclusive and binding.

If any of the above conditions to the Tender Offer have occurred, the Issuer may, subject to applicable laws, at or prior to the Payment Date:

- (1) terminate the Tender Offer;

- (2) modify, extend or otherwise amend the Tender Offer;
- (3) waive the conditions to the Tender Offer with respect to the Tender Offer and consummate the Tender Offer; or
- (4) take any combination of the actions described in sub-clauses (1) through (3) above.

Please see “*Procedures for Tendering Notes—Extension, Termination or Amendment*”.

Irrevocability

The submission of a valid Electronic Instruction in accordance with the procedures set out above will be irrevocable (except in the limited circumstances described in “*Procedures for Tendering Notes—Revocation Rights*”).

The Issuer reserves the right, in its absolute discretion subject to applicable law, to purchase or make offers to purchase any Notes that remain outstanding before or subsequent to the Expiration Deadline and, to the extent permitted by applicable law, purchase Notes in the open market at any price, in privately negotiated transactions or otherwise during or after the Tender Offer. The terms of any such purchases or offers could differ from the terms of the Tender Offer. Any purchase or offer to purchase will not be made except in accordance with applicable law.

Acceptance of Electronic Instructions and pro-ration

Notes validly submitted for tender will be accepted subject to applicable pro-ration (if any). In the event that the aggregate principal amount of Notes represented by Electronic Instructions is greater than the Maximum Acceptance Amount, such Electronic Instructions will be accepted on a *pro rata* basis.

Such *pro rata* allocations will be calculated in relation to the Notes by multiplying the aggregate principal amount of the Notes represented by each Electronic Instruction subject to pro-ration by a factor equal to (i) the Maximum Acceptance Amount divided by (ii) the aggregate principal amount of the Notes validly tendered in the Tender Offer. Each tender of Notes reduced in this manner will be rounded down to the nearest U.S.\$1,000 in aggregate principal amount, provided that in the event of any such pro-ration, the Issuer will only accept tenders of Notes subject to pro-ration to the extent such pro-ration will not result in the relevant Noteholder transferring Notes to the Issuer in an aggregate principal amount outstanding of less than U.S.\$200,000 or if the acceptance of such tenders would not result in the Issuer returning Notes to the relevant Noteholder in an aggregate principal amount of less than U.S.\$200,000.

PROCEDURES FOR TENDERING NOTES

Noteholders who need assistance with respect to the procedures for participating in the Tender Offer should contact the Tender Agent, the contact details of which are on the last page of this Tender Offer Memorandum.

General

The Issuer will only accept tenders of Notes for purchase pursuant to the Tender Offer in accordance with the procedures set out in this section “*Procedures for Tendering Notes*”.

The tender of Notes pursuant to any of the procedures set forth in this Tender Offer Memorandum will, if and when accepted by the Issuer, constitute a binding agreement between the tendering Noteholder and the Issuer upon the terms and subject to the conditions of the Tender Offer. The valid tender of Notes will, if and when accepted by the Issuer, constitute the agreement of the Noteholder to deliver good and marketable title to all tendered Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

Only registered Noteholders are authorised to tender their Notes pursuant to the Tender Offer. Accordingly, to properly tender Notes or cause Notes to be tendered, the following procedures must be followed:

Notes Held through Euroclear or Clearstream

A Noteholder that is a participant in Euroclear or Clearstream must submit an Electronic Instruction to Euroclear or Clearstream, as applicable, to authorise the tender of Notes. If you are a beneficial owner of Notes that are registered in the name of a direct participant in Euroclear or Clearstream, such as a broker, dealer, bank, custodian, trust company or other nominee, and you wish to tender, you should contact such participant promptly and instruct such participant to tender on your behalf in accordance with these procedures. The submission of an Electronic Instruction in the manner provided herein shall constitute a tender of Notes.

An Electronic Instruction transmitted by a participant in Euroclear or Clearstream, to Euroclear or Clearstream, as applicable, can include:

- (i) irrevocable instructions:
 - (a) to block any attempt to transfer such participant’s tendered Notes at or prior to the Payment Date; and
 - (b) to debit such participant’s account on the Payment Date, in respect of all of the Notes that such participant has tendered, or in respect of such lesser portion of such Notes as are accepted pursuant to the Tender Offer, upon receipt of an instruction from the Tender Agent,

subject in each case to the right of revocation (in the limited circumstances in which revocation is permitted) as described herein and to the automatic withdrawal of the instructions in the event that the Tender Offer is terminated by the Issuer prior to the Expiration Deadline, as notified to Euroclear or Clearstream by the Tender Agent;
- (ii) authorisation to disclose the name of the direct participant and information about the foregoing instructions; and

- (iii) express acknowledgement that such participant has received and agrees to be bound by the terms and subject to the conditions set forth in this Tender Offer Memorandum and that the Issuer may enforce that agreement against such participant.

Notes Held through DTC

The Tender Agent will establish an ATOP account on behalf of the Issuer (the “**ATOP Account**”) with respect to the Notes held in DTC. The Tender Agent and DTC have confirmed that the Tender Offer is eligible for its Automated Tender Offer Programme (“**ATOP**”), whereby a DTC Direct Participant may make book-entry delivery of Electronic Instructions by causing DTC to transfer the Notes into the ATOP Account or electronically deliver the Electronic Instructions. Deliveries of Electronic Instructions are effected through the ATOP procedures by delivery of an Agent’s Message (as defined below) by DTC to the Tender Agent. The confirmation of a book-entry transfer into the ATOP Account at DTC as described herein is referred to in this Tender Offer Memorandum as a “**Book-Entry Confirmation**”. The delivery of documents to DTC does not constitute delivery to the Tender Agent.

The term “**Agent’s Message**” means a message transmitted to, and received by, the Tender Agent and forming a part of the Book-Entry Confirmation, stating that DTC has received an express acknowledgement from the DTC Direct Participant that such DTC Direct Participant has received and agrees to be bound by the terms of the Tender Offer, including the representations set forth in this Tender Offer Memorandum, and that the Issuer may enforce such agreement against such DTC Direct Participant.

There is no letter of transmittal for the Tender Offer.

Noteholders wishing to deliver their instructions prior to the Expiration Deadline, should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such respective date. Any Agent’s Message not received by the Tender Agent prior to the Expiration Deadline will be disregarded and have no effect. Except as otherwise provided herein, an Electronic Instruction will be deemed made only when the Agent’s Message is actually received by the Tender Agent. No documents should be sent to the Issuer or the Dealer Managers.

Only DTC Direct Participants may submit Electronic Instructions through DTC. Any Noteholder who is not a DTC Direct Participant must contact its broker, dealer, commercial bank, custodian, or a DTC Direct Participant and arrange for the DTC Direct Participant through which it holds the Notes to submit Electronic Instructions on its behalf to DTC prior to the Expiration Deadline. Please note that if Notes are held by a custodian, the custodian may have an earlier deadline for delivering Electronic Instructions pursuant to the Tender Offer than the Expiration Deadline.

After submitting the Agent’s Message, the CUSIP will be blocked, and the instructing Noteholder’s position cannot be sold or transferred. The Tender Agent will instruct DTC to release the positions as soon as practicable but no later than three Business Days after either the Expiration Deadline or subsequent date following the Expiration Deadline and not exceeding 45 calendar days from the date hereof. Settlement will occur on the Payment Date. Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes – Revocation Rights*”.

The procedures for delivering instructions described above are referred to herein collectively as the “**DTC Tender Procedures**”. The delivery of an Electronic Instruction pursuant to the Tender Offer in accordance with the DTC Tender Procedures will constitute (a) an agreement between the Noteholder and the Issuer in accordance with the terms and subject to the conditions of the Tender Offer and (b) the consent of the Noteholder to the terms of the Tender Offer.

Noteholders are advised to check with any broker, dealer, bank, custodian, trust company or other nominee or other intermediary through which they hold Notes whether such intermediary needs to receive instructions from a Noteholder before the deadlines specified in this Tender Offer Memorandum in order for that Noteholder to be able to participate in, or revoke their instruction to participate in, the Tender Offer before the deadlines specified in this Tender Offer Memorandum.

The deadlines set by each Clearing System for the submission of tender instructions may be earlier than the relevant deadlines specified in this Tender Offer Memorandum. Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “Procedures for Tendering Notes – Revocation Rights”.

Representations, Warranties and Undertakings

By tendering Notes through an electronic submission to the relevant Clearing System, a Noteholder, and any person in whose name such Noteholder has nominated Notes to be tendered (the “**Nominated Beneficial Owner**”), is deemed to represent, warrant and undertake to the Issuer and the Dealer Managers as of the date of submission of such electronic submission, and the Expiration Deadline and the Payment Date, as the case may be, that:

- (1) it has received and reviewed this Tender Offer Memorandum and all other information as it deems necessary or appropriate in order to make its decision and has undertaken an appropriate analysis of the implications of the Tender Offer, without reliance on the Issuer or the Dealer Managers;
- (2) it accepts the terms, conditions, risks and other conditions of the Tender Offer, and the offer and distribution restrictions, all as described in this Tender Offer Memorandum;
- (3) the tendered Notes are, at the time of tender, and will continue to be, held by it through the relevant Clearing System, until the earlier of (i) the time of settlement on the Payment Date and (ii) the date on which the tender of the Notes is terminated by the Issuer or on which such tender is revoked, in each case in accordance with the terms of the Tender Offer;
- (4) the tendered Notes have been blocked in the securities account to which such Notes are credited in the relevant Clearing System with effect from, and including, the date on which either the electronic submission was received by the relevant Clearing System until the earlier of (i) the time of settlement on the Payment Date, and (ii) the date on which the tender of the Notes is terminated by the Issuer, in each case in accordance with the terms of the Tender Offer;
- (5) its tender of Notes is made in compliance with any law and regulation of its jurisdiction of incorporation or residence; it has obtained all requisite governmental, exchange control or other required consents; complied with all requisite formalities; and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of the Tender Offer or which will or may result in the Issuer, the Dealer Managers, the Tender Agent, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Tender Offer;
- (6) if it is a Belgian resident or is incorporated in Belgium, it is a qualified investor within the meaning of Article 10, of the Belgian Public Offer Law, acting on its own account;
- (7) it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties and/or (ii) qualified investor (*Investisseur Qualifié*) other than an individual and/or (iii) a limited circle of investors (*cercle restreint*) acting for their own account (all as defined in, and in accordance

with, Articles L.411-2, L.411-1 and D.411-1 to D.411-4 of the French *Code Monétaire et Financier*), acting on its own account;

- (8) it is not an Italian resident or located in Italy or, if it is a resident or located in Italy, it tenders its Notes through authorised persons and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (9) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person 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 to whom this Tender Offer Memorandum may lawfully be communicated in accordance with the Order;
- (10) it is not located or resident in Russia or, if it is located or resident in Russia it is a qualified investor within the meaning of Article 51.2 of the Federal Law no. 39-FZ “On the Securities Market” dated 22 April 1996, as amended (the “**Russian Securities Market Law**”);
- (11) it is not a Sanctions Restricted Person (as defined below);
- (12) upon the terms and subject to the conditions of the Tender Offer, it tenders for purchase in such Tender Offer the nominal amount of Notes blocked in its account in the relevant Clearing System and, subject to and effective on such purchase by the Issuer, it renounces all right, title and interest in and to all such Notes purchased by or at the direction of the Issuer and waives and releases any rights or claims it may have against the Issuer with respect to any such Notes and the Tender Offer;
- (13) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, any person nominated by the Issuer in the proper exercise of his or her powers and/or authority hereunder;
- (14) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Issuer to be desirable, in each case to complete the transfer of the relevant Notes to the Issuer or its nominee against payment to it of the Purchase Price and the Accrued Interest Amount payable for such Notes on the Payment Date and/or to perfect any of the authorities expressed to be given hereunder;
- (15) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (16) no information has been provided to it by the Issuer, the Dealer Managers or the Tender Agent, or any of their respective directors or employees as applicable, with regard to the tax consequences for Noteholders of the purchase of Notes by the Issuer pursuant to the Tender Offer and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Tender Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Dealer Managers or the Tender Agent, or any of their respective directors or employees, as applicable, or any other person in respect of such taxes and payments;
- (17) it is not a person to whom it is unlawful to make an invitation pursuant to the Tender Offer under applicable securities laws and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the tender in respect of the Notes it is tendering for purchase)

complied with all laws and regulations applicable to it for the purposes of its participation in the Tender Offer;

- (18) it has full power and authority to tender the Notes it has tendered in the Tender Offer, and, if such Notes are accepted for purchase by the Issuer such Notes will be transferred to, or to the order of the Issuer, with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached to such Notes, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer to be necessary or desirable to complete the transfer of such Notes or to evidence such power and authority;
- (19) it accepts that the Issuer is under no obligation to accept tenders of Notes for purchase pursuant to the Tender Offer and accordingly any such tender may be accepted or rejected by the Issuer in its sole discretion and for any reason; and
- (20) it acknowledges that, if the Notes are accepted by the Issuer for purchase in accordance with the terms of the Tender Offer, the value date for delivery and receipt will be the Payment Date.

In this Tender Offer Memorandum:

“Sanctions Authority” means:

- (a) the United States government;
- (b) the United Nations;
- (c) the European Union (or any of its member states including, without limitation, the United Kingdom);
- (d) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or
- (e) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty’s Treasury; and

“Sanctions Restricted Person” means an individual or entity (a **“Person”**):

- (a) that is, or is 50 percent or more owned in the aggregate by one or more Persons that are, described or designated in (i) the most current *“Specially Designated Nationals and Blocked Persons”* list (which as of the date hereof can be found at: <http://www.ustreas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>) or (b) the most current *“Consolidated list of persons, groups and entities subject to EU financial sanctions”* (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/ssi/ssi.pdf>) or is any legal person, entity or body acting on behalf of or at the direction of any of the foregoing; or
- (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (i) the most current *“Sectoral Sanctions Identifications”* list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/ssi/ssi.pdf>) (the **“SSI List”**), (ii) Annexes III, IV, V and VI of Council Regulation No.833/2014, as amended by Council Regulation

No.960/2014 (the “**EU Annexes**”), or (iii) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.

By submitting an Electronic Instruction to the relevant Clearing System, a Noteholder or its Nominated Beneficial Owner (if any) acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of such Noteholder and the tenders given by such Noteholder or its Nominated Beneficial Owner (if any) shall be binding (to the extent applicable in law) upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of such Noteholder or its Nominated Beneficial Owner (if any) and shall not be affected by, and shall survive, the death or incapacity of such Noteholder or its Nominated Beneficial Owner (if any).

All tenders will be made on the basis of the terms set out in this Tender Offer Memorandum and, once accepted by the Issuer in the manner described above, will (subject as mentioned above) be irrevocable and binding on the relevant Noteholder and will become irrevocable on the terms set forth herein. Notes may only be tendered by submission of a valid Electronic Instruction to the relevant Clearing System no later than the Expiration Deadline.

The Notes for which tenders have been given will be unblocked in the relevant Clearing System upon the earlier of (i) the time of settlement on the Payment Date in which case such Notes will be unblocked pending transfer to the account of the Issuer or its broker and (ii) the date on which the tender of the Notes is terminated by the Issuer or on which such tender is revoked, in which case such Notes will become unblocked and free to trade, in each case in accordance with the terms of the Tender Offer.

The receipt of an Electronic Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System. All questions as to validity, form and eligibility (including time of receipt) of any Electronic Instruction will be determined solely by the Issuer. Such determination as to whether or when an Electronic Instruction is received, whether it is duly completed and signed or whether a tender is validly withdrawn shall be final and binding.

Noteholders should ensure that the relevant Clearing System in which Notes are held has received instructions (with which it has complied) to block such Notes in the securities account to which they are credited with effect from, and including, the day on which the Electronic Instruction is submitted so that no transfers may be effected in relation to such Notes at any time after such date until the earlier of (i) the time of settlement on the Payment Date, and (ii) the date on which the tender of the Notes is terminated by the Issuer, in each case in accordance with the terms of the Tender Offer. Notes should be blocked in accordance with the procedures of the relevant Clearing System and the deadlines required by the Clearing System. Tenders of the Notes pursuant to the Tender Offer will be irrevocable except in the limited circumstances described in “*Procedures for Tendering Notes – Revocation Rights*”. The Issuer and the Tender Agent shall be entitled to accept submission of an Electronic Instruction as deemed confirmation that such Notes have been so blocked. The Tender Agent shall require the relevant Clearing System to confirm in writing that such Notes have been blocked with effect from the date of submission of the Electronic Instruction. In the event that the relevant Clearing System fails to do so, the Tender Agent shall inform the Issuer who shall be entitled, but not obliged, to reject the Electronic Instruction.

Beneficial owners of Notes who are not Direct Participants in Euroclear, Clearstream or DTC must contact their broker, dealer, bank, custodian, trust company or other nominee to arrange for their direct participant in the relevant Clearing System through which they hold Notes to submit a valid Electronic Instruction to the relevant Clearing System which is received by the Tender Agent at or prior to the Expiration Deadline. The beneficial owners of Notes that are held in the name of a broker, dealer, bank, custodian, trust company or other nominee should contact such entity sufficiently in advance of the

Expiration Deadline if they wish to tender and procure that the Notes are blocked in accordance with the normal procedures of the relevant Clearing System and the deadlines imposed by such Clearing Systems.

Tender of Notes in Physical Form

All Noteholders hold the Notes through Clearing System accounts and there are no Notes in physical form.

No Guaranteed Delivery

There are no guaranteed delivery procedures provided by the Issuer in connection with this Tender Offer Memorandum. Beneficial owners of Notes that are held in the name of a custodian must contact such entity sufficiently in advance of the Expiration Deadline if they wish to tender their Notes.

By blocking the relevant Notes in the relevant Clearing System (and in respect of Notes held through DTC) by submitting instructions through DTC's ATOP procedures, beneficial owners of Notes will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent.

Revocation Rights

If the Issuer announces an amendment to the Tender Offer that, in the opinion of the Issuer (in consultation with the Dealer Managers), is materially prejudicial to Noteholders that have already tendered Notes in the Tender Offer before the announcement of such amendment, then such tenders of Notes may be revoked at any time from the date and time of such announcement until 5.00 p.m. (New York time) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their Notes).

For the avoidance of doubt, any extension or re-opening of the Tender Offer (including any amendment in relation to any Expiration Deadline and/or the Payment Date) in accordance with the terms of the Tender Offer as described in this section "*Procedures for Tendering Notes*" shall not be considered materially prejudicial to Noteholders that have already tendered Notes in the Tender Offer before the announcement of such amendment.

Noteholders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in this section "*Procedures for Tendering Notes*". Beneficial owners of Notes that are held through an intermediary are advised to check with such entity when it would require receipt of instructions to revoke a tender of Notes in the Tender Offer in order to meet the above deadline. For the avoidance of doubt, any Noteholder who does not exercise any such right of revocation in the circumstances and in the manner specified above shall be deemed to have waived such right of revocation and its original Electronic Instruction will remain effective.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive revocation instructions from a Noteholder in order for that Noteholder to be able to revoke their instruction to participate in, the Tender Offer before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the revocation instructions will be earlier than the relevant deadlines specified above.

Extension, Termination or Amendment

Subject to applicable laws, the Issuer expressly reserves the right, in its sole discretion, to (i) extend the period during which the Tender Offer is open, (ii) re-open or amend the Tender Offer in any respect, (iii) amend the timing of the Tender Offer including delaying the Expiration Deadline, and/or the

Payment Date and (iv) subject to the conditions described under “*Conditions to the Tender Offer*”, terminate the Tender Offer prior to acceptance for purchase by the Issuer of the Notes in the Tender Offer by giving oral (to be confirmed in writing) or written notice of such termination to the Tender Agent, and, in each such case, by making public disclosure by press release or other appropriate means of such extension, re-opening, amendment or termination to the extent required by law, *provided that* no such extension, re-opening, amendment, or termination can be affected after the Notes have been accepted for purchase at the Payment Date.

During any extension, re-opening or amendment of the Tender Offer, all Notes previously tendered for purchase in the Tender Offer will remain subject to the Tender Offer and may, subject to the terms and conditions of the Tender Offer and applicable law, be accepted by the Issuer. Please also see “—*Announcements*”. Any waiver, amendment or modification of the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer which have not previously been accepted for purchase. If the Issuer makes a change that the Issuer determines to be material to any of the terms of the Tender Offer or waives a condition of the Tender Offer that the Issuer determines to be material, the Issuer will give oral (to be confirmed in writing) or written notice of such amendment or waiver to the Tender Agent and will announce such changes by press release and through the Clearing Systems as promptly as possible and extend the Tender Offer for so long as the Issuer determines necessary and to the extent required by law.

Prior to acceptance for purchase by the Issuer of Notes in the Tender Offer, the Issuer may terminate or withdraw at its sole discretion the Tender Offer at any time and for any reason, including, if any of the conditions to the Tender Offer are not satisfied or waived on or after the Expiration Deadline.

In addition, the Issuer may waive conditions (including one or more of the conditions to the Tender Offer) without extending the Tender Offer to the extent permitted by applicable law.

Announcements

Any extension, termination, re-opening or amendment of the Tender Offer will be followed as promptly as practicable by announcement thereof, such announcement in the case of an extension to be issued no later than 2:00 pm New York time on the next Business Day following the previously scheduled Expiration Deadline and/or Payment Date, as the case may be. Unless stated otherwise, announcements in connection with the Tender Offer will be made through a press release to be distributed through the Clearing Systems for communication to persons who are shown in the records of the Clearing Systems as holder of the Notes, as well as a public announcement through the Company Announcement Office of the Irish Stock Exchange that is provided by or approved for use by the Main Securities Market of the Irish Stock Exchange. Copies of all such announcements, press releases and notices can also be obtained from the Tender Agent, the contact details for which are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Tender Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details on the last page of this Tender Offer Memorandum.

TAX CONSEQUENCES

In view of the number of different jurisdictions where tax laws may apply to a Noteholder, this Tender Offer Memorandum does not discuss the tax consequences for Noteholders arising from the purchase of the Notes by the Issuer pursuant to the Tender Offer. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Notes and the receipt pursuant to the Tender Offer of the Purchase Price, and the relevant Accrued Interest Amount. Noteholders are liable for their own taxes and have no recourse to the Issuer, the Dealer Managers or the Tender Agent with respect to taxes arising in connection with the Tender Offer.

DEALER MANAGERS AND TENDER AGENT

Dealer Managers

Deutsche Bank AG, London Branch, HSBC Bank plc and J.P. Morgan Securities plc are acting as Dealer Managers for the Tender Offer.

The Issuer has agreed to pay the Dealer Managers a customary fee for their services in connection with the Tender Offer, and has also agreed to reimburse the Dealer Managers for certain expenses relating to the Tender Offer.

The Dealer Managers, in the ordinary course of business, make markets in debt securities of the Issuer, including the Notes, for their own accounts and for the accounts of their customers. As a result, from time to time, the Dealer Managers may have holdings in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Notes.

The Dealer Managers may (i) submit tender instructions for their own account and (ii) submit tender instructions (subject to the offer restrictions set out in “*Offer and Distribution Restrictions*”) on behalf of Noteholders.

Tender Agent

The Issuer has retained Lucid Issuer Services Limited to act as Tender Agent for the Tender Offer. The Tender Agent will assist Noteholders that request assistance in connection with the Tender Offer. The Issuer has agreed to pay the Tender Agent a customary fee for its services in connection with the Tender Offer, and has also agreed to reimburse the Tender Agent for certain expenses relating to the Tender Offer.

General

The Dealer Managers and the Tender Agent, and their respective affiliates, may contact Noteholders regarding the Tender Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Memorandum and related materials to beneficial owners of the Notes.

Neither the Dealer Managers, the Tender Agent nor any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Tender Offer or the Issuer contained in this Tender Offer Memorandum or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of the Issuer, the Dealer Managers and the Tender Agent nor any of their respective directors, employees or affiliates as applicable makes any representation or recommendation whatsoever regarding the Tender Offer, or any recommendation as to whether Noteholders should tender Notes in the Tender Offer or otherwise participate in the Tender Offer.

The Tender Agent is the agent of the Issuer and owes no duty to any Noteholders.

THE ISSUER

Republic of Armenia

(acting through the Ministry of Finance of Armenia)
1, Melik-Adamgan Street
Yerevan 0010
Republic of Armenia

Requests for information in relation to the Tender Offer should be directed to:

THE DEALER MANAGERS

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

For information by telephone:
+44 (0) 20754 58011
Email:
liability.management@db.com
Attention: Liability Management
Group

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

For information by telephone:
London: +44 20 7992 6237
U.S. Toll Free: 1-888-HSBC-
4LM
Collect: 1-212-525-5552
Email:
liability.management@hsbcib.co
m
Attention: Liability Management
Group

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

For information by telephone:
+44 20 7134 2468
E-mail:
em_europe_lm@jpmorgan.com
Attention: Liability Management

Requests for information in relation to the procedures for tendering Notes and participating in the Tender Offer and the submission of an Electronic Instruction should be directed to the Tender Agent:

THE TENDER AGENT

Lucid Issuer Services Limited
Leroy House
436 Essex Road
London N1 3QP
United Kingdom

Telephone: +44 20 7704 0880
Attention: Thomas Choquet
Email: Armenia@lucid-is.com

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