

December 4, 2020



**THE PROVINCE OF CHUBUT**  
*(A Province of the Republic of Argentina)*

**The Province of Chubut Announces Commencement of Consent Solicitation**

Chubut, Argentina. The Province of Chubut (the “**Province**”) announced today that it is seeking to modify the terms of its 7.750% Secured Amortizing Notes due 2026 (the “**Notes**”) and to that end it has commenced a solicitation of consents from Eligible Holders (as defined below) to amend the Notes, the indenture governing the Notes (the “**Indenture**”) and the Collateral (as defined in the Indenture) (the “**Consent Solicitation**”). The Consent Solicitation is being made on the terms and subject to the conditions set forth in the consent solicitation statement dated December 4, 2020 (the “**Consent Solicitation Statement**”).

On November 14, 2020, the Province reached an agreement in principle with a majority of bondholders of the Notes (the “**Group**”) that will allow the members of the Group to participate in the Consent Solicitation. On December 4, 2020, the Province and the Group entered into a support agreement that confirmed the Group’s commitment to timely deliver Consents by the Expiration Time (as defined below) in accordance with the terms of the Consent Solicitation Statement.

The following table sets forth certain information relating to the Notes:

<b>Series of Notes</b>	<b>ISIN</b>	<b>CUSIP</b>	<b>Principal Amount Outstanding</b>	<b>Minimum Denomination</b>
7.750% Secured Amortizing Notes due 2026	144A: US17127LAA35	144A: 17127L AA3	U.S.\$622,916,667	U.S.\$150,000 / U.S.\$1,000
	Reg S: USP25619AB67	Reg S: P25619 AB6		

**Terms of the Consent Solicitation**

Pursuant to the Consent Solicitation, by tendering their consents, Eligible Holders will authorize and instruct the trustee for the Notes (the “**Trustee**”) to modify the Notes, the Indenture and the Collateral.

Eligible Holders who do not submit valid consents or whose valid consents are not accepted by the Province will have their Notes modified pursuant to the applicable Consent Solicitation if we obtain the Requisite Consents (as defined below) to the Proposed Amendments (as defined in the Consent

Solicitation Statement). In this event, the economic terms of such holder's modified Notes will differ significantly from the economic terms of its Notes prior to the effectiveness of the Proposed Amendments.

**The Consent Solicitation will expire at 5:00 p.m. (New York City time) on December 15, 2020, unless extended or earlier terminated by the Province in its sole discretion (the "Expiration Time"). Consents may not be revoked or withdrawn at any time at or prior to the Expiration Time except in the limited circumstances described in the Consent Solicitation Statement in the Province's sole discretion.**

On December 17, 2020, or promptly thereafter, the Province expects that the first supplemental indenture to the Indenture (the "**Supplemental Indenture**") will be executed, the Consent Consideration (as defined below) will be paid and the Proposed Amendments will become effective.

### **Consent Consideration**

Only Eligible Holders who validly deliver their consent by the Expiration Time, will be eligible to receive a pro rata share of a cash payment in a fixed aggregate amount of U.S.\$3,114,583 (the "**Consent Consideration**"), less applicable expenses, provided that the terms and conditions set forth in the Consent Solicitation Statement have been satisfied or, where possible, waived. The Consent Consideration will be paid from funds released from the Debt Service Reserve Account (as defined in the Indenture) in furtherance of the Proposed Amendments.

### **Summary of the Proposed Amendments**

If the consent from Eligible Holders of not less than 75% in aggregate principal amount of outstanding Notes (the "**Requisite Consents**") are obtained and the other conditions to the Consent Solicitation are satisfied or waived, we will execute the Supplemental Indenture and take any other actions necessary to give effect to the Proposed Amendments. The main amendments proposed are summarized below:

1. a modified amortization profile, extending the maturity of the Notes through July 26, 2030;
2. interest on the amended Notes due 2030 will accrue at a rate of 7.24% per annum through October 26, 2021, and thereafter, at a rate of 7.75% per annum, payable quarterly on each January 26, April 26, July 26 and October 26; and
3. enhanced collateral status, as additional royalties will be pledged under the amended structure.

In accordance with the terms of the Indenture, the Province requires the Requisite Consents to successfully consummate the Consent Solicitation. If the Consent Solicitation is successfully consummated, the terms of the amended notes are expected to provide the Province with significant debt service relief, specifically throughout 2021, 2022, and 2023. The amortization profile of the original Notes will be amended to smooth out principal repayment throughout the life of the amended Notes. By means of the amended structure, the Province will achieve a maximum cumulative debt service relief of U.S.\$169 million by October 2023.

The Province reserves the right in its sole discretion to extend or amend the Consent Solicitation, and to reject any and all consents with respect to any Notes.

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We have not registered the Consent Solicitation or the Notes under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities law. The consents may not be solicited in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Consents are being solicited only from holders of the Notes that are: (1) “qualified institutional buyers” as defined in Rule 144A under the Securities Act (“**QIBs**”) or (2) outside the United States in compliance with Regulation S under the Securities Act (“**Regulation S**”) and otherwise eligible to receive this solicitation under the laws of their jurisdiction (each, an “**Eligible Holder**”). Only Eligible Holders who have certified that they are within one of the categories described in the immediately preceding sentence via the Consent Website are authorized to receive and review the Consent Solicitation Statement and to participate in the Consent Solicitation.

The Province has engaged UBS Securities LLC to act as consent solicitation agent (the “**Consent Solicitation Agent**”) and Proficio as Financial Advisor (the “**Financial Advisor**”). Morrow Sodali is acting as the information and tabulation agent (the “**Information and Tabulation Agent**”). Any questions or requests for assistance regarding the Consent Solicitation may be directed to UBS Securities LLC at +1 (203) 719-8111 or +1 (212) 821-6009.

**This announcement is for informational purposes only and is not an invitation or a solicitation of consents of any holders of Notes. The Consent Solicitation is only being made pursuant to the Consent Solicitation Statement.** Before making any decision with respect to delivering their consents, Eligible Holders should read the Consent Solicitation Statement. Eligible Holders, or custodians for such holders, of Notes may obtain a copy of the Consent Solicitation Statement by contacting the Information, Tabulation and Exchange Agent at its email address [chubut@investor.morrowsodali.com](mailto:chubut@investor.morrowsodali.com) or telephone number +852 2158 8405 (Hong Kong) / +44 208 089 3287 (London) / +1 203 609 4910 (Stamford), or by download, following registration, via the Consent Website: <https://bonds.morrowsodali.com/chubut>.

The Province will make (or cause to be made) all announcements regarding the Consent Solicitation by press release in accordance with applicable law.

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**NONE OF THE CONSENT SOLICITATION AGENT, THE TRUSTEE, THE INFORMATION AND TABULATION AGENT, THE FINANCIAL ADVISOR NOR ANY OF THEIR RESPECTIVE DIRECTORS, EMPLOYEES, AFFILIATES, AGENTS OR REPRESENTATIVES MAKES ANY RECOMMENDATION AS TO WHETHER HOLDERS SHOULD DELIVER THEIR CONSENTS PURSUANT TO THE CONSENT SOLICITATION, AND NO ONE HAS BEEN AUTHORIZED BY ANY OF THEM TO MAKE SUCH A RECOMMENDATION. EACH HOLDER MUST MAKE ITS OWN DECISION AS TO WHETHER TO CONSENT THE PROPOSED AMENDMENTS.**

The distribution of materials relating to the Consent Solicitation may be restricted by law in certain jurisdictions. The Consent Solicitation is void in all jurisdictions where it is prohibited. If materials relating to the Consent Solicitation come into your possession, you are required by the Province to inform yourself of and to observe all of these restrictions, including whether you are a Holder pursuant to the laws of your jurisdiction. The materials relating to the Consent Solicitation, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

If a jurisdiction requires that the Consent Solicitation be made by a licensed broker or agent and the Consent Solicitation Agent or any affiliate of the Consent Solicitation Agent is a licensed broker or agent in that

jurisdiction, the Consent Solicitation shall be deemed to be made by the Consent Solicitation Agent or such affiliate on behalf of the Province in that jurisdiction. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

### **Forward-Looking Statements**

This announcement contains certain “forward-looking” statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on current plans, estimates and projection, and therefore you should not put undue reliance on them. These statements are likely to relate to, among other things, the Province’s goals, plans and projections regarding its financial position, results of operations, expenses, performance or the outcome of contingencies such as legal proceedings, which are based on current expectations that involve inherent risks and uncertainties, including internal or external factors that could delay, divert or change any of them in the next several years. The Province undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

### **Notice to Holders In the United States**

The Province is making this announcement in reliance on exemptions from the registration requirements of the Securities Act. These exemptions apply to offers and sales of securities that do not involve a public offering. The modified Notes have not been recommended by any U.S. or non-U.S. securities authorities, and these authorities have not determined that this announcement is accurate or complete. Any representation to the contrary is a criminal offense.