

## The Republic of Ecuador Announces Commencement of Consent Solicitations

QUITO, Ecuador, April 8, 2020

The Republic of Ecuador (“**Ecuador**”) announced today that it is seeking to amend each of the Securities listed in Table 1 and Table 2 below (the “**Securities**”), and the indentures governing each series of Securities, to provide short-term relief from certain of Ecuador’s financial obligations while the government implements steps needed to address Ecuador’s public finances over the medium- and long-terms and render its outstanding debt obligations sustainable. For this purpose, Ecuador has commenced two solicitations of consents (each, a “**Consent Solicitation**,” and together, the “**Consent Solicitations**”) from eligible Holders of the Securities to amend certain terms and conditions of the Securities. If approved, the proposed amendments (the “**Proposed Amendments**”) will give effect to the following modifications with respect to each series of Securities:

- defer until the August 2020 Specified Date (as defined below), without any grace period applicable thereafter, the payment of interest due and payable on each originally scheduled interest payment date set forth in the Securities occurring between (and including) March 27, 2020 and July 15, 2020;
- reduce the interest amount due on the first originally scheduled interest payment date occurring under each series of Securities on or after March 27, 2020 by US\$0.50 for each US\$1,000 principal amount of such Securities; and
- until the August 2020 Specified Date, exclude from the events of default set forth in the Securities (a) cross defaults arising from defaults under (x) the 4.625% Notes due 2020 issued by La Empresa Pública de Exploración y Explotación de Hidrocarburos Petroamazonas EP and guaranteed by Ecuador, the Republic’s 7.25% Social Housing Notes due 2035 and any series of Securities for which the amendments do not become effective, and (y) any other External Indebtedness consisting of loans from creditors other than multilateral creditors in a principal amount that does not exceed U.S.\$300,000,000 in the aggregate, and (b) defaults arising from judgments or arbitral awards being entered or issued against Ecuador under the instruments referred to in (a).

The “**August 2020 Specified Date**” means August 15, 2020, provided, however, that the August 2020 Specified Date will be August 10, 2020 if a new staff level agreement on a new successor International Monetary Fund (the “**IMF**”) supported program between Ecuador and the IMF has not been publicly announced in accordance with IMF policies by 5:00pm (New York City time) by no later than August 10, 2020.

Ecuador has pursued prudent fiscal, monetary, and economic policies to consolidate its public finances and boost economic growth. Although these measures have in recent years proven effective in part (i.e., budget deficits have declined, the Ecuadorean Central bank has increased reserves, and economic reforms have improved the competitiveness of the Ecuadorean economy), additional measures are necessary to put Ecuador’s economic development on a long term positive trajectory. Ecuador remains vulnerable to external shocks due to its weak fiscal position, lack of economic buffers and limited monetary tools. The outbreak of the COVID19 crisis, which reached Ecuador in early March 2020, and the significant drop in the export price for Ecuador’s crude oil during the first quarter of 2020 have compromised severely Ecuador’s ability to meet its obligations with all of its stakeholders. The Proposed Amendments are a first step intended to allow Ecuador and the holders of the Securities as well as other creditors, including the IMF and other official sector creditors, to engage proactively and in an orderly manner in a negotiation intended to create new and appropriate conditions of sustainability for Ecuador’s debt burden. Adjusting Ecuador’s debt profile to sustainable terms is a condition to the success of any program that Ecuador can develop to achieve the goals referred to before.

Only eligible holders that held the Securities as of 5:00 p.m., New York City time, on April 7, 2020 (the “**Record Date**”) may participate in the Consent Solicitations (“**Holders**”). Each Consent Solicitation is being made on

the terms and subject to the conditions set out in the related consent solicitation statements (the “**Consent Solicitation Statements**”). Ecuador is offering to pay a fee (the “**Consent Payment**”) in an amount equal to U.S.\$0.50 for each U.S.\$1,000 principal amount of Securities of a series only to holders of Securities whose validly delivered consent is accepted pursuant to the relevant Consent Solicitation Statement and only if the related supplemental indenture and the Proposed Amendments become effective with respect to that series of Securities. Holders that do not deliver valid consents will not receive the Consent Payment even if the Securities are amended. Holders that deliver valid Consents which are accepted by Ecuador will not receive a Consent Payment if the Securities are not amended.

For each series of Securities listed in Table 1, Ecuador’s proposed amendments will become effective only if valid consents from holders of (x) more than 50% of the aggregate principal amount at the time outstanding of the Securities of that series (the “**Per Series Threshold**”) and (y) not less than 66⅔% of the aggregate principal amount at the time outstanding of the Securities of all series as to which the Per Series Threshold was met (the “**Aggregate Threshold**”), have been validly delivered and accepted pursuant to the terms of the applicable Consent Solicitation, and the other conditions described in the related Consent Solicitation Statement, have been either satisfied or waived by Ecuador.

For the series of Securities listed in Table 2, Ecuador’s proposed amendments will become effective only if valid consents from holders of not less than 75% in aggregate principal amount of that series of Securities have been validly delivered and accepted pursuant to the terms of the applicable Consent Solicitation, and the other conditions described in the related Consent Solicitation Statement, have been either satisfied or waived by Ecuador.

Ecuador reserves the right in its sole discretion to reject any and all consents with respect to any series of Securities, including in the case of Securities listed in Table 1, if the Per Series Threshold is not obtained with respect to that series of Securities or the Aggregate Threshold is not obtained with respect to at least two series of Securities. Ecuador also reserves the right to waive or modify any term of, or terminate, the Consent Solicitation at any time and in its sole discretion.

Unless waived by Ecuador, in its sole discretion, the amendments proposed for any series of Securities will become effective only if the amendments proposed with respect to all other Securities can also become effective (the “**Cross-Consents Condition**”). The Cross-Consents Condition can be waived by Ecuador in its sole discretion as to any series of Securities.

The Expiration Time for the Consent Solicitation is 5:00 p.m., New York City time, on April 17, 2020 (as such time may be extended by Ecuador in its sole discretion, the “**Expiration Date**”). Ecuador may terminate the Consent Solicitation with respect to any Series of Securities at any time in its sole discretion. Capitalized terms not defined in this communication have the meanings specified in the Consent Solicitation Statements.

Holders of Securities listed in Table 1 and Table 2 below are referred to the respective Consent Solicitation Statement for detailed terms and conditions of the Consent Solicitations relating to these Securities.

**TABLE 1**

Title of Security	ISIN / Common Code	Principal Amount Outstanding	Consent Payment <sup>(1)</sup>
10.750% Notes due March 28, 2022 (the “2022 Notes”)	XS1458516967; XS1458514673 / 145851696; 145851467	U.S.\$2,378,860,000	U.S.\$0.50
8.750% Notes due June 2, 2023 (the “2023 Notes”)	XS1626768656; XS1626768730 / 162676865; 162676873	U.S.\$1,797,499,000	U.S.\$0.50
7.875% Notes due March 27, 2025 (the “2025 Notes”)	XS2058848826; XS2058845210 / 205884882; 205884521	U.S.\$600,000,000	U.S.\$0.50
9.650% Notes due December 13, 2026 (the “2026 Notes”)	XS1535072109; XS1535071986 / 153507210; 153507198	U.S.\$2,402,870,000	U.S.\$0.50
9.625% Notes due June 2 2027 (the “9.625% 2027 Notes”)	XS1626529157; XS1626530320 / 162652915; 162653032	U.S.\$1,000,000,000	U.S.\$0.50

8.875% Notes due October 23, 2027 (the "8.875% 2027 Notes")	XS1707041429; XS1707041262 / 170704142; 170704126	U.S.\$2,500,000,000	U.S.\$0.50
7.875% Notes due January 23, 2028 (the "2028 Notes")	XS1755432363; XS1755429732 / 175543236; 175542973	U.S.\$3,000,000,000	U.S.\$0.50
10.750% Notes due January 31, 2029 (the "2029 Notes")	XS1929377015; XS1929376710 / 192937701; 192937671	U.S.\$2,125,000,000	U.S.\$0.50
9.500% Notes due March 27, 2030 (the "2030 Notes")	XS2058866307; XS2058864948 / 205886630; 205886494	U.S.\$1,400,000,000	U.S.\$0.50

(1) Per each U.S.\$1,000 principal amount of Securities.

**TABLE 2**

Title of Security	ISIN / Common Code	Principal Amount Outstanding <sup>1</sup>	Consent Payment <sup>(1)</sup>
7.950% Notes due 2024 (the "2024 Notes")	XS1080331181 ; XS1080330704 / 108033118 ; 108033070	U.S.\$2,000,000,000	U.S.\$0.50

(1) Per each U.S.\$1,000 principal amount of Securities.

**This announcement is for informational purposes only and is not a solicitation of consents of any holders of Securities. The solicitation of consents of holders of Securities is only being made pursuant to the Consent Solicitation. Holders of Securities should read the Consent Solicitation Statements carefully prior to making any decision with respect to providing its consent because it contains important information.**

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

We have not registered the Consent Solicitations or the Securities 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 (1) from holders of the Securities that are "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("**QIBs**") and (2) outside the United States, to holders of Securities other than "U.S. persons" (as defined in Rule 902 under the Securities Act) and who are not consenting for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act. Only holders of Securities who have returned a duly completed eligibility letter (available on the website of the Information and Tabulation Agent, at <https://gbsc-usa.com/eligibility/ecuador>) certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review the Consent Solicitation Statements and to participate in the Consent Solicitations.

Citigroup Global Markets Inc. is the Consent Solicitation Agent in connection with the Consent Solicitations. Global Bondholder Services Corporation is the Information and Tabulation Agent in connection with the Consent Solicitations. Lazard Frères is acting as Financial Advisor to Ecuador in connection with the Consent Solicitations.

**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 CONSENTS TO THE PROPOSED AMENDMENTS PURSUANT TO THE CONSENT SOLICITATIONS, 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 GIVE A CONSENT.**

*The Consent Solicitation Statements will be available from the Information and Tabulation Agent.*

*The Information and Tabulation Agent for the Consent Solicitation is:*

**Global Bondholder Services Corporation**

65 Broadway – Suite 404  
New York, New York 10006  
Attn: Corporate Actions  
Banks and Brokers call: (212) 430-3774  
Toll free (866)-470-3800  
By facsimile:  
(For Eligible Institutions only):  
(212) 430-3775/3779  
Confirmation:  
(212) 430-3774  
Email: contact@gbsc-usa.com

**Any questions regarding the terms of the Consent Solicitations should be directed to the Consent Solicitation Agent or the Information and Tabulation Agent at their respective addresses and telephone numbers set forth on this communication. If you have any questions about how to deliver a consent in the Consent Solicitations, you should contact the Information and Tabulation Agent. Requests for additional copies of the Consent Solicitation Statements, the eligibility letter or any other related documents may also be directed to the Information and Tabulation Agent.**

*The Consent Solicitation Agent for the Consent Solicitation is:*

**Citigroup Global Markets Inc.**

390 Greenwich St, 1st Floor  
New York, NY 10013  
Attention: Liability Management  
Group  
U.S. Toll-free: +1-800-558-3745  
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**The Republic of Ecuador**

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*(Financial Advisor to the Republic of Ecuador)*

**Lazard Frères**

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