

October 27, 2023



THE PROVINCE OF TIERRA DEL FUEGO
(A Province of the Republic of Argentina)

The Province of Tierra del Fuego Announces Commencement of Consent Solicitation

Tierra del Fuego, Argentina. In light of new Argentine Central Bank Regulation issued on June 1, 2023, (Communication “A” 7782), the Province of Tierra del Fuego (the “**Province**”) announced today that it is seeking to modify the terms of its 8.950% Secured Amortizing Notes due 2027 (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 October 27, 2023 (the “**Consent Solicitation Statement**”).

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

Series of Notes	ISIN	CUSIP	Original Principal Issued Amount ⁽¹⁾	Minimum Denomination
8.950% Secured Amortizing Notes due 2027	144A: US886516AC70 Reg S: USP91528AA03	144A: 886516 AC7 Reg S: P91528 AA0	U.S.\$200,000,000	U.S.\$1,000/ U.S.\$1,000

(1) This amount reflects the original principal amount issued, which shall be utilized as reference to facilitate purposes of calculation of the total Consents delivered under the Consent Solicitation. However, the Notes have amortized since April 17, 2019 and the current principal amount outstanding under the Notes is U.S.\$98,000,000. The Requisite Consents shall be obtained if at least 75% in aggregate principal amount of outstanding Notes are obtained and the other conditions to the Consent Solicitation are satisfied or waived, as set forth in the Consent Solicitation Statement.

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 will also authorize the Province to give to the Trustee and the Argentine Collateral Agent any and all instructions and confirmations required to give effect to the release of certain funds from the Argentine Peso Debt Service Reserve Account and/or the Argentine Dollar Debt Service Reserve Account in order to fund a portion of the Consent Consideration, so long as the Reserve Accounts will remain Fully Funded after giving effect to the Proposed Amendments.

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 time) on November 27, 2023 (such time and date, as the same may be extended, shortened or earlier terminated by the Province, the "Expiration Time"). The Province may either extend the Expiration Time or change the Expiration Time to such sooner date and time occurring after the Early Consent Time (as defined below), in each case in its sole discretion. If the time remaining to the Expiration Time is shortened by the Province, it shall provide at least one Business Day notice to Holders. In order to be eligible to receive the Early Consent Consideration (as defined below), Eligible Holders must deliver their Consent at or prior to 5:00 p.m. (New York time) on November 9, 2023 (such time and date, as the same may be extended by the Province, the "Early Consent Time"). Eligible Holders that deliver Consents after the Early Consent Time but before the Expiration Time will be eligible to receive the Late Consent Consideration.

If the Requisite Consents are obtained by the Expiration Time, we expect that a supplemental indenture giving effect to the Proposed Amendments (the "**Supplemental Indenture**") will be signed on, or as soon as practicable after, the Expiration Time (such date, the "**Settlement Date**"), and will become effective after satisfaction of the conditions set forth in the Consent Solicitation Statement, including payment of the Consent Consideration.

Consent Consideration

Only Eligible Holders who validly deliver their consent by the Expiration Time will be eligible to receive a portion as described below of a cash payment in a fixed aggregate amount of U.S.\$6,000,000 (the "**Consent Consideration**"), 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 in cash on a pro rata basis in accordance with Eligible Holders' respective holdings of Notes as to which Consents have been validly delivered and accepted, with Eligible Holders that tender Consents at or before the Early Consent Time receiving twice the amount of Consent Consideration per U.S.\$1,000 face value of Notes consented (the "Early Consent Consideration") as Eligible Holders that tender Consents after the Early Consent Time but before the Expiration Time (the "Late Consent Consideration").**

For illustrative purposes only:

- assuming a 100% rate of participation among all holders of Notes in the Consent Solicitation before the Early Consent Time, each Holder would receive US\$30.00 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$61.22 per US\$1,000 face value outstanding).
- assuming a 76% rate of participation among all holders of Notes in the Consent Solicitation before the Early Consent Time and 0% rate of participation after the Early Consent Time but before the Expiration Time, each Holder that consented would receive US\$39.47 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$80.56 per US\$1,000 face value outstanding).
- assuming a 70% rate of participation among all holders of Notes in the Consent Solicitation before the Early Consent Time and 5% rate of participation after the Early Consent Time but before the Expiration

Time, each Holder that consented prior to the Early Consent Time would receive US\$41.38 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$84.45 per US\$1,000 face value outstanding) and each Holder that consented after the Early Consent Time but prior to the Expiration Time would receive US\$20.69 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$42.22 per US\$1,000 face value outstanding).

- assuming a 80% rate of participation among all holders of Notes in the Consent Solicitation before the Early Consent Time and 10% rate of participation after the Early Consent Time but before the Expiration Time, each Holder that consented prior to the Early Consent Time would receive US\$40.00 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$81.63 per US\$1,000 face value outstanding) and each Holder that consented after the Early Consent Time but prior to the Expiration Time would receive US\$20.00 per US\$1,000 original face value consented (equivalent to a Consent Consideration of US\$40.82 per US\$1,000 face value outstanding).

The Consent Solicitation will only become effective and the Consent Consideration will only be paid if the terms and conditions set forth in the Consent Solicitation Statement, including receipt of the Requisite Consents (as defined below), have been met or waived.

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:

- (i) postpone the maturity date until January 21, 2030;
- (ii) modify the interest payment dates on the Notes to January 21, April 21, July 21 and October 21 of each year (as a result of which the interest period ending immediately after consummation of this Consent Solicitation on January 21, 2024 will be a long interest period);
- (iii) modify the amortization schedule to 20 installments payable on each January 21, April 21, July 21 and October 21, starting on April 21, 2025, as follows:
 - for each installment to be paid from (and including) April 21, 2025 until (but excluding) April 21, 2026, the Province shall pay the principal amount of US\$3,920,000;
 - for each installment to be paid from (and including) April 21, 2026 until (but excluding) April 21, 2028, the Province shall pay the principal amount of US\$4,900,000; and
 - for each installment to be paid from (and including) April 21, 2028 until the maturity date, the Province shall pay the principal amount of US\$5,390,000;
- (iv) modify the Indenture and the Notes to contemplate a step up in the rate of interest payable on the Notes in the event of occurrence of certain event(s), as follows:
 - if, during the period from and including the Execution Date through the maturity date, on the last Business Day of any Collection Period (each such date, a “Calculation Date”), the Royalties Coverage Amount is less than 1.35x but greater than 1.05x (each such date, an “Interest Rate Step Up Date”), then the interest rate payable on the Notes during and with respect to the interest period immediately following such Interest Rate Step Up Date and with respect to each subsequent interest period until an Interest Rate Reset Date (as defined below) occurs, shall be

increased by 1.00% per annum to an aggregate rate of 9.950% per annum (such increased rate, “Step Up Rate of Interest”).

- if, on any Calculation Date following the occurrence of an Interest Rate Step Up Date, the Royalties Coverage Amount is equal to or greater than 1.35x (each such date, a “Interest Rate Reset Date”), then the interest rate payable on the Notes shall be reset beginning as from the interest period immediately following such Interest Rate Reset Date to the original rate of 8.950% per annum, unless and until any subsequent Interest Rate Step Up Date occurs.
 - for the avoidance of doubt, if the Royalties Coverage Amount as of any relevant Calculation Date is less than 1.05x, the Step Up Rate of Interest shall not apply and interest shall accrue at the original rate of 8.950% per annum, provided that the other provisions of the Indenture shall apply, including the provisions related to “Trigger Events”, as modified by the Proposed Amendments.
- (v) modify the definition of Trigger Event set forth in Section 5.1 (*Trigger Events*) of the Indenture by deleting and replacing clause (a)(ii) so that, if the Royalties Coverage Amount as of the relevant Interest Rate Step Up Date is less than 1.05x, this shall constitute a “Trigger Event”;
 - (vi) modify the minimum ratio requirements for the Royalties Coverage Amount set forth in clause (a)(v) of Section 6.1 (*Events of Default*) of the Indenture and clause (a)(v) of Section 5.1 (*Events of Default*) of the Notes so that, no Event of Default or Potential Event of Default shall be triggered in case the Royalties Coverage Amount is equal to or greater than 1.05x;
 - (vii) modify Section 3.8(a) (*Prepayment Events*) of the Indenture and Section 5.1(a)(i) (*Trigger Events*) of the Indenture so that the requirement for the Reserve Adequacy Ratio to be at all times no less than the Minimum Reserve Adequacy Ratio shall solely apply from January 1, 2025 until the maturity date;
 - (viii) modify Section 4.10(i) (*Certificates and Reports*) of the Indenture so that the requirement by the Province to deliver a Reserves Certificate is to do so 90 days after the end of each fiscal year;
 - (ix) irrevocably waive any Event of Default, Potential Event of Default or Trigger Event in existence as of the Execution Date;
 - (x) irrevocably waive any FX Limitation Event and any and any Event of Default, Potential Event of Default, Prepayment Event or Trigger Event related thereto that may be in existence as of the Execution Date;
 - (xi) replace all references to “8.950% Secured Amortizing Notes Due 2027” with “8.950% Secured Amortizing Notes Due 2030”;
 - (xii) notify the Dedicated Concessionaires of the Proposed Amendments;
 - (xiii) authorize and instruct the Trustee and the Argentine Collateral Agent to release funds from the Argentine Peso Debt Service Reserve Account and/or the Argentine Dollar Debt Service Reserve Account and transfer to pay the Consent Consideration such amounts as are necessary so long as such accounts would be considered to remain Fully Funded after giving effect to the Proposed Amendments; and
 - (xiv) make additional conforming changes to the Notes, the Indenture and to the Argentine Trust Agreement, to incorporate the Proposed Amendments, if as applicable.

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 2024 and 2025. The amortization profile of the original Notes will be amended to smooth out principal repayment throughout the life of the amended Notes.

The Province reserves the right in its sole discretion to terminate, extend, or amend the Consent Solicitation, including but not limited to the Early Consent Time, and to reject any and all consents with respect to any Notes. The Province also reserves the right in its sole discretion to shorten the Consent Solicitation, as described above.

Background for the Consent Solicitation

On June 1, 2023, Communication “A” 7782 issued by the Argentine Central Bank established that item 3.17 of the FX Regulations shall also be applicable, beginning on June 2, 2023, to local governments’, including the Province’s, capital maturities corresponding to issues of debt securities registered abroad, other financial indebtedness abroad or issues of debt securities with public registration in Argentina and denominated in foreign currency. In the case of maturities for transactions registered up to July 18, 2023, item 3.17 of the FX Regulations requires the mandatory refinancing of principal maturities of liabilities denominated in foreign currency. Subject to certain exceptions, access to the foreign exchange market is now limited to 40% of the principal due, with the remaining 60% now required to be refinanced with new indebtedness with an average life of two years. Plans for any such refinancing must be previously submitted to the Central Bank in order for access to the foreign exchange market to be granted.

As a result of these new regulations, the Province intends to pay the upcoming principal amortization and interest payment falling due on October 17, 2023 in accordance with currently applicable laws and regulations (including the foreign exchange limitations described above) and the terms and conditions of the Indenture and the Notes, including through funding a portion of the payment through amounts currently held in the Debt Service Reserve Account (as defined in the Indenture).

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 BCP Securities, Inc. and Puente Servicios de Inversión S.A. to act as international consent solicitation agents and Puente Hnos. S.A. as local consent solicitation agent in Argentina (together with BCP Securities, Inc. and Puente Servicios de Inversión S.A., the “**Consent Solicitation Agents**”), Contexto Investments as Financial Advisor (the “**Financial Advisor**”) and Morrow Sodali International LLC 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 James Harper, Partner, at jharper@bcpsecurities.com or +1 203-629-2186, to Puente at TDFconsent@puentenet.com or +507-202-7805 / +54911-4329-0000 or to the Province at <https://roadshow.tierradelfuego.gob.ar/>.

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 download, following registration, via the Consent Website <https://projects.morrowsodali.com/tierradelfuego>; or contacting the Information, and Tabulation Agent at its email address tierradelfuego@investor.morrowsodali.com or telephone numbers +1 203 609 4910 (Stamford) or +44 20 4513 6933 (London).

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

NONE OF THE CONSENT SOLICITATION AGENTS, 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 TO 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 Agents or any affiliate of the Consent Solicitation Agents is a licensed broker or agent in that jurisdiction, the Consent Solicitation shall be deemed to be made by the Consent Solicitation Agents 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.