Erdenes Mongol Press Release

Erdenes Mongol LLC (“EM”)

Oyu Tolgoi (“OT”) **secures financing of $4.4 billion to construct the underground mine**

- *Landmark financing agreement is the one of the largest ever in the mining industry*
- *High quality syndicate of global commercial and multi-lateral lending institutions endorse mine’s vast potential*
- *The Government of Mongolia is secured to receive 55% of the total value of the project throughout its life*

(15 December 2015, Ulaanbaatar) Erdenes Mongol, Mongolia’s national investment company, today announces that Oyu Tolgoi, one of the largest undeveloped long-life high-grade copper deposits in the world, has moved a step closer to production at its underground mine after signing a $4.4 billion project financing agreement.

This major financing for Oyu Tolgoi’s underground mine, which represents 80% of the value of the entire mine, is being funded by international financial institutions and export credit agencies representing the Governments of the United States, Canada and Australia, along with 15 commercial banks.

Drawdown of funds is expected to occur in the second quarter of 2016, with work on the underground development expected to resume in the first half of next year. Construction on the mine is expected to last between five to seven years, with production anticipated to commence in 2021.

The financing is the one of the largest of its type ever in the mining industry, and follows the agreement in May 2015 of the Oyu Tolgoi Underground Mine Development and Financing Plan (“UDP”). To facilitate the UDP and major financing, the Government of Mongolia actively empowered Erdenes Mongol to undertake negotiations on a business-to-business basis and to ensure that licensing issues were resolved in strict adherence to the law, international standards and existing contractual obligations. The Government also expedited the remaining permits and worked hard to simplify and make clear its commitments that underpin this major project finance raising.

Commenting, Bayanjargal Byambasaikhan, CEO of Erdenes Mongol LLC said:

“This landmark deal is a significant milestone for the world class Oyu Tolgoi underground mine, and for Mongolia and its three million citizens. Reaching this point has had its challenges, but this exceptional financing, and from such a prestigious set of global lenders, underscores the vast potential of the mine and the strong collaborative partnership that has been forged between stakeholders in Oyu Tolgoi.

“Turquoise Hill’s sizeable investment and strong commitment, combined with the Government of Mongolia’s pragmatism, flexibility and determination to re-build Mongolia’s economy through proactively supporting major transformative projects, have been instrumental in reaching this critical juncture.

“We look forward to working with our fellow Oyu Tolgoi shareholders to develop this unique mine, which in time will transform Mongolia’s economy by catalysing foreign investment; create thousands of new jobs, and; generate large cash flows to the Government that can be used to bring about profound social and economic development.”

Under the financing, Initial Senior Loans will total $4.4 billion and will consist of facilities provided and funded by Export Development Canada (“EDC”), the European Bank for Reconstruction and Development (“EBRD”), the International Finance Corporation (“IFC”), the Export-Import Bank of the United States, the Export Finance and Insurance Corporation of Australia and commercial lenders comprising Australia and New Zealand Bank, BNP Paribas, Canadian Imperial Bank of Commerce, Crédit Agricole, HSBC, ING, Intesa Sanpaolo, National Australia Bank, Natixis, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden, Société Générale, Standard Chartered , Sumitomo Mitsui, The Bank of Tokyo-Mitsubishi and KfW IPEX-Bank. The Multi-Lateral Investment Guarantee Agency provided political risk insurance for the commercial banks.

EDC, EBRD, IFC and BNP Paribas acted as Initial Mandate Lead Arrangers and Standard Chartered as Initial Lead Arranger. BNP Paribas was the sole bookrunner of the commercial tranche.

Erdenes Mongol and the Government of Mongolia were advised by a team of prominent international financial and legal advisors.

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About Erdenes Mongol LLC:

Established in 2007, Erdenes Mongol LLC is a state owned investment company that invests for the long term in high quality assets and leading technologies in Mongolia’s key economic sectors of mining, infrastructure and energy. The company committed to improving the living standards of the citizens of Mongolia by enhancing the country’s economic performance [and increasing its diversification] through the effective and efficient use of the country’s natural resources.

Erdenes Mongol, headquartered in Ulaanbaatar, manages the Government of Mongolia’s shares in the country’s world-class mining assets, including Oyu Tolgoi LLC, Erdenet Mining Corporation, Erdenes Tavan Tolgoi JSC, Baganuur JSC, and Shivee Ovoo JSC.

Erdenes Mongol, through its affiliate Erdenes Oyu Tolgoi, is a 34% shareholder in Oyu Tolgoi.

For more information about Erdenes Mongol, please visit http://www.erdenesmongol.mn/