PRESS RELEASE BY THE GOVERNMENT ON THE FIRST-TIME INTERNATIONAL BOND ISSUE (EUROBOND)

Nairobi, Kenya - 18 June 2014

1. On 16th June 2014, the Republic of Kenya priced its debut international bond issue of US$ 500 million at an interest rate of 5.875 percent (Notes due 2019) and US$ 1.5 billion at an interest rate of 6.875 per cent (Notes due 2024) in a 144A/Reg S Eurobond offering. This total issue of US$ 2 billion with a weighted average interest rate of 6.6 percent is expected to close on 24 June 2014. The bonds will be predominately placed in US, UK, European and Middle Eastern accounts. The transaction followed investor roadshows in Europe and the US.

2. The proceeds of the transaction will be used for general budgetary purposes, including the funding of infrastructure projects and the repayment of the $600 million syndicated loan incurred in 2011/12 that matures in August 2014.

3. The transaction, the largest by a first-time African issuer, represents an important milestone for the Republic of Kenya and a stepping stone in the path towards emerging market status as the Government implements its transformative economic agenda under the leadership of H.E. the President Uhuru Kenyatta.

4. In addition, the transaction diversifies the country’s funding sources and also establishes an important benchmark (both 5-year and 10-year) for Kenyan issuers (private and public sector corporations) to tap into the international capital markets to fund their business expansion at reasonable cost. Access to such external funds will help reduce domestic interest rates, which should boost investments, economic growth and provide more employment opportunities.

5. The Government welcomes this landmark development for Kenya and would like to thank all who contributed.

6. A detailed press conference will follow shortly after closure of the transaction.

*   *   *

HENRY K. ROTICH
Cabinet Secretary, National Treasury

This announcement does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction. Any offering of securities will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any relevant securities
laws of any state or other jurisdiction and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. Accordingly, the securities to which this announcement relates would be (1) sold only inside the United States to “Qualified Institutional Buyers”, as defined in, and in reliance on, Rule 144A under the Securities Act and (2) offered and sold outside the United States in reliance on Regulation S under the Securities Act. There will be no public offering of the securities in the United States. This announcement is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC (the “Directive”). Investors should not subscribe for any Notes except on the basis of information contained in the Prospectus expected to be published in connection with the listing of the Notes. A copy of the Prospectus is expected to be available for inspection on the website of the Irish Stock Exchange at www.ise.ie.

This announcement is being distributed only to, and is directed at (a) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (b) persons falling within Article 49(2)(a) to (d) of the Order (high net worth entities, unincorporated associations etc.) and (c) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). The investments or investment activity to which this announcement relates are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be available only to or will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons distributing this announcement must satisfy themselves that it is lawful to do so.

FCA/ICMA Stabilisation