



GOVERNMENT OF BELIZE

Ministry of Finance

Belmopan, Belize

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PRESS RELEASE

FOR IMMEDIATE RELEASE

August 14, 2012

Belize Unable to Meet Coupon Payment

Belmopan, Belize: The Government of Belize announced today that it is unable to make an August 20, 2012 coupon payment on the country's U.S. Dollar Step-Up Bonds Due 2029. Belize has already commenced discussions with the holders of this bond regarding a consensual restructuring of the instrument.

"The Step-Up Bond alone represents approximately one-half of Belize's total recorded public indebtedness", said Dean Barrow, Prime Minister of Belize and Minister of Finance and Economic Development. "The annual interest rate on this bond stepped up earlier this year to 8.5%. We simply cannot afford this coupon payment given the financing shortfalls and other challenges we face. Our hope, however, is that we can move quickly toward a sensible restructuring of the instrument."

Belize has previously posted on the website of its Central Bank (<https://www.centralbank.org.bz/financial-system/information-for-creditors>) both an Economic Memorandum and a set of possible Indicative Restructuring Scenarios for the Step-Up Bond designed to restore Belize to a sustainable fiscal position.

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