

OFFICIAL PRESS RELEASE**Repurchase Agreement Between the Republic of Ecuador and Goldman Sachs International**

On August 28, 2018 the Republic of Ecuador (“the Republic”), represented by the Ministry of the Economy and Finance, and Goldman Sachs International (“GSI”) entered into a repurchase agreement under which the Republic sold and transferred to GSI a nominal amount of notes of U.S.\$1,201,616,000 issued by the Republic and in return received from GSI a purchase price of U.S.\$500,000,000, the value of the Republic’s residual interest in the repurchase agreement, and the periodic payment by GSI of amounts equal to the periodic interest amounts on these notes. Under the terms of repurchase agreement, upon the scheduled amortization dates, the Republic is required to pay amounts in installments to GSI which in the aggregate equal the amount originally paid as the purchase price to GSI. On the scheduled repurchase date, 48 months from the commencement of the repurchase agreement, GSI is required to sell and transfer to the Republic the equivalent property to the original series of notes, transferred against payment by the Republic of the final installment of the repurchase price, provided that certain events of default relating to the Republic have not occurred.

The repurchase agreement provides that the repo counterparty has the right to sell or otherwise dispose of its ownership interest on these notes, although the repo counterparty has agreed that it will continue to maintain economic exposure to the issued notes during the pendency of the repurchase agreement except in the case of an event of default by the Republic. Under the terms of the repurchase agreement, the Republic will repurchase the notes for a price consisting of the amount originally received together with interest agreed as 90-day LIBOR plus 425 basis points, or approximately 6.55% as of the date hereof, a savings of approximately 30% compared with the recent 9.63% yield on the bond due in 2022. The agreement is subject to English law and resolution of disputes by international arbitration. The Republic will classify the notes issued as a contingent liability for accounting purposes in its regular debt reports, and the purchase price received will be classified for accounting purposes as public indebtedness. The repurchase agreement was approved by the Republic's Debt and Finance Committee on August 25, 2018, and the transaction falls within the debt-raising parameters contemplated in the annual fiscal planning goals approved by the National Assembly in the Republic's 2018 budget. Amid the current uncertainty and volatility in the emerging markets, the repurchase agreement shows that Ecuador retains access to diverse sources of funding, which the Republic will seek to capitalize on in further repos with diverse counterparties. The repurchase agreement also demonstrates confidence in the financial and macroeconomic policy changes being pursued by the Republic following the passing of a new economic law and the fiscal adjustments announced by the Republic last week that include reductions of public spending.

Repurchase Agreement Seller:

THE REPUBLIC OF ECUADOR REPRESENTED BY THE MINISTRY OF THE ECONOMY AND FINANCE OF THE REPUBLIC OF ECUADOR

Repurchase Agreement Buyer:

GOLDMAN SACHS INTERNATIONAL