

**An opportunity to invest in
Lesotho
Government Securities**

PROSPECTUS

FOR

LESOTHO GOVERNMENT TREASURY
BONDS

Tenor: 3 Years

Coupon Interest Rate: 8.25%

Value: 100 Million Maloti

Issue No: LS000A1A1T08

AGENT: Central Bank of Lesotho

DATE: 2010 October 01

PROSPECTUS

LESOTHO GOVERNMENT TREASURY BOND

3 Years, 8.25 % Coupon Interest Rate

The Central Bank of Lesotho (CBL), as a fiscal agent for the Government of Lesotho issues Treasury bonds with the following terms and conditions:

A: SUMMARY OF THE ISSUE

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| 1. | Date of Auction: | 2010 October 20 |
| 2. | Amount of Auction Offering | M 100,000,000.00 |
| 3. | Date of Redemption | 2013 October 21 |
| 4. | Tenor | 3 Years |
| 5. | Coupon Interest Rate | 8.25% |
| 6. | Interest payment dates | Interest will be paid semi-annually |
| 7. | Listing | Not listed |
| 8. | Issuer: | Government of Lesotho |
| 9. | Issuing and Settlement: | Central Bank of Lesotho |
| 10. | Mode of Issuing: | Auction |
| 11. | Purpose: | Market development |
| 13. | Price per LSL 100 | Quoted at premium, par or discount to three decimal places. |
| 14. | Registrar: | Central Bank of Lesotho |
| 17. | Tax: | Discount and interest will be subject to the prevailing withholding tax rates. |
| 19. | Rediscounting: | After 2 years and 3 months |
| 20. | Eligibility: | Resident and non-resident investors who have opened up CSD accounts at the Central Bank of Lesotho and have an account with a local commercial bank. |
| 21. | Defaulters: | May be suspended from subsequent auctions |

22. Right to Accept Applications: Central Bank of Lesotho reserves the right to allot the application in part or reject in total at its discretion.
23. Nature of Treasury bonds: Marketable Government securities that constitute liquid assets

B: DEFINITIONS

“Central Bank of Lesotho”	Means the Central Bank of Lesotho established under the CBL Act
“CBL Act”	Means the Central Bank of Lesotho Act of 2000
“Bondholder”	Refers to the person whose name is entered as holder of bonds in the bond register
“Bonds”	Refers to GoL 3 year Treasury bond bearing ISIN LS000A1A1T08
“Books Closed Period”	Refers to 30 days prior to the coupon payment date or such shorter period as determined by issuer. This enables determination of the bondholders entitled to receive interest
“Banking or Business Day”	Refers to any day other than Saturday, Sunday or official public holiday in the Kingdom of Lesotho.
“Conditions”	Means these terms and conditions
“Initial Issue”	Means the initial issue of bonds by the GoL
“Interest Payment Dates”	Means the following dates, 2011 April 20 Wednesday, 2011 October 20 Thursday, 2012 April 20 Friday, 2012 October 22 Monday, 2013 April 22 Monday and 2013 October 21 Monday

“Interest Period”	Means the six month period up to the last day before the next interest payment date
“Interest Rate”	Means 8.25%
“Issue Date”	Means the 8 th of December 2010
“Issuer”	Means the Government of Lesotho
“Issue”	Subject to the Local Loans Act of 2001, the Ministry of Finance may decide to increase the amount of the loan at any time prior to the redemption date by issuing new bonds
“Last Day to Register”	Means 1500hrs on the last day prior to books closed period
“Redemption Date”	Means Monday the 21 st October 2013
“Principal Amount”	Means the amount owing by the issuer of this bond
“Central Securities Depository” (CSD)	Means an electronic system used for safekeeping of securities
“Registers”	Means the registers of bondholders kept by transfer secretary
“Registered”	Means to have been entered in the Register
“Settlement Agent”	Any institutions eligible to perform electronic settlement of both funds and securities on behalf of market participants
“Settlement Date”	T+0 following an auction, successful participants are required to settle immediately for the bonds that they have been allotted.
“Transfer Secretary”	Means the CBL
“Local Loans Act”	Means the Local Loans Act of 2001

