His Excellency Fernando Lorenzo
Ministro de Economía y Finanzas
Ministerio de Economía y Finanzas
Colonia No. 1089
Montevideo
Uruguay

Re: Non-Deliverable Settlement Currency Conversion Letter for Outstanding Loans

Excellency,

We refer to the Loan Agreements between the International Bank for Reconstruction and Development (the “Bank”) and Republica Oriental del Uruguay (the “Borrower”) in respect of the Loans listed in Annex I to this letter. Terms not otherwise defined herein shall have the meanings assigned to them in the Loan Agreements (including in the Conversion Guidelines).

Please refer to the section of each Loan Agreement providing for Conversions pursuant to which the Borrower has expressed its intention to execute Currency Conversions from Dollars into Uruguayan Pesos (UYU) on non-deliverable terms of amounts withdrawn from the relevant Loan Account (each an “NDS UYU Currency Conversion” and collectively the “NDS UYU Currency Conversions”) for the longest maturity available for the respective Loan.

The Borrower and the Bank hereby agree as follows:

1. Each NDS UYU Currency Conversion shall be executed in accordance with the provisions of the Conversion Guidelines, except as may be otherwise provided herein. In the event of any inconsistency between the Conversion Guidelines and the terms of this letter (including the Annexes attached hereto) (the “Currency Conversion Letter”), those of this Currency Conversion Letter shall prevail.

2. Each NDS UYU Currency Conversion shall be executed pursuant to the submission of a Request by the Borrower in accordance with the Conversion Guidelines and on the following terms:

   (a) Currency Conversion: from Dollars (USD) into Uruguayan Pesos (UYU) on non-deliverable terms as provided in Annex II.

   (b) Transaction Fees: as provided for in the General Conditions applicable to the relevant Loan Agreement.
Payment of Principal and Interest: all payments of principal and interest shall be on non-deliverable terms and made in Dollars, on terms substantially similar to those provided in Annex II.

Billing: A bill for the principal and interest payable in respect of an NDS UYU Currency Conversion will be generated by the Bank two (2) Business Days after the Valuation Date (as defined in Annex II). Furthermore, in accordance with the section of the General Conditions applicable to each Loan Agreement providing for the delivery of notices and requests, notices relating to the payment of interest and principal in respect of an NDS UYU Currency Conversion may be given to the Borrower through an electronic messaging system and will be deemed to be effective on the date that electronic message is received by the Borrower.

3. (a) The provisions of this Currency Conversion Letter apply only to the NDS UYU Currency Conversions executed pursuant to the terms herein. Any other Conversions pursuant to the section of the Loan Agreement providing for Conversions shall be executed in accordance with the provisions in such section and the terms of the General Conditions applicable to the relevant Loan and the Conversion Guidelines will apply to such Conversions.

(b) The Borrower may terminate the provisions of this Currency Conversion Letter by at least 15 Business Days prior written notice to the Bank (Attention: Loan Clients Section, Clients and Financial Services Division). The terms of this Currency Conversion Letter shall continue to apply to any NDS UYU Currency Conversions requested or effected prior to such termination date.

(c) If, at any time, the Bank is unable to execute any Currency Conversion pursuant to the terms of this Currency Conversion Letter, the provisions of this Currency Conversion Letter shall cease to be applicable to all the Loans listed in Annex I, without prejudice to any NDS UYU Currency Conversions already effected.

4. For the avoidance of doubt, the Bank and the Borrower hereby acknowledge that the acceptance by the Borrower of the terms of this Currency Conversion Letter does not prevent the Borrower from requesting the Bank to execute Conversions from USD into UYU on deliverable terms for those amounts of a Loan not subject to an NDS UYU Currency Conversion.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By Penelope J. Brook
Director
Argentina, Paraguay and Uruguay
Latin America and the Caribbean Region
AGREED:

REPUBLICA ORIENTAL DEL URUGUAY

By:

Date: 22 - NOV - 2011
LIST OF AFFECTED LOANS

<table>
<thead>
<tr>
<th>Loan Number</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>71640</td>
<td>UR-Structural Adjustment Loan</td>
</tr>
<tr>
<td>71370</td>
<td>UR-Structural Adjustment Loan</td>
</tr>
</tbody>
</table>
ANNEX II

NON-DELIVERABLE SETTLEMENT TERMS

1. Non-deliverable settlement terms mean that all or a portion of the relevant Loan and the respective principal and interest payments thereunder shall, following a Conversion, be denominated in the Approved Currency (UYU) but payments shall be made in USD or another currency at the exchange rate applicable to such payments as determined under the terms of this Currency Conversion Letter.

2. In the event of any inconsistency between the Conversion Guidelines and the terms of this Currency Conversion Letter (which includes the Annexes), this Currency Conversion Letter shall prevail.

3. On each date on which interest and principal are payable under the terms of the Loan Agreements (each a “Settlement Date”), all payments due under the NDS UYU Currency Conversions (the “Settlement Amount”) on such Settlement Date shall be determined in accordance with the terms of the related Currency Hedge Transactions and paid by the Borrower in the Settlement Currency, on substantially the following terms:

<table>
<thead>
<tr>
<th>Settlement Currency:</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Currency</td>
<td>UYU</td>
</tr>
<tr>
<td>Settlement Method and Settlement Amount:</td>
<td>The Settlement Amount shall be determined and paid on each Settlement Date and calculated for the respective Interest Period in accordance with the following formula:</td>
</tr>
<tr>
<td></td>
<td>(Interest Amount + Principal Amount) / Settlement Rate determined on the relevant Valuation Date</td>
</tr>
<tr>
<td>Interest Amount:</td>
<td>The aggregate interest amount due on the Loan in UYU on a Settlement Date following the NDS UYU Currency Conversions, with the interest amount in respect of each NDS UYU Currency Conversion determined as the product of:</td>
</tr>
<tr>
<td></td>
<td>(a) that portion of the principal amount of the relevant Loan withdrawn and outstanding converted into UYU;</td>
</tr>
<tr>
<td></td>
<td>(b) the applicable Interest Rate; and</td>
</tr>
<tr>
<td></td>
<td>(c) the applicable day count fraction</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>For each NDS UYU Currency Conversion, the interest rate applicable to that portion of the principal amount of the relevant Loan withdrawn and outstanding and converted into UYU for each relevant Interest Period.</td>
</tr>
<tr>
<td>Principal Amount</td>
<td>The principal amount of the relevant Loan denominated in UYU due on a Settlement Date.</td>
</tr>
</tbody>
</table>
Settlement Dates: Each date specified in the relevant Loan Agreement on which interest and principal amounts are payable, subject to adjustment in accordance with the terms of the related Currency Hedge Transaction.

Settlement Rate: For a Valuation Date, the UYU/USD fixing rate, expressed as the amount of UYU per one USD, for settlement on the same day, reported by the Uruguayan Central Bank as published on Bloomberg page URINUSCA <Cmcy> (or such other page as may replace that page for the purpose of displaying such exchange rate); or such other rate as may be specified in the related Currency Hedge Transaction.

Valuation Dates: The Valuation Dates specified in the related Currency Hedge Transaction subject to adjustment in accordance with the terms thereof. The Valuation Dates shall typically be five New York and Montevideo Business Days prior to each Settlement Date.

4. In the event that the Bank is unable to determine the Settlement Rate on a Valuation Date as provided in this Annex II, the Bank shall determine the Settlement Rate, and adjust the relevant Settlement Date, in accordance with the terms of the Confirmation(s) relating to the underlying Currency Hedge Transaction(s) undertaken by the Bank in connection with the NDS UYU Currency Conversions.

5. Without prejudice to the foregoing provisions of this Currency Conversion Letter and for the avoidance of doubt, the Settlement Rate applicable to any payments due from the Borrower to the Bank in respect of the NDS UYU Currency Conversions shall be the same rate(s) as that/those applicable to the corresponding payments under the underlying Currency Hedge Transaction(s) undertaken by the Bank in connection with the NDS UYU Currency Conversions.

6. Notwithstanding any provision to the contrary in the Loan Agreements or the Conversion Guidelines, interest shall accrue and be payable in the Settlement Currency on the Principal Amount comprised in any Settlement Amount due but not paid by the Borrower on an applicable Settlement Date as follows:

(i) for the first 30 days such portion of the Settlement Amount remains unpaid after the Settlement Date, at the Variable Rate that would have been applicable to the Loan in the original Loan Currency on the Settlement Date had the relevant NDS UYU Currency Conversion not been effected plus the transaction fees provided for in the Conversion Guidelines; and

(ii) from the 31st day such portion of the Settlement Amount remains unpaid until payment in full, at either: (a) the Default Interest Rate (if any) applicable to the Loan in the original Loan Currency plus the transaction fees provided for in the Conversion Guidelines; or (b) at the Variable Rate that would have been applicable to the Loan in the original Loan Currency on the Settlement Date plus the transaction fees provided for in the Conversion Guidelines; in either case in accordance with the terms of the Loan Agreement and as if the relevant NDS UYU Currency Conversion not been effected.