



NEWS RELEASE

CoBank Announces Early Tender Results and Dollar Range of Consideration Offered in Debt Tender Offer

DENVER (November 28, 2012) — CoBank, a cooperative bank serving agribusinesses, rural infrastructure providers and Farm Credit System associations throughout the United States, today announced the early tender results for its modified “Dutch Auction” cash tender offer (the “Offer”) for up to \$150 million aggregate principal amount (the “Tender Cap”) of its 7.875% Subordinated Notes due 2018 (the “Subordinated Notes”). As of 5:00 p.m., New York City time, on November 28, 2012 (the “Early Tender Date”), approximately \$95.3 million aggregate principal amount of the Subordinated Notes had been tendered and not withdrawn pursuant to the Offer.

Withdrawal rights for the Offer expired at 5:00 p.m., New York City time, on November 28, 2012. The Offer will expire at 11:59 p.m., New York City time, on December 12, 2012, unless extended.

CoBank today also announced the determination of the dollar range of consideration offered in the Offer. Pursuant to the terms of the Offer, the reference yield, as of 2:00 p.m., New York City time, on November 28, 2012, for the 0.750% U.S. Treasury Note due October 31, 2017, was 0.629%. On the basis of such reference yield, the range of total consideration offered in the Offer is from \$1,248.48 to \$1,294.49 per \$1,000 principal amount of Subordinated Notes (“Total Consideration”). Upon the terms and subject to the conditions of the Offer, the Total Consideration, which includes an early tender premium of \$30 per \$1,000 principal amount of Subordinated Notes (the “Early Tender Premium”), will be payable in respect of Subordinated Notes validly tendered (and not subsequently validly withdrawn) on or prior to the Early Tender Date and accepted for purchase. Holders whose Subordinated Notes are tendered after the Early Tender Date and on or prior to 11:59 p.m., New York City time, on December 12, 2012 (the “Expiration Date”), will be entitled to receive the tender offer consideration (“Tender Offer Consideration”), namely, an amount equal to the Total Consideration less the Early Tender Premium. The range of Tender Offer Consideration offered in the Offer is from \$1,218.48 to \$1,264.49 per \$1,000 principal amount of Subordinated Notes.

CoBank has retained Morgan Stanley & Co. LLC to act as Dealer Manager for the Offer. Global Bondholder Services Corporation has been retained to act as both the Depositary for the Offer and as the Information Agent for the Offer. For additional information regarding the terms of the Offer, please contact: Morgan Stanley & Co. LLC at (800) 624-1808 (toll-free) or (212) 761-1057 (collect). Requests for documents and questions regarding the tendering of Subordinated Notes may be directed to Global Bondholder Services Corporation at (212) 430-3774 (for banks and brokers only) or (866) 540-1500 (for all others toll-free).

This press release does not constitute an offer to sell or purchase, or a solicitation of an offer to sell or purchase, or the solicitation of tenders or consents with respect to, the Subordinated Notes. No offer, solicitation, purchase or sale will be made in any jurisdiction in which such an offer, solicitation, or sale would be unlawful. The Offer is being made solely pursuant to the Offer to Purchase for Cash dated November 14, 2012 (the "Offer to Purchase") and the related Letter of Transmittal made available to holders of the Subordinated Notes. None of CoBank, the Dealer Manager, the Depository, the Information Agent or their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their Subordinated Notes in the Offer. Holders are urged to evaluate carefully all information in the Offer to Purchase and the related Letter of Transmittal, consult their own investment and tax advisors and make their own decisions whether to tender Subordinated Notes, and, if so, the principal amount of Subordinated Notes and the bid spread at which to tender.

About CoBank

CoBank is a \$90 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. The bank also provides wholesale loans and other financial services to affiliated Farm Credit associations serving more than 70,000 farmers, ranchers and other rural borrowers in 23 states around the country.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

For more information about CoBank, visit the bank's web site at www.cobank.com.

Contact

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CAUTIONARY STATEMENT REGARDING PROJECTIONS AND OTHER INFORMATION ABOUT FUTURE EVENTS

Certain of the statements in this press release that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Our actual results may differ materially from those included in the forward-looking statements that relate to our plans, projections, expectations and intentions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "estimate," "plan," "project," "may," "will," "should," "would," "could" or similar expressions. Although we believe that the information expressed or implied in such forward-looking statements is reasonable, we can give no assurance that such projections and expectations will be realized or the extent to which a particular plan, projection or expectation may be realized. These forward-looking statements are based on current knowledge and are subject to various risks and uncertainties, including, but not limited to:

- Potential deterioration in the agricultural, energy, communications, water and leasing industries;
- Weather-related, disease and other adverse climatic or biological conditions that periodically occur that impact agricultural productivity and income, including the impact of drought in many parts of the United States which may negatively affect certain customer sectors;
- Credit performance of the loan portfolio;
- Loan portfolio growth and seasonal factors;
- Weak U.S. and global economic conditions;
- Government policies and developments in the United States and other countries in which we make loans;
- The European sovereign debt crisis and its potential impact on funding markets;
- Legislative actions and the effect of banking and financial services reforms;
- Regulatory actions, including possible amendments to, and interpretations of, risk-based capital guidelines;
- Changes in the U.S. government's support of the agriculture industry and agricultural exports;
- Actions taken by the U.S. Congress relative to Government Sponsored Enterprises, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Agricultural Mortgage Corporation;
- Actions taken by the U.S. government to manage fiscal policy;
- Actions taken by the Federal Reserve to manage the monetary policy of the United States;
- A decrease in the credit outlook or ratings of U.S. government debt and agency debt, including Farm Credit System debt securities;
- The level of interest rates;
- Relationships between various interest rate indices;
- Changes in assumptions underlying the valuations of financial instruments;
- Changes in the bases for our estimates underlying the allowance for credit losses;
- Failure of our investment portfolio to perform as expected or deterioration in the credit quality of such investments;
- The resolution of legal proceedings and related matters;

- Environmental-related conditions or laws impacting our lending activities;
- Nonperformance by counterparties to our derivative positions; and
- Our ability to successfully execute and integrate any future business combinations or strategic alliances.

We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

For additional information on CoBank and the factors that could cause CoBank's actual results or financial condition to differ materially from those described in the forward-looking statements consult CoBank's Annual Report for the year ended December 31, 2011 and its Quarterly Report for the quarter ended September 30, 2012. Forward-looking statements are not guarantees of future performance and should not be relied upon as representing management's views as of any subsequent date. We do not assume any obligation to update these forward-looking statements.