

Press Release

January 30, 2008

Iraq Announces Limited Re-Opening of Commercial Debt Settlement Offer

Baghdad, Iraq: The Republic of Iraq today announced its intention to re-open its offer to settle outstanding Saddam-era commercial claims against Iraq and Iraqi public sector obligors through a cash buyback. Iraq's prior program to settle Saddam-era claims in the hands of private parties retired approximately \$19.7 billion of such claims.

Subject to the availability of sufficient funds, Iraq expects to make a cash buyback offer later this year to the holders of reconciled eligible claims that have registered those claims for reconciliation by the close of business in London on March 15, 2008.

Claims that were cancelled in Iraq's prior debt restructuring program (which concluded in 2006) are not eligible for the new offer.

Only claims that were not cancelled under that prior program and otherwise meet the criteria of "Specified Debt" posted today on the website www.eyidro.com may be submitted. Holders of eligible claims are invited to register on the website by the March 15 deadline.

The terms of this offer will be substantially similar to those of Iraq's cash settlement offers in 2005 and 2006. In particular, the cash purchase price for reconciled eligible claims held by claimants eligible for the cash buyback will equal 10.25% of the reconciled outstanding amount of those claims (including principal and accrued interest).

Reconciliation of claims will be determined in accordance with the Reconciliation Methodology posted by Iraq's debt reconciliation agent, Ernst & Young, on the website.

Iraq's cash buyback offer will take the form of an Invitation to Tender Claims that will be addressed individually to claimants. As in Iraq's earlier offer, a holder of claims that cannot be reconciled by Iraq's debt reconciliation agent may, by submitting a tender in respect of the entirety of its claims, submit the unreconciled claims to an independent arbitration procedure as set forth in the Invitation.

The closing of the re-opened offer is expected to occur on or about August 28, 2008.

The terms of Iraq's commercial offer are comparable in net present value terms to those of its November 2004 accord with its governmental creditors comprising the Paris Club.

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Neither this release nor any of the documents referred to herein constitutes an offer by the Republic of Iraq or by any other party to settle or exchange any outstanding claims, nor do they constitute an admission or acknowledgement of any such claim, or an acknowledgement that any such claim exists or has been revived or reinstated, or an express or implied promise to pay any such claim or any part thereof. This release and the documents referred to herein are expressly published without prejudice. All defenses available to the Republic of Iraq and any other party based upon any applicable statute of limitations or otherwise are expressly preserved. Neither this release nor the documents referred to herein may be relied upon as evidence of the existence of any claim or the willingness or ability of the Republic of Iraq or any party to pay any such claim.