

جمهورية العراق
وزارة المالية



REPUBLIC OF IRAQ
MINISTRY OF FINANCE

Press Release

For Immediate Release

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**Iraq Confirms the Results of Successful
Debt-for-Debt Exchange Offer;
Approval of IMF Stand-By Arrangement**

Baghdad, Iraq: The Republic of Iraq today confirmed the results of its successful commercial debt-for-debt exchange offer.

Invitations were sent on November 16, 2005 to holders of large Saddam-era commercial claims against Iraq and Iraqi public sector obligors. These claims totaled in aggregate approximately U.S.\$14 billion, or about 60% of all the commercial claims registered with Iraq's debt reconciliation agent. The tender period for the offer expired on Wednesday, December 21, 2005. Confirmation of Iraq's acceptance of the claimants' tenders was given on December 30, 2005.

Final figures confirm that 100% of the claimants with offers on the tender due date tendered their claims pursuant to the terms of the exchange offer. In exchange, claimants will receive either privately-placed U.S. dollar-denominated notes with an aggregate principal amount of approximately \$2.7 billion, or an interest in a multicurrency loan with an initial principal amount of approximately \$175 million. The exchange offer will therefore have resulted in a net reduction of Iraq's debt equal to approximately \$11 billion. Further notes up to an additional \$800 million may be issued in exchange for other debt-eligible outstanding claims on the same terms.

The International Securities Identification Numbers (ISIN) for the Regulation S and 144A tranches of the new notes will be XS0240295575 and XS0240295658, respectively.

The Republic of Iraq also confirmed that the Executive Board of the International Monetary Fund approved a Stand-By Arrangement for Iraq on December 23, 2005. The approval of this Stand-By Arrangement was a condition to the closing of the exchange offer.

The closing for the exchange offer is expected to take place on January 19, 2006.

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