



PRESS RELEASE

THE PARIS CLUB DELIVERS THE 3RD PHASE OF DEBT REDUCTION FOR IRAQ

Paris Club creditors agreed with the Republic of Iraq on 21 November 2004 on a comprehensive debt treatment of public external debt providing a total amount of debt reduction of 80 % in three phases.

The first two phases entered into force respectively on 21 November 2004 and on 23 December 2005 and already brought down the public external stock of debts due to Paris Club creditors by 60%.

The remaining third phase granting an additional 20% debt reduction was conditional upon successful completion, no later than 31 December 2008, of the last review of a 3-year implementation of upper-credit tranche arrangements with the IMF.

In this regard, Paris Club creditors took note of the approval by the IMF Board of the second and last review of implementation by the Government of Iraq of the stand-by arrangement on 17 December 2008.

Furthermore, Paris Club creditors consider that the Government of Iraq has made its best efforts to seek comparable treatment from all its other external creditors, with the conclusion of comparable debt treatments with 58 out of 73 Iraq's sovereign creditors. Paris Club creditors urge the remaining 15 creditors of Iraq to follow suit.

As a result, Paris Club creditors have decided to deliver the remaining 20% debt cancellation foreseen in the November 2004 agreement.

This final debt treatment reduces the total stock of debt due to Paris Club creditors to 7.8 billion US dollars.