



The Korea Fund, Inc. (NYSE: KF)

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The Korea Fund, Inc. Notes Difference in Methodologies for Calculating Performance

NEW YORK, July 15, 2009 – (BUSINESS WIRE) – The Korea Fund, Inc. (the “Fund”) (NYSE: KF) is issuing this press release to make note of the different methodologies used in computing performance reported by the Fund compared with performance reported by certain third party service providers due to the large capital gain distribution paid in January, 2009. On January 29, 2009, the Fund paid a capital gain distribution of \$90.30 per share, paid 80% in Fund shares and 20% in cash. The distribution was declared on December 22, 2008 and had an ex-dividend date of December 29, 2008. The date for determining the price at which shares would be issued in the distribution was January 26, 2009 (the “Pricing Date”).

The Fund recorded the distribution on the ex-dividend date in December, and recorded on each date between the ex-dividend date and the Pricing Date the estimated number of Fund shares to be issued for the 80% of the distribution payable in shares based on that day’s market price of the Fund’s shares. This estimated number of shares was used to calculate the Fund’s daily net asset value (NAV) reported during this period (including December 31, 2008). Due to the significant decrease in the Fund’s market price during the period from December 29, 2008 to January 26, 2009, the estimated number of shares projected to be issued on the payable date changed significantly. At December 31, 2008, based on the Fund’s market price of \$34.42, 5,117,844 shares were projected to be issued in connection with the distribution. On the payable date, January 29, 2009, the Fund actually issued 8,007,555 shares based on the market price of \$21.99 on the Pricing Date. This difference in market price (\$34.42 versus \$21.99) and the resulting share difference (5,117,844 projected versus 8,007,555 actual) caused the Fund’s performance for periods beginning December 31, 2008, calculated using the reported NAV on December 31, 2008, to not be reflective of the performance of the Fund’s investment portfolio during the applicable period(s). Consequently, in order to calculate a total return figure that is representative, the Fund has adjusted its NAV for purposes of calculating performance by maintaining the same number of shares from the ex-dividend date until the Pricing Date. In short, this adjusted NAV has been calculated based on the actual number of shares outstanding on each date between the ex-dividend date and the Pricing Date, and then, starting on the Pricing Date (i.e., the date on which the number of shares to be issued in the distribution became known with certainty), the adjusted NAV has been calculated based on the total shares outstanding following the January 29, 2009 distribution. The adjusted methodology tracks actual events more closely, removes the dilutive effect of the significant increase following December 31, 2008 in the number of Fund shares to be issued in the distribution, and results in a performance number that approximates the actual change in the value of the Fund’s investment portfolio during the affected period(s).

Third party financial reporting services calculate performance based on the reported fund NAVs and reported distributions. As indicated above, this will lead to an unrepresentative performance calculation

for the month of January 2009 and for all periods beginning December 31, 2008. For example, for the one month period ended January 31, 2009, the Fund's performance was -15.49% as calculated by the Fund using the above methodology, while the performance as calculated by the financial reporting services was -37.74%. The Fund's performance is available at www.thekoreafund.com.

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The Korea Fund, Inc. is a non-diversified, closed-end investment company that seeks long-term capital appreciation through investments in securities, primarily in equity securities, of Korean companies. Its shares are listed on the New York Stock Exchange under the symbol "KF."

RCM Capital Management LLC and RCM Asia Pacific Limited are the Fund's investment manager and sub-adviser, respectively. Investment in closed-end funds involves risks. Additional risks are associated with international investing, such as currency fluctuation, government regulations, economic changes and differences in liquidity, which may increase the volatility of your investment. Foreign security markets generally exhibit greater price volatility and are less liquid than the U.S. market. Additionally, this Fund focuses its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region. All of these factors potentially subject the Fund's shares to greater price volatility. The net asset value of the Fund will fluctuate with the value of the underlying securities. Closed-end funds trade on their market value, not net asset value, and closed-end funds often trade at a discount to their net asset value.

The Fund's daily New York Stock Exchange closing price and net asset value per share, as well as other information, including updated portfolio statistics and performance, are available at www.thekoreafund.com or by calling the Fund's shareholder servicing agent at (800) 331-1710.

Statements made in this release that look forward in time involve risks and uncertainties and are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include, without limitation, the adverse effect from a decline in the securities markets or a decline in the Fund's performance, a general downturn in the economy, competition from other companies, changes in government policy or regulation, inability to attract or retain key employees, inability to implement its operating strategy and/or acquisition strategy, and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations.

This announcement is not an offer to purchase or the solicitation of an offer to sell shares of the Fund or a prospectus, circular or representation intended for use in the purchase or sale of Fund shares.

Fund shares are not FDIC-insured and are not deposits or other obligations of, or guaranteed by, any bank. Fund shares involve investment risk, including possible loss of principal.