



The Korea Fund, Inc. (NYSE: KF)

Press Release

FOR IMMEDIATE RELEASE

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The Korea Fund, Inc. Declares Capital Gain Distribution

NEW YORK, Oct. 16, 2007 (PRIME NEWSWIRE) -- The Board of Directors of The Korea Fund, Inc. (NYSE:KF) (the "Fund") announced today that it has declared a capital gain distribution of \$15.94 per share. The capital gain distribution is comprised of long-term capital gains of \$15.82 per share and short-term capital gains of \$0.12 per share. The distribution is inclusive of realized capital gains for the fiscal year ended June 30, 2007 and capital gains realized during the current fiscal year to date.

The distribution will be payable on November 28, 2007 to shareholders of record on October 26, 2007 with an ex-dividend date of October 24, 2007. Stockholders will receive a written notice of the planned distribution and have the option to elect the dividend to be paid in cash.

The Korea Fund, Inc. is a non-diversified, closed-end investment company. The Fund seeks long-term capital appreciation through investing primarily in equity securities trading on the Korean stock exchanges. 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.