



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, Dec. 22, 2008 (GLOBE 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 \$220.3 million (\$90.30 per share after the 1-for-10 reverse stock split, which was effective earlier today). On a post-split, per share basis, the distribution is comprised of long-term capital gains of \$85.60 and short-term capital gains of \$4.70. The distribution is inclusive of realized capital gains incurred during for the fiscal year ended June 30, 2008.

The distribution will be payable on January 29, 2009 to shareholders of record on December 31, 2008 (the "Record Date") with an ex-dividend date of December 29, 2008.

The distribution will be paid in the Fund's common stock priced at the market price of the Fund's common stock determined as of the close of the New York Stock Exchange ("NYSE") on January 26, 2009 (the "Pricing Date"). The distribution may be reduced if the number of shares to be issued on the payable date, together with the Fund's outstanding shares on the payable date, exceeds the Fund's authorized share limit. Any reduction in the distribution will likely subject the Fund to a Fund-level tax on undistributed amounts.

Stockholders may, however, request that their distribution be paid in cash in lieu of common stock. Such requests must be for the entire distribution payable to the stockholder; however, the aggregate amount of cash distributions to all stockholders will be capped, or limited, to 20% of the aggregate dollar amount of the total distribution being paid by the Fund (excluding cash paid in lieu of fractional shares).

Thus, if the cash elections would cause the total amount of cash to be distributed by the Fund to exceed the 20% cap, each stockholder who requests cash will receive a pro rata portion of the cash distributed to all stockholders who have made cash elections. Such pro rata portion will be calculated based on the total amount of the distribution to be paid to a stockholder requesting cash relative to the total amount of the distribution to be paid to all stockholders requesting cash.

Stockholders who elect cash and do not receive 100% of their distribution in cash will receive the balance in common stock issued at the market price on the Pricing Date. Stockholders not electing cash will receive all of their distribution in common stock. A stockholder will receive cash in lieu of a fraction of a share unless the stockholder holds his or her shares directly with the Fund at the transfer agent and participates in the Fund's dividend reinvestment plan.

Stockholders will receive a written notice of the planned distribution with instructions for how to elect to receive the distribution in cash, which will be mailed following the Record Date. The deadline for making a cash election is January 22, 2009 if you hold shares through a financial advisor or brokerage firm, and January 23, 2009 if you hold shares directly with the Fund. Any stockholder whose request for cash is not made in the proper form or is received after the stated deadline will receive all of the distribution in common stock. Therefore, if you do not receive a

notice, or you believe the transmission of your notice may have been delayed, you should contact your financial advisor or the Fund's shareholder servicing agent at (800) 331-1710. You will also be able to view the applicable notice on the Fund's website, www.thekoreafund.com, on or about the Record Date.

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.