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Aberdeen Asset Management Inc.

Investor Relations

866-839-5205

InvestorRelations@aberdeen-asset.com

**ABERDEEN ISRAEL FUND, INC. ANNOUNCES DIVIDEND**

(Philadelphia, December 21, 2012) – [Aberdeen Israel Fund, Inc. \(NYSE MKT: ISL\)](#) (the “Fund”), a closed-end equity fund, announced today that it will pay a dividend of US\$0.41367 per share on January 11, 2013 to all shareholders of record as of December 31, 2012. This distribution is comprised of \$0.17447 per share of net investment income and \$0.23920 per share of net realized long-terms capital gains

In January 2013, a Form 1099-DIV will be sent to shareholders, which will state the amount and composition of distributions and provide information with respect to their appropriate tax treatment for the 2012 calendar year.

The Fund is managed and advised by Aberdeen Asset Managers Limited. The Fund's shares trade on the NYSE MKT under the symbol "ISL".

You should not draw any conclusions about the Fund’s investment performance from the amount of this distribution or from the terms of the Fund’s Plan.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund’s investment return and principal value will fluctuate so that an investor’s shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund’s portfolio. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results.

If you wish to receive this information electronically, please contact [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com)

[www.aberdeenisl.com](http://www.aberdeenisl.com)

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