



Press Release

November 25, 2008

**SIGNING OF AGREEMENTS CONCERNING ISSUANCE OF
GOVERNMENT SECURITIES AND MARKET MAKING IN THE
SECONDARY MARKET**

The Minister of Finance has assigned the Central Bank of Iceland the task of concluding agreements concerning issuance and market making in Government securities in the secondary market.

Members of the OMX Nordic Exchange Iceland that can certainly prove to have a minimum equity position of 5,000 m.kr. and are equipped to participate in auctions of Treasury securities held by the Central Bank of Iceland on behalf of the Treasury can request to become parties to such agreements. The Central Bank intends to conclude agreements with five or more Exchange members, who will become primary dealers.

Primary dealers have the exclusive right to submit bids at Central Bank of Iceland auctions, where Treasury securities are offered for purchase or sale. They also have access to securities lending facilities offered by the Central Bank on behalf of the Treasury.

Primary dealers will act as market makers for benchmark series of Treasury notes and Treasury bills on the Exchange. Primary dealers are obliged to submit bid and ask quotes for a minimum of 100 m.kr. for each benchmark series of Treasury securities in accordance with the maximum spread specified in the agreements.

Further information can be found in the accompanying sample agreement concerning issuance of government securities and market making in the secondary market. Exchange members that wish to become primary dealers in Treasury notes and Treasury bills shall appear at the offices of the Central Bank of Iceland, Kalkofnsvegur 1, Reykjavík, at 10:00 on Friday, November 28, 2008, in order to sign the pertinent agreement.

Further information can be obtained from Björgvin Sighvatsson, International and Market Department, Central Bank of Iceland, at +354 569 9600.