

Dear investor:

January 5, 2008

My initial promise was to stay in touch with you, once a month, regarding your investment of Iraqi Dinars. That soon changed to once a quarter. Now I am rushing this Newsletter before it is Jan 10.

Yes, my last Newsletter was on Jan 10, 2007, and you won't believe if I tell you **NOTHING HAS CHANGED SINCE !**

Silver and gold, gas and Euro, food and transportation have all gone up. Interest rates and housing have plunged, but one thing that we all await for explosion, (the value of Iraqi Dinar) has not changed at all.

Exactly a year ago the exchange rate was 1250 Dinars to one US\$, today it is 1215 to a Dollar. In today's market, that is **NO SIGNIFICANT CHANGE.**

In Dec. 2006, I predicted that two events should happen before we see any price change in Iraqi Dinars, 1) the end to insurgency, 2) the reduction of the US troops. While the insurgency news has moved to the inner pages of the newspapers, there is no significant reduction of the US military force yet.

As we approach the Presidential Election, we hope the New President will bring changes and introduce a new foreign policy towards the Middle East, and specially Iraq. That should have a positive effect on our investment.

A 5-day belated "Happy New Year" to you all !

Respectfully,

Armen Hovsepian