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Dealer in the Bank Notes & Stamps of Armenia, Nagorno Karabagh, and The Middle East

Dear Investor:

You are receiving this e-mail because you have either purchased Iraqi Dinars from us or you have shown interest in receiving info. Unless you e-mail us and ask to be removed, you will receive an e-mail, once every month or two, informing you of the present situation with the Iraqi Dinar, the exchange rates, and any related info pertaining your investment.

January 2005

Last month I skipped my newsletter hoping that the situation will improve in Iraq and the Dinar will show some signs, but; No News is Bad News!

US elections, Arafat's death and Fallujah war are all behind us, the last straw to build or break the Dinar is the Iraqi election scheduled for January 30th.

Here are the two scenarios I foresee:

1) **Elections Go Sour** That is; the political and religious groups boycott the elections, there are bomb threats and actual explosions before and during the election day. Many people do not participate either because they cannot or would not go to the polls, or the reports of falsification in voting and counting will result a puppet government that is not recognized in the international arenas.

In this case the Iraqi Dinar will stay at the present exchange rate of approximately 1450 Dinar = \$1.00

2) **Elections Go Sweet** That is; not only the Sunnis and Shi'ites, but the Kurds and all political parties participate in the elections, over 75% of the population cast votes and a government which is pro western comes to power. The UN and the European countries recognize the new legitimate government, fireworks and parties continue for 40 days and 40 nights.

In this case the Iraqi Dinar will stay at the present exchange rate of approximately 1450 Dinar = \$1.00

According to the newly established Iraqi Central Bank's website <http://www.cbiraq.org> the main objective of the Central Bank is to maintain the exchange rate of the Dinar and prevent it from extraordinary fluctuations by buying/selling Dinars as needed. This means the dream of the Iraqi Dinar being raised to 2-5 cents before the elections, and the possibility of introducing new currency will remain rumors and just rumors.

So where do we stand?

Since you have purchased the Iraqi Dinars as a long-term investment; 3 to 5 years, you

are on a solid ground. No; Dinar has not appreciated since you purchased, but has not fallen either, in spite of everything negative that has happened in Iraq during the past one year.

At the present I do not have Dinars in stock nor plan to import anymore till sometime mid February awaiting the result of the election. However, I won't be surprised if a third scenario, totally different from the above two takes place.

Thanks, and please accept my belated Season's Greetings.

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