

***Argentina Repudiates Obligation to Pay ICSID Costs;
Task Force Argentina Makes Payment and the Case Advances***

Nicola Stock, President of TFA, states: "Argentina's refusal to pay its arbitration costs reveals once again its failed strategy to impede the proceeding and deny the bondholders justice. Argentina's latest ploy did not work: the proceedings move forward with the critical merits and damages phase as scheduled."

Argentina has failed to pay its one-half share of the latest arbitration costs in the ICSID proceeding, the World Bank Tribunal presiding over the case has ruled. Argentina refused to make its required payment – and failed to account for its repudiation of this basic obligation under the World Bank's ICSID system. Argentina's refusal to pay is the latest manifestation of its bad-faith efforts to obstruct and delay the case, as reflected in multiple Tribunal orders.

Under ICSID's arbitration rules and financial regulations, ICSID periodically assesses costs to fund the ongoing proceedings, and requires equal payment from each party. An ICSID arbitration may be suspended if the parties fail to pay the necessary costs. Throughout the case, and further to the mandate authorizing it to act on bondholders' behalf, Task Force Argentina has satisfied all of the bondholders' ICSID cost obligations on a timely basis. In the face of Argentina's ongoing refusal to pay its share, TFA recently made an additional payment to ICSID to compensate for Argentina's failure and to preclude any delay in the case.

"Argentina's refusal to pay its share of the arbitration costs reveals once again its failed strategy to impede the proceeding and deny the bondholders justice," states Nicola Stock, President of TFA. "Further to its mandate to protect the bondholders' interests, TFA has made the missing payment to ICSID to defeat Argentina's delay tactic and ensure timely advancement of the case, that should be concluded by the year 2013. Argentina's latest ploy did not work: the proceedings move forward with the critical merits and damages phase as scheduled."

Claimants have reserved all rights in connection with the additional payment, including the right to seek reimbursement of all costs from Argentina at the conclusion of the arbitration.

The Italian bondholders' pursuit of claims at ICSID is part of an ongoing global movement by creditors of Argentina to secure recovery of their bond investments. In recent developments, one group of creditors seized an Argentine Navy ship in Ghana to help secure payment of an outstanding U.S. court judgment, and the United States suspended trade benefits with Argentina due to its ongoing failure to meet international obligations to investors. The IMF also recently undertook a compulsory review of Argentina's public accounts due to Argentina's noncompliance with IMF requirements, reflecting a broader effort by Argentina to deny economic transparency. Furthermore, the U.S., Spain and other G20 Countries voted against Argentina's credit requests to the World Bank and to the Inter-American Development Bank.

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This Press Release is issued further to the Tribunal's Confidentiality Order, which authorizes the publication of decisions and orders by the Tribunal and communications regarding the status of the proceeding. Italian bondholders participating in the ICSID arbitration may obtain information on the case by sending a request for information to info@tfargentina.it or consulting the website www.tfargentina.it. Any participating bondholders who revoke their participation in the cases against Argentina referenced above place the protection of their rights against Argentina at risk.

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