Press Release

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ABERDEEN ASIA-PACIFIC INCOME INVESTMENT COMPANY LIMITED ANNOUNCES REDUCTION IN MONTHLY DISTRIBUTION

(Toronto, May 9, 2019) -- Aberdeen Asia-Pacific Income Investment Company Limited **(TSX: FAP)** (the "Company"), a closed-end investment company trading on the Toronto Stock Exchange, announced today that it will pay a monthly distribution of CAD 2.25 cents per ordinary share on May 31, 2019 to all ordinary shareholders of record as of May 22, 2019 (ex-dividend date May 21, 2019). This month the Company's monthly distribution was reduced by CAD 1.00 cents per ordinary share from the prior monthly distribution per share.

The investment objective of the Company is to obtain current income. The Company may also achieve incidental capital appreciation. The Company has returned 6.4% annually since inception, and 7.1% for the 10 years, to March 31, 2019, respectively[1].

The dividend policy of the Company's Board of Directors is to provide investors with a stable monthly distribution out of net investment income and realized capital gains supplemented with paid-in capital as required. The current reduction in distribution takes into account many factors, including, but not limited to, the Company's current and expected earnings and the Investment Manager's (as defined below) economic and market outlook.

For the 12 months to April 30, 2019, the Company has paid total distributions amounting to CAD 39.00 cents per ordinary share.

Shareholders with registered addresses in Canada will receive distributions in Canadian dollars unless they have elected otherwise. Although a portion of any distribution may be recorded as a return of capital for financial statement purposes, the full amount of the distribution (other than a return of capital out of par value, if any) will be foreign income for Canadian income tax purposes. The Company's portfolio is managed by Aberdeen Standard Investments (Asia) Ltd. (the "Investment Manager"), and it is further advised by Aberdeen Standard Investments Australia Ltd. and sub-advised by Aberdeen Asset Managers Ltd. The Company's Administrator is Aberdeen Standard Investments Inc.

As of March 31, 2019, 74.3% of the Company's portfolio is invested in bonds rated BBB or higher and, despite the change in monthly distribution, the Company will continue to pay a monthly distribution to shareholders at a level which is competitive with that of the Bloomberg Barclays US

1 Past performance is no guarantee of future results. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. NAV return data includes investment management fees, custodial charges, bank loan expenses and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions. The Company is subject to investment risk, including the possible loss of principal. [Returns for periods less than one year are not annualized.]

Corporate High Yield Bond Index[2]. The Investment Manager believes the Company continues to offer a competitive level of income by investing in a high quality and diversified portfolio of securities, currently exposed to more than 25 countries and 9 currencies. As of March 31, 2019, the largest currency exposure in the portfolio is US Dollar at 37.7%, followed by the Australian Dollar at 21.2% and a basket of four Asian currencies totalling 36.8%. The Investment Manager believes the portfolio offers a differentiated source of income for investors.

THE INVESTMENT MANAGER'S MARKET OUTLOOK

Today, Asia stands on the right side of global imbalances. A greater proportion of global GDP has shifted to Asia over the last two decades since the Asian Financial Crisis in the late 1990s. Balance of payments are mostly in surplus, foreign exchange reserves are large, banking systems reflect the "old-fashioned way", with deposits in excess of loans, while consumers are savings-rich with low levels of debt, especially low levels of mortgage and credit card debt. This contrasts with the considerations faced by the indebted G8 countries. Countries such as Indonesia, Philippines, South Korea and China, which had S&P foreign currency ratings of CCC, BB, BBB+ and BBB+, respectively, in the early 2000s, today are rated BBB-, BBB, AA and A+, while the currency ratings of countries such as Italy, France, the UK and even the USA are rated the same or lower in many cases.

Notwithstanding certain recent headwinds, the fundamentals of broader emerging market economies have also improved strongly over the past 30 years. In many cases, authorities have tightened regulatory and financial controls and adopted orthodox monetary policies allied to fiscal reform. Emerging market bond issuers have delivered consistently lower default rates than developed market peers. The JP Morgan GBI Emerging Market Global Diversified Index, which tracks local currency sovereign bonds across 19 developing nations, has an average yield to maturity of 6.1% with an average credit rating of BBB. That's comfortably higher than the comparative yield of developed market equivalents. It makes emerging market debt the only mainstream asset class to offer investors both strong relative yield and investment grade credit quality. Brazil and Mexico for example have a sovereign rating of BB- and A- with 10-year yields of 8.88% and 8.1% respectively.

Policy makers have also focused on improving capital market conditions, which have seen significant improvements in terms of the depth, liquidity and sophistication in Asia. This has opened up a wider range of potential investment opportunities for the Company, such as onshore access to bonds in China and India and even some of the frontier bond markets. It has also meant that global participation in regional markets has increased, particularly as countries such as Indonesia and, more recently, China have joined emerging and/or developed market bond indices, raising foreign demand but also pushing down yields.

Today we also find ourselves in a relatively unusual environment, as global policy makers struggle to stimulate growth and the percentage of negatively yielding bonds rises once again towards 20%, while global yields remain suppressed, particularly as the US Federal Reserve's normalization cycle comes to an earlier end than previously expected.

In such an environment, the Investment Manager believes that exposure to Asia's higher quality debt markets plays an increasingly important role in helping investors pursue their investment objectives. Bond yields in some markets like Australia, however, are now below those of the US. While yields have declined, driven by the factors discussed above, and will likely continue to remain lower than historical levels as fundamentals continue to improve, the level of yields versus developed markets, including US Treasuries, has widened since the 2008 Global Financial Crisis and are expected to continue to remain a source of better value.

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2 Bloomberg Barclays US Corporate High Yield Bond Index as of 5/8/19, Yield to Worst of : 6.21% with Average Credit quality: B+

Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Such forward-looking information reflects the Investment Manager's beliefs, estimates and opinion regarding the Company's future financial performance, projects and opportunities and market conditions as at today's date. Implicit in this information, particularly in respect of future financial performance and condition of the Company, are factors and assumptions which, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Shareholders are cautioned that actual results are subject to a number of risks and uncertainties, including general economic and market factors, including credit, currency, political and interest-rate risks and could differ materially from what is currently expected. The Company has no specific intention of updating any forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

Aberdeen Standard Investments ("ASI") is the marketing name in Canada for the following affiliated entities: Aberdeen Standard Investments Inc. and Aberdeen Standard Investments (Canada) Limited. Aberdeen Standard Investments Inc. is registered as a Portfolio Manager in the Canadian provinces of Ontario, New Brunswick, and Nova Scotia and as an Investment Fund Manager in the provinces of Ontario, Quebec, and Newfoundland and Labrador. Aberdeen Standard Investments (Canada) Limited, is registered as a Portfolio Manager and Exempt Market Dealer in all provinces and territories of Canada as well as an Investment Fund Manager in the provinces of Ontario, Quebec, and Newfoundland and Labrador. Both entities are indirect wholly owned subsidiaries of Standard Life Aberdeen PLC.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Company'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 Company. There is no assurance that the Company will achieve its investment objective. Past performance does not guarantee future results.

Standard & Poor's credit ratings are expressed as letter grades that range from "AAA" to "D" to communicate the agency's opinion of relative level of credit risk. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The investment grade category is a rating from AAA to BBB-. In determining average credit rating, ratings from Moody's, Standard & Poors, or Fitch will apply. Every security in the representative account is assigned an average credit rating. The higher rating will apply for split rated securities. The average credit quality is a market-weighted average of all the securities in the representative account.

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments. Concentrating investments in the Asia-Pacific region subjects the Company to more volatility and greater risk of loss than geographically diverse funds. Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in the market value of an investment), credit (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment (debt issuers may repay or refinance their loans or obligations earlier than anticipated), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

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