

FOR IMMEDIATE RELEASE

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**ABERDEEN AUSTRALIA EQUITY FUND, INC. ANNOUNCES
POLICY TO PAY QUARTERLY DISTRIBUTIONS IN STOCK**

(Philadelphia, February 25, 2020) -- [Aberdeen Australia Equity Fund, Inc. \(NYSE American: IAF\)](#) (the “Fund”), a closed-end fund, today announced that the Fund has amended its quarterly distribution policy such that distributions will be paid in newly issued shares of common stock of the Fund to all shareholders who have not otherwise elected to receive cash, effective with the quarterly distribution expected to be payable in June 2020. The quarterly distribution expected to be payable in March 2020 is unaffected and will be paid in cash to all shareholders not enrolled in the Dividend Reinvestment Plan.

Shareholders may request to be paid their quarterly distributions in cash instead of shares of common stock by providing advance notice to the bank, brokerage or nominee who holds their shares if the shares are in “street name” or by filling out in advance an election card received from Computershare Investor Services if the shares are in registered form. To receive the quarterly distribution payable in June 2020 in cash instead of shares of common stock, the bank, brokerage or nominee who holds the shares must advise the Depository Trust Company as to their full and fractional share requirements by June 19, 2020 and written notification for the election of cash by registered shareholders must be received by Computershare Investor Services prior to June 19, 2020.

Under the amended policy, distributions will continue to be paid at an annual rate, set once a year, that is a percentage of the rolling average of the Fund’s prior four quarter-end net asset values. In March 2019, the Board of Directors of the Fund determined the rolling distribution rate to be 10% for the 12-month period that commenced with the distribution paid in March 2019. This policy is subject to regular review by the Board of Directors.

Under the amended policy, shares of common stock will be issued at the lower of the net asset value (“NAV”) per share or the market price per share with a floor for the NAV of not less than 95% of the market price.

Shareholders should not draw any conclusions about the Fund’s investment performance from the terms of the Fund’s distribution policy.

In the United States, Aberdeen Standard Investments is the marketing name for the following affiliated, registered investment advisers: Aberdeen Standard Investments Inc., Aberdeen Asset Managers Ltd., Aberdeen Standard Investments Australia Ltd., Aberdeen Standard Investments (Asia) Ltd., Aberdeen Capital Management, LLC, Aberdeen Standard Investments ETFs Advisors LLC and Standard Life Investments (Corporate Funds) Ltd.

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

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