

THE HERZFELD CARIBBEAN BASIN FUND, INC.

FOR IMMEDIATE RELEASE

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The Herzfeld Caribbean Basin Fund, Inc. Announces Reinvestment Price And Revised Breakdown of the Source of its \$1.28 Per Share 2007 Year-End Distribution

Miami, FL – The Herzfeld Caribbean Basin Fund, Inc. (Nasdaq Capital Market: CUBA) is pleased to announce that \$7.94 per share was the reinvestment price for its \$1.28 per share year-end distribution for 2007, payable in Fund shares unless the stockholder elected to receive cash. Since shares were trading at a small, 2.02% premium on the payable date of January 9, 2008, and the reinvestment price was calculated as the greater of (1) NAV or (2) 95% of the then-current market price of the shares; new shares were issued at the Fund's net asset value on the payable date.

Based on information received by the Fund after year-end 2007 related to the tax characterization of dividends received by the Fund during calendar 2007, the Fund has revised the tax characterization of its 2007 year-end distribution. The Fund's \$1.28 per share distribution consists of \$1.223 per share from net long-term capital gains, and \$0.057 per share from net investment income (rather than \$1.05 per share from long-term capital gains and \$0.23 from net investment income as was announced on November 26, 2007.) The distribution was payable on January 9, 2008 to stockholders of record December 12, 2007 and is taxable to stockholders for the calendar year 2007. The Fund had requested an extension from the IRS to file its Form 1099s after January 31, 2008, and expects to send such notices to stockholders shortly.

Including this distribution, The Herzfeld Caribbean Basin Fund, Inc. has paid a total of \$3.966 per share in distributions since the Fund's inception in 1994.

The Herzfeld Caribbean Basin Fund, Inc. is a closed-end fund managed by HERZFELD/CUBA a division of Thomas J. Herzfeld Advisors, Inc. (based in Miami). The Fund seeks long-term capital appreciation. To achieve its objective the Fund invests in issuers that are likely, in the Advisor's view, to benefit from economic, political, structural and technological developments in the countries in the Caribbean Basin, which the Fund considers to consist of Cuba, Jamaica, Trinidad and Tobago, the Bahamas, the Dominican Republic, Barbados, Aruba, Haiti, the Netherlands Antilles, the Commonwealth of Puerto Rico, Mexico, Honduras, Guatemala, Belize, Costa Rica, Panama, Colombia, Venezuela and the United States.

Thomas J. Herzfeld Advisors, Inc. specializes in the field of closed-end funds. Information about the advisor and the Fund can be found at www.herzfeld.com.

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