

THE HERZFELD CARIBBEAN BASIN FUND, INC.

FOR IMMEDIATE RELEASE

Miami, Florida
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Nasdaq Capital Market: CUBA
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Thomas J. Herzfeld Advisors, Inc.
PO Box 161465
Miami, FL 33116
www.herzfeld.com

The Herzfeld Caribbean Basin Fund, Inc. Declares \$0.211 Per Share Year-End Distribution and Appoints Erik Herzfeld as Co-Portfolio Manager

Miami, FL – The Board of Directors of The Herzfeld Caribbean Basin Fund, Inc. (Nasdaq Capital Market: CUBA) declared a year-end distribution of \$0.211 per share, consisting of \$0.1616 from income and \$0.0494 from net long-term capital gains, payable on January 5, 2009 to stockholders of record December 12, 2008. The distribution is taxable to stockholders for the calendar year 2008.

The distribution will be payable in Fund shares unless the stockholder elects to receive cash. If the market price per share of common stock, on the payment date, is equal to or exceeds the NAV ("trading at a premium"), the distribution will be payable to shareholders in newly issued Shares valued at the greater of (1) NAV or (2) 95% of the then-current market price of the Shares. If the NAV on the payment date exceeds the market price of the Shares at the time ("trading at a discount"), the distribution per share will be payable to shareholders in Shares valued at market price.

Including this distribution, The Herzfeld Caribbean Basin Fund, Inc. will have paid a total of \$4.177 per share in distributions since the Fund's inception in 1994.

The Herzfeld Caribbean Basin Fund, Inc. is also pleased to announce the appointment of Erik M. Herzfeld (35) as co-portfolio manager of the Fund. Erik Herzfeld joined Thomas J. Herzfeld Advisors, Inc. in February, 2007 and has worked closely with his father, Thomas J. Herzfeld, researching investment opportunities in the Caribbean. Before joining the advisor, Erik served in quantitative research and trading roles with both Lehman Brothers and JPMorgan, where he served as a Vice President in New York and Asia. He brings his expertise in emerging markets and extensive knowledge of closed-end funds to his new role with the Fund. Erik is a graduate of Johns Hopkins University with a degree in Economics ('95) and holds a Masters Degree from the MIT Sloan School of Management ('97).

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.

For further information contact:

Cecilia L. Gondor
305-271-1900