

CANOPIUS

PRESS RELEASE

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For immediate release

Canopus acquires Creechurch

Canopus, the specialist Lloyd's underwriting group, announces today that it has agreed to acquire the entire operations of fellow Lloyd's business Creechurch.

Creechurch manages Syndicates 1607 and 3786 for the 2006 year at Lloyd's with combined premium capacity of £90 million. The syndicates specialise in marine and energy, personal accident, and UK liability and professional indemnity insurance. UK personal accident, liability and professional indemnity business is distributed under the brand names of Impact and Charrington.

For the 2007 year, all of the Creechurch business will be written through Canopus's flagship Syndicate 4444. In parallel with this acquisition, Canopus intends to increase Syndicate 4444's gross premium capacity from £300 million to £450 million for 2007.

Michael Watson, Chairman and Chief Executive of Canopus commented:

"We are delighted to acquire Creechurch which has a first class underwriting franchise and excellent track record. The acquisition furthers our ambitions for profitable growth whilst increasing diversification and lowering volatility."

“Creechurch’s operations are highly complementary to those of Canopus. The combination of Creechurch’s marine and energy business with Canopus’s cargo and specie team will create a significant force in the marine market. The Charrington and Impact businesses, whose brands will be maintained, will complement Canopus’s recently announced expansion into the UK SME commercial market.”

“This acquisition will position Canopus as a significant participant in the Lloyd’s market, offering substantial lead capability and capacity to clients and brokers in a wide variety of classes”.

David Pye, Chief Executive of Creechurch said:

“I am very pleased that the Creechurch team will be joining Canopus, which will enable the underwriters to develop their profitable lines of business in a larger and financially secure organisation”.

The transaction remains subject to regulatory consent and customary closing conditions.

- ENDS -

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Notes to Editors

1. Canopus is a specialist Lloyd's insurer and the parent of Canopus Managing Agents Ltd (CMA). Canopus is owned by management and Englefield, a private equity company.
2. CMA manages flagship Syndicate 4444 with gross premium capacity of £300 million for the 2006 year.
3. Syndicate 4444 focuses on the following classes of insurance:
 - UK Homeowners and Miscellaneous Property
 - North American Facilities
 - Global Property
 - Professional Indemnity
 - Financial Institutions
 - Cargo and Specie

Syndicate 4444 also underwrites Property, Casualty and Marine reinsurance.