

CANOPIUS

PRESS RELEASE

5th September 2007

Canopus expands into Bermuda

Canopus Group Limited (“Canopus”), a leading specialist underwriting business, announces today the launch of a new platform in Bermuda. The operations will comprise Canopus Underwriting Bermuda Limited, which, subject to Lloyd’s approval, will underwrite business on behalf of Syndicate 4444, and Canopus Bermuda Limited, a class 3 reinsurance company with initial capital of \$250 million. Susan Patschak will be the Chief Executive Officer of both entities, subject to Bermuda immigration approval.

Canopus Underwriting Bermuda Limited:

- A wholly-owned Bermuda-based underwriting agency to operate as a Lloyd’s approved coverholder for Syndicate 4444.
- Syndicate 4444’s current gross premium capacity is in excess of \$1 billion.
- Business lines will include excess casualty, medical malpractice, property catastrophe, workers’ compensation catastrophe, and terrorism.
- The agency provides further diversification of Syndicate 4444’s portfolio by accessing new distribution channels and additional classes of business.

Canopus Bermuda Limited:

- Initial capital of \$250 million.
- Provided from existing Group resources and new capital of \$100 million comprising equity (from existing shareholders) and debt.

- The increased capital will strengthen the Group's balance sheet, increase net assets and enable development of the Bermudian platform.
- Canopus Bermuda will provide capital support to the Group's underwriting operations at Lloyd's.

Michael Watson, Chairman of Canopus commented: "The prospect of launching our new platform in Bermuda is very exciting. It gives us access to new markets and will further diversify the lines of business that we underwrite. Canopus Bermuda will build its own franchise, at a gradual pace, reflecting current market conditions."

"Strict underwriting discipline is paramount at Canopus. Jim Giordano, Group Chief Underwriting Officer, will ensure that our underwriting philosophy in Bermuda mirrors the extremely high standards practiced by our team at Syndicate 4444. I am delighted that we have secured the services of Susan Patschak, who will lead our Bermuda platform, and who subscribes to our views of cautious expansion at this stage in the cycle."

"Canopus remains committed to London and the Lloyd's market. By establishing Canopus Bermuda as a coverholder of Syndicate 4444, our new clients will benefit from the excellent financial strength afforded by Lloyd's. We look forward with confidence to this next exciting phase in Canopus' development."

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Notes to Editors

Canopus is an investment holding company whose principal investment is Canopus Holdings UK Limited (“CHUKL”), which owns underwriting businesses at Lloyd’s.

CHUKL’s subsidiary, Canopus Managing Agents Limited (“CMA”) manages Syndicate 4444 on behalf of the Group’s own corporate capital vehicles and for third parties.

Syndicate 4444 focuses on the following classes of business:

- UK Homeowners’, Commercial and Miscellaneous Property
- North American Facilities
- Marine and Energy
- Global Property
- Professional Indemnity
- Financial Institutions
- Accident and Health
- General Liability
- Property, Casualty and Marine Reinsurance

In November 2006, the Group extended its Lloyd’s business interests by acquiring Creechurch Underwriting Limited which manages Syndicates 1607 and 3786.

Also in 2006, Canopus backed the formation of Arista Insurance Limited (“Arista”), a new underwriting agency providing property, commercial package and motor fleet insurance to the UK SME sector. Arista commenced trading in January 2007 and early indications of progress are very encouraging.

Susan Patschak has 25 years’ industry experience including:

- Chief Operating Officer of Endurance Specialty Insurance and Executive Vice President of Endurance Specialty Holdings;
- Global Chief Actuary of the ACE Group of Companies; and
- Managing Principal of Asia/Pacific and Latin America for Tillinghast - Towers Perrin.

Susan is a Fellow of the Casualty Actuarial Society, a member of the American Academy of Actuaries, and a Board member of The Leadership Foundation of America. She is a graduate of The University of Maryland.