Catalina Holdings (Bermuda) Ltd ("Catalina")

Catalina acquires KX Re from Tawa plc

Hamilton, Bermuda - Catalina Holdings (Bermuda) Ltd ("Catalina"), announces it has signed a definitive Share Purchase Agreement to acquire 100% of the shares in KX Reinsurance Company Limited ("KX Re"), including KX Re's wholly owned subsidiary OX Reinsurance Company Limited ("OX Re"), from Tawa plc ("Tawa").

As at 31 March 2012, the consolidated total assets of KX Re were $114m, and undiscounted gross liabilities of $69m. The total consideration for the acquisition is $28m in cash and could reach $30m, depending on financial performance of KX Re between now and completion. Completion of the transaction is conditional on receiving FSA approval to the change of control, which is expected to be received by the end of 2012.

The acquisition consideration will be satisfied from Catalina's cash at hand and a senior debt facility.

KX Re, was put into run-off in 1992 and sold by CNA Financial Corporation to Tawa in 2007. It is a mature run-off with a wide variety of exposures, predominantly in the US, where the majority of risks relate to 1985 and before. OX Re was acquired by Tawa in March 2011, and was formerly Oslo Reinsurance Company (UK) Limited.

Chris Fagan, Chairman and Chief Executive of Catalina said: "KX Re is an interesting acquisition for Catalina because it gives us exposure to US asbestos liabilities, an area in which our reserves have traditionally been very light. We have been focused on improving our knowledge of US asbestos liabilities over the last few years and are pleased to develop our business in this area. KX Re is our second acquisition in this quarter, and we are in negotiations on a number of other attractive opportunities some of which we expect to conclude and announce this year."

About Catalina Holdings (Bermuda) Ltd

Established in 2005, Catalina specialises in the acquisition and management of non-life insurance and reinsurance companies and portfolios in run-off. Recent acquisitions include HSBC Reinsurance Limited and HSBC Insurance (Ireland) Ltd in Q3 2012, pending regulatory approval from the Central Bank of Ireland, Residential Loss Control Holdings (RLCH) in Q3 2011, Glacier Re in Q2 2011, Western General Insurance in 2010, Alea UK in 2009 and Quanta Capital Holdings in 2008.

Catalina has offices and operations in Bermuda, New York, Denver Colorado, London and Switzerland. Catalina offers finality and immediate capital release to owners of insurance and reinsurance companies and portfolios in run-off. Catalina had net tangible assets of $400m and total assets in excess of $1.2bn as at June 30 2012.

For more information about Catalina, go to www.catalinare.com.