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CATCo Reinsurance Opportunities Fund Ltd.

(“CATCo” or the “Company”)

Result of Placing of new C Shares to raise USD 125 million

INTRODUCTION

CATCo is pleased to announce today that it has received placing commitments from institutional investors of USD 125 million (approximately USD 122.2 million net of commissions and expenses) in relation to the issue of new C Shares (CATC.L) at a placing price which will be calculated as the net asset value per C Share as at the close of business on 30 November 2011 plus 2 per cent (the “Placing Price”). It is anticipated that the new C Shares will be issued and admitted to trading on the Specialist Fund Market of the London Stock Exchange (the “SFM”) and the Bermuda Stock Exchange (the “BSX”) on 16 December 2011 (the “Second Closing”).

The issue of these new C Shares will form the Second Closing of a wider placing of up to 400 million New Shares to be admitted to trading on the SFM and the BSX (the “Placing”), which opened on 18 May 2011. The new C Shares will be of the same class as the 125,296,737 C Shares already issued. The new C Shares will not rank for the dividend in respect of the existing C Shares as announced on 15 November 2011 (with a record date of 2 December 2011) but will rank pari passu with the existing C Shares in all other respects.

Since CATCo's formation in December 2010 the Company has now raised a total of USD 338 million. CATCo Reinsurance Fund Ltd. (the “Master Fund”) has also completed a successful placing, raising more than double the funds raised by CATCo under the Second Closing.

TIMETABLE:

For the Second Closing

Admission of the new C Shares to trading on the London Stock Exchange’s Specialist Fund Market and the Bermuda Stock Exchange	16 December 2011
CREST accounts to be credited in respect of the Depository Interests representing the new C Shares	16 December 2011

Application will be made for the new C Shares to be admitted to trading on the SFM and the Bermuda Stock Exchange. Trading is expected to commence on 16 December 2011.

Tony Belisle, CEO of CATCo Investment Management Ltd, the investment manager of the Company, said:

"This is the fourth fund raise that CATCo has successfully completed within 12 months and reflects the confidence institutional investors have in CATCo. CATCo has proven its strength despite all of the catastrophes that have occurred around the globe over the last year. The ability to react quickly and take advantage of price changes in the reinsurance sector has both accelerated CATCo's progress and demonstrated the strength and specialist knowledge of the team."

Commenting on today's announcement, Anthony Taylor, Chairman of CATCo said:

"This recent fund raise will allow CATCo to continue to seek to capitalise on opportunities in the reinsurance sector and, as demonstrated by our dividend statement last week, continue to seek attractive shareholder returns"

THE SECOND CLOSING:

It is expected that the new C Shares, to be issued as C Shares of the same class as those issued at the first closing of the Placing (the "First Closing"), will be issued at the Second Closing, expected to be on 16 December 2011.

The Second Closing is conditional upon, inter alia:

- (a) admission occurring in relation to the new C Shares; and
- (b) the Placing Agreement between the Company, CATCo Investment Management Limited and Numis Securities Limited having become unconditional in respect of the Second Closing and not having been terminated in accordance with its terms before such admission.

If these conditions are not met, the Second Closing will not proceed.

The Placing Price of the new C Shares to be issued at the Second Closing will be the NAV per C Share as at 30 November 2011 plus 2 per cent. It is expected that the Company will notify investors of the final Issue Price by the publication of an announcement through a Regulatory Information Service on or prior to 12 December 2011.

ADDITIONAL INFORMATION ON THE COMPANY

Directors' and Other Interests

Anthony Taylor acquired 100,000 new C Shares at the First Closing. Following this purchase, Mr Taylor had an interest of 210,000 shares (split 110,000 Ordinary shares and 100,000 C

Shares), representing 0.099 per cent. of the issued share capital of the Company at the First Closing. Mr Taylor intends to acquire \$100,000 of further C Shares at the Second Closing.

Alastair Barbour acquired 40,450 new C Shares at the First Closing, representing 0.019 per cent. of the issued share capital of the Company at the First Closing, and intends to acquire \$50,000 of further C Shares at the Second Closing.

Sunil Talwar and Sandeep Nanda (both of whom are directors of CATCO Reinsurance Fund Ltd, the Bermuda segregated accounts company into which the Company invests) intend to subscribe for \$100,000 and \$25,000 C Shares respectively at the Second Closing.

For further information contact:

CATCo Reinsurance Opportunities Fund Ltd	
Jason Bibb (Chief Operating Officer) Mark Way (Corporate Communications Director)	+1 (441) 531 2227 +44 (0) 7786 116 991
Numis Securities Limited	0207 260 1000
David Benda (Corporate Broking) Hugh Jonathan (Corporate Finance) Will Kostoris (Corporate Finance)	

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