

CATCo Reinsurance Opportunities Fund Ltd. ("the Company")

Hurricane Sandy Update

To: SFM, London Stock Exchange and
Bermuda Stock Exchange

Date: 23 January 2013

Property Claims Services ("PCS"), an independent company who investigates reported disasters and determines the extent and type of damage, dates of occurrence, and geographic areas affected, primarily within the US, have published a re-survey of their January 2013 initial loss estimate from affected insurers resulting from the events of Hurricane Sandy which began on 23 October 2012.

The revised loss estimate is \$18.75 billion, representing an increase of 70.45% on the original estimate of \$11.0 billion.

The existing retrocessional reinsurance loss reserve provision that is included in the Company's Net Asset Value calculation is based on an insured industry loss of \$20 billion. The Board of Directors remains of the opinion that there is no need to amend the existing retrocessional reinsurance loss reserve provision that is currently in place. Shareholders should note that this is a loss reserve, and not a crystallised loss, as CATCo-Re's protections are based on the actual paid claims.

The majority of the Company's catastrophic property exposure is through Ultimate Net Loss contracts ("UNLs") and therefore any losses that may be suffered by the Company will be based on actual losses of the insured counterparties rather than industry loss triggers as is the case for Industry Loss Warranty contracts ("ILWs"). However, the magnitude of the industry insured losses provides a reasonable guide as to the expected level of UNL claims.

PCS will conduct a re-survey in approximately 60 days following their new estimate and will update the loss estimate at that time with new data gained from affected insurers. It is the Directors intention to update the Company's shareholders with any additional information when this information is released and whether side pocket investments are required prior to the year end.

For further information, please contact:

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