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CATCo Reinsurance Opportunities Fund Ltd.

Publication of Prospectus, Circular and Notice of Special General Meeting

**To: SFM, London Stock Exchange and
Bermuda Stock Exchange**

Date: 29 September 2015

On 21 September 2015, CATCo Reinsurance Opportunities Fund Ltd. ("the Company") announced its intention to raise further equity capital through the issue of up to 750 million New Shares over a twelve month period by way of an Initial Placing and Offer and subsequent Placing Programme. The maximum size of 750 million New Shares is not a target and is intended to afford the Board the flexibility to satisfy demand for New Shares throughout the life of the fundraising programme. The Company has today published a Prospectus describing the Initial Placing and Offer and the Placing Programme in detail.

Summary of the Initial Placing and Offer and the Placing Programme

New Shares issued pursuant to the Initial Placing and Offer will be issued as C Shares. The assets attributable to such C Shares will be held in cash or near cash until the January 2016 reinsurance renewals, following which they are expected to be fully invested in accordance with the Company's investment policy. The C Shares are expected to be converted into Ordinary Shares following the date on which the Ordinary Shares go ex-dividend in respect of the 2015 Annual Dividend unless the Ordinary Shares have any exposure to Side Pocket Investments at such time. Where one or more Side Pocket Investments is in issue, the C Shares will not convert into Ordinary Shares until such time as the Ordinary Shares are no longer so exposed, although the Directors have the discretion to determine when such conversion shall take place and may convert C Shares when the Ordinary Shares into which they will convert remain exposed to Side Pocket Investments that they (in their absolute discretion) consider not to be material (taking into account the materiality of the value of the Side Pocket Investments as a percentage of the latest published Net Asset Value of the Company and such other factors as the Directors consider to be relevant and provided in any event that at least 80 per cent. of the assets attributable to such class of C Shares has been invested in accordance with the Company's investment policy).

New Shares issued pursuant to the Placing Programme may be issued as Ordinary Shares and/or C Shares at the discretion of the Directors. The Directors expect to issue New Shares pursuant to the Placing Programme as C Shares only in circumstances where: (a) the Company is raising capital that it does not expect to be able to fully deploy shortly after issue, in order to mitigate the risk of cash drag on the Ordinary Shareholders; or (b) during any period when the Master Fund has designated one or more investments as a Side Pocket Investment, in order to ensure that investors are not

unduly exposed to potential losses and premiums that the Directors (in their absolute discretion) believe may be material taking into account the materiality of the value of the Side Pocket Investments as a percentage of the latest published Net Asset Value of the Company and such other factors as the Directors consider to be relevant (although there may be other circumstances in which the Directors consider that it is in the best interests of the Company to issue C Shares pursuant to the Placing Programme).

Issue Price

C Shares issued under the Initial Placing and Offer will be issued at US\$1 per C Share.

All New Shares issued as Ordinary Shares or (where C Shares of the same class are already in issue) C Shares pursuant to the Placing Programme will be issued at a premium to the latest published Net Asset Value per Ordinary Shares or C Shares of that class (as the case may be) which is at least sufficient to cover the costs and expenses of the relevant placing. In determining the relevant Issue Price, the Directors will also take into consideration, inter alia, the prevailing market conditions at that time. All New Shares issued as C Shares (where C Shares of the same class are not already in issue) under the Placing Programme will be issued at US\$1 per C Share.

Costs associated with the Initial Placing and Offer and Placing Programme

The holders of C Shares issued pursuant to the Initial Placing and Offer will bear the costs of the Initial Placing and Offer up to a maximum amount of two per cent. of the gross proceeds of the Initial Placing and Offer. Any costs in excess of such amount shall be borne out of the Company's existing cash reserves and therefore borne, indirectly, by holders of existing Ordinary Shares. By way of example, if gross proceeds of US\$50 million are raised under the Initial Placing and Offer (on the basis that 50 million New Shares are issued as C Shares at an Issue Price of US\$1.00 per New Share): (i) the Initial Placing and Offer Costs up to US\$1 million (being two per cent. of the gross proceeds of US\$50 million) will be met by the Company from the gross proceeds of the Initial Placing and Offer; and (ii) any Initial Placing and Offer Costs in excess of US\$1 million will be met by the Company from its existing cash reserves.

In contrast to the Initial Placing and Offer, there is no maximum amount of costs that will be met by the Company from the gross proceeds of a Subsequent Placing under the Placing Programme (and all such costs will therefore be borne, indirectly, by the holders of the New Shares issued pursuant to the applicable Subsequent Placing).

Dealings

Applications will be made to the London Stock Exchange for all of the New Shares issued pursuant to the Initial Placing and Offer and the Placing Programme to be admitted to trading on the Specialist Fund Market. It is expected that Admission in respect of the Initial Placing and Offer will become effective, and that dealings in the New Shares issued pursuant to the Initial Placing and Offer will commence, on 2 November 2015. It is expected that Admissions in respect of the Placing Programme will become effective, and that dealings for normal settlement in the New Shares issued pursuant to the Placing Programme will take place, between the Initial Admission and 28 September 2016.

Applications for a secondary listing will be made to the BSX for all of the New Shares issued pursuant to the Initial Placing and Offer and the Placing Programme to be admitted to trading on the BSX.

Summary of the Proposals

The Company has today also posted a circular to Shareholders to explain the background to, and reasons for, certain Proposals associated with the Initial Placing and Offer and Placing Programme that each require the approval of the Shareholders.

Re-designation of Authorised Share Capital

The authorised share capital of the Company is US\$74,019,867.40 divided into 500,000,000 unclassified shares of US\$0.0001 each and B Shares of such nominal value as the Directors may determine upon issue. In order to be able to allot and issue the maximum number of New Shares under Initial Placing and Offer and the Placing Programme (being 750 million New Shares), the Board is proposing to re-designate the authorised share capital of the Company such that it is divided into 1,500,000,000 unclassified shares of US\$0.0001 each and B Shares of such nominal value as the Directors may determine upon issue (the "Share Capital Proposals").

Disapplication of Pre-emption Rights

The New Shares to be issued under the Initial Placing and Offer and the Placing Programme will not be issued pre-emptively to existing Shareholders. Accordingly, the Company is asking Shareholders to approve the disapplication of the pre-emption rights contained in the Bye-laws in relation to the Initial Placing and Offer and the Placing Programme (the "Disapplication of Pre-emption Rights").

Continuation Vote Proposals

In addition, in connection with the Initial Placing and Offer and the Placing Programme, the Board is proposing that the Company's continuation vote which is required to be put to Shareholders at next year's annual general meeting (in accordance with the existing Bye-laws and as per the Company's prospectuses issued in December 2010 and May 2011) be brought forward to the Special General Meeting (the "Continuation Vote Proposals").

The Tender Offer Proposals

In order to make an investment in the Company more attractive to a wider range of investors, the Board has introduced a policy under which it expects (but will not be obliged) to implement a tender offer following the end of each Fiscal Year in order to provide investors with an opportunity to take a share of any annual profits in excess of the annual dividend, provided that the Company's Shares have been trading at a discount to the Net Asset Value per Share of that class, as described further in Part 2 of the Circular (a "Return of Value Tender Offer").

If the Board exercises its discretion to implement a Return of Value Tender Offer in respect of any Fiscal Year, Shareholders will be sent a circular setting out the details of the Return of Value Tender Offer and inviting Shareholders to tender their Shares in accordance with the terms and conditions set out in such circular. The Directors reserve the right to cancel any Return of Value Tender Offer prior to its implementation where they consider this to be in the best interests of the Company, including (but not limited to) when a Covered Event has occurred prior to the end of the relevant Fiscal Year and/or where the Directors determine that there are insufficient Excess Annual Profits to justify the implementation of the Return of Value Tender Offer.

Under Bye-law 3, the Company is permitted to purchase its own shares for cancellation in accordance with the Act on such terms as the Board shall think fit without the approval of Shareholders, provided that no purchase by the Company of its own Shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due. However, the Board intends to seek the approval of Shareholders to implement Return of Value Tender Offers in respect of each Fiscal Year at the Company's Annual General Meeting in each year (provided that the Company's Shares have been trading at a discount to the Net Asset Value per Share and that sufficient excess annual profits are available). The Company is asking Shareholders to approve the potential Return of Value Tender Offer in relation to the 2015 Fiscal Year (the "2015 Return of Value Tender Offer") at the Special General Meeting (the "Tender Offer Proposals").

The Share Capital Proposals, Disapplication of Pre-emption Rights, the Continuation Vote Proposals and the Tender Offer Proposals are together referred to in the Circular as the “Proposals”.

Special General Meeting

The Special General Meeting at which the Directors are seeking authority, inter alia, to issue and allot Shares in respect of the Share Issuance Programme, will be held at Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda at 9.00 a.m. (Bermuda time) on 28 October 2015.

Expected timetable

Initial Placing and Offer open	29 September 2015
Latest time and date for receipt of Forms of Instruction or CREST Proxy Instructions from the Depository Interest Holders for the Special General Meeting	9.00 a.m. (Bermuda time) on 23 October 2015
Latest time and date for receipt of Forms of Proxy for the Special General Meeting	9.00 a.m. (Bermuda time) on 26 October 2015
Latest time and date for receipt of Application Forms under the Offer	1.00 p.m. on 27 October 2015
Special General Meeting	9.00 a.m. (Bermuda time) on 28 October 2015
Latest time and date for receipt of Placing commitments	3.00 p.m. on 28 October 2015
Announcement of the results of the Initial Placing and Offer	29 October 2015
Admission of the New Shares to trading, and commencement of dealings, on the Exchange’s Specialist Fund Market	8.00 a.m. on 2 November 2015
Admission of the New Shares to trading, and commencement of dealings, on the BSX	8.00 a.m. on 2 November 2015
New Shares issued and CREST accounts credited in respect of Depository Interests	2 November 2015
Dispatch of definitive share certificates for New Shares in certificated form (where applicable)	Week commencing 9 November 2015

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Service. All references to times in this announcement are to Bermuda times. In particular the Board may, with the prior approval of the Investment Manager and Numis, bring forward or postpone the closing time and date for the Issue. In the event that such date is changed, the Company will notify investors who have applied for C shares pursuant to the Issue of changes to the timetable either by post, electronic mail or by the publication of a notice through a Regulatory Information Service.

Further information

The ISIN of the C Shares to be issued under the Initial Placing and Offer is BMG1961Q1428 and the SEDOL is BZ3F396.

The ISIN of the Ordinary Shares is BMG1961Q2095 and the SEDOL is BVFCRP1.

Further details of the Initial Placing and Offer and the Placing Programme, are set out in the Prospectus, which, together with the Circular, will be available today on the Company's website at <http://www.catcoreoppsfund.com/>.

Copies of the Prospectus and the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at <http://www.morningstar.co.uk/uk/NSM>.

Any defined terms used in this announcement are as set out in the Prospectus and/or the Circular unless otherwise stated.

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Important notices and disclaimers

The content of this announcement, which has been prepared by and is the sole responsibility of the Company, has been approved by Numis Securities Limited ("Numis"), which is authorised and regulated by the Financial Conduct Authority, solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

Recipients of this announcement who are considering acquiring shares in the Company in connection with the Initial Placing and Offer and the Placing Programme are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus and any supplementary prospectus(es) thereto which may be different from the information contained in this announcement.

Numis, which is authorised and regulated by the Financial Conduct Authority, is acting only for the Company in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Numis or advice to any other person in relation to the matters contained herein.

The shares of the Company have not been, nor will they be, registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, New Zealand or South Africa. Further, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended. Subject to certain exceptions, the shares of the Company may not be offered or sold in any Member State of the European Economic Area (other than the United

Kingdom), the United States of America, Canada, Australia, Japan, New Zealand or South Africa or to or for the account or benefit of any national, resident or citizen of any Member State of the European Economic Area (other than the United Kingdom), Canada, Australia, Japan, New Zealand or South Africa or any person located in the United States. The Initial Placing and Offer and the Placing Programme and the distribution of this announcement in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, strategy, plans, proposed acquisitions and objectives are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These forward-looking statements speak only as at the date of this announcement. The Company, CATCo Investment Management Limited and Numis expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Prospectus Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

Acquiring shares to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments and should ensure that they fully understand and accept the risks which will be set out in the Prospectus, when published. This announcement does not constitute a recommendation concerning the Initial Placing and Offer or the Placing Programme and no information in this announcement should be construed as providing financial, investment or other professional advice. The value of the Ordinary and/or C Shares can decrease as well as increase. Past performance or information in this announcement or any of the documents relating to the Issue and/or the Placing Programme cannot be relied upon as a guide to future performance. The returns set out in this announcement are targets only. There is no guarantee that any returns set out in this announcement can be achieved or can be continued if achieved, nor that the Company will make any distributions whatsoever.

Apart from the responsibilities and liabilities, if any, which may be imposed by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, none of the Company, CATCo Investment Management Limited or Numis nor any of their respective affiliates accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. The Company, CATCo Investment Management Limited and Numis and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.