

FOR IMMEDIATE RELEASE

3 June 2019

CATCo Reinsurance Opportunities Fund Ltd. (the “Company”)

Portfolio Update

To: SFS, London Stock Exchange and Bermuda Stock Exchange

Markel CATCo Investment Management Ltd., as Investment Manager of the Company (the “Manager”), announces its intention to increase the specific loss reserves held by the Company in relation to the Ordinary Shares and C Shares for the 2017 and 2018 loss events.

Update on 2018 Events

In September 2018, Typhoon Jebi made landfall in the Japanese Prefecture of Tokushima on Shikoku Island as the equivalent of a Category 3 hurricane. The typhoon made a second landfall on the main island of Honshu where it affected Kobe and Osaka. Typhoon Jebi is the most intense tropical cyclone to make landfall over Japan since Typhoon Yancy in 1993 and is Japan’s largest typhoon-related insurance and reinsurance market loss on record.

Shortly afterwards in October 2018, Hurricane Michael made landfall in the Florida Panhandle as a Category 4 hurricane, the strongest hurricane to affect the Continental U.S. since Hurricane Andrew in 1992. Industry loss estimates for Typhoon Jebi and Hurricane Michael have continued to rise meaningfully since the start of 2019.

Markel CATCo’s Q1 2019 cedant loss reports, most of which were received in the past 15 business days, show that cedant loss reserves have also risen meaningfully during the same period. This increase is principally driven by development on both Typhoon Jebi and Hurricane Michael. As a result of the increase in industry loss information and in reported cedant loss reserves, the Manager has reviewed its estimates of the ultimate cost of the events and concluded that further strengthening of the 2018 loss reserves is required.

Update on 2017 Events

Furthermore, following updated loss notifications from cedants and continued evidence of development in relation to the 2017 loss events, additional strengthening of the 2017 loss reserves is considered necessary by the Manager.

Impact on Net Asset Value – C Shares

The impact of the loss reserve increase is estimated to be approximately 18 per cent of the 30 April 2019 C Share Net Asset Value (“NAV”). The increase will be accounted for within the 31 May 2019 NAV. On a normalised basis, this represents a c. 11 per cent deterioration in the 2018 annual performance. After this adjustment the estimated C share NAV will be c. \$0.5030 (pre premium attribution for the month of May).

Impact on Net Asset Value – Ordinary Shares

The impact of the 2017 and 2018 loss reserve increases are estimated to be approximately 13 per cent and 8 per cent respectively of the 30 April 2019 Ordinary Share Net Asset Value (“NAV”). The increase will be accounted for within the 31 May 2019 NAV. On a normalised basis, this represents a c. 3.5 per cent

deterioration in the 2017 annual performance. When combining the impact of 2017 and 2018 loss reserve adjustments the estimated Ordinary share NAV is c. \$0.2616 (pre premium attribution for the month of May).

The Company intends to report the 31 May 2019 Net Asset Values for the Company's Ordinary Shares and C Shares in mid-June 2019.

Further Information

As a cautionary statement, if significant loss development continues to emerge, particularly in relation to Typhoon Jebi and Hurricane Michael, loss reserves will need to increase further, resulting in additional material decreases to the NAV.

In the meantime, the Manager will continue to closely monitor cedant reporting during 2019 along with associated industry loss updates and related market sentiment in the coming months to make an informed decision on any further reserve adjustments required.

The Manager will be hosting a webinar for Shareholders at 3pm UK time on Monday, 24 June. Shareholders can click [here](#) to register.

This Announcement contains Inside Information as defined under the Market Abuse Regulation (EU) No. 596/2014.

The information communicated in this update contains certain statements that are or may be forward looking. These statements typically contain words such as "expects", "anticipates", "may", "will", "should", "target" and "estimate" and words of similar import. By their nature forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Due to various risks and uncertainties, including, without limitation, the outcome of the governmental inquiries previously disclosed and capital and claims submitted for any covered event exceeding estimates, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements.

For further information:

Markel CATCo Investment Management Ltd.

Judith Wynne

General Counsel

Telephone: +1 441 493 9005

Email: judith.wynne@markelcatco.com

Mark Way

Chief of Investor Marketing

Telephone: +1 441 493 9001

Email: mark.way@markelcatco.com

Numis Securities Limited

David Benda / Hugh Jonathan

Telephone: +44 (0) 20 7260 1000