

Lancashire Holdings Limited

18 June 2007

HOLDING IN COMPANY

Lancashire Holdings Limited (the "Company") was advised on 15 June 2007 that as a result of sales of common shares of US\$ 0.50 each ("Common Shares") Caisse de dépôt et placement du Québec's notifiable interest in the Company's Common Shares decreased from 11.56% to 10.54% of the total issued share capital.

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About Lancashire

Lancashire, through its UK and Bermuda-based insurance subsidiaries, is a global provider of specialty insurance products. Its insurance subsidiaries carry the Lancashire group rating of A minus (Excellent) from A.M. Best with a stable outlook. Lancashire has capital in excess of US\$1 billion and its common shares trade on AIM under the ticker symbol LRE. Lancashire is headquartered at Mintflower Place, 8 Par-La-Ville Road, Hamilton HM 08, Bermuda. The mailing address is Lancashire Holdings Limited, P.O. Box HM 2358, Hamilton HM HX, Bermuda. For more information on Lancashire, visit the Company's website at www.lancashiregroup.com.