

Lancashire Holdings Limited
17 August 2007

Director Shareholding

Lancashire Holdings Limited (the “Company”) was advised today that Neil McConachie, a director of the Company, has sold 148,025 common shares in the Company at a price of 332 pence each. The sale took place today. Neil McConachie's total holding of shares in the Company following the sale is 27,500.

For further information, please contact:

Lancashire Holdings

Neil McConachie

+1 441 278 8950

Greg Lunn

+1 441 278 8953

Financial Dynamics

Robert Bailhache

+44 20 7269 7200

www.lancashiregroup.com

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.