

Lancashire Holdings Limited
17 August 2007

Exercise of Warrants and AIM Rule 26 Information

Lancashire Holdings Limited (the "Company") applied on 15 August 2007 for 148,025 new common shares of US\$0.50 each in the Company to be admitted to AIM. The new shares have been issued pursuant to an exercise of warrants to purchase the Company's common shares. Admission of the new shares is expected to occur on 21 August 2007.

Following the issue of the new shares, the Company's issued share capital consists of 195,924,011 common shares.

The Company confirms, for the purposes of AIM Rule 26, that its website address is www.lancashiregroup.com

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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.