

Lancashire Holdings Limited

Hamilton, Bermuda, 14 December 2007

Purchase of own shares for cancellation

Lancashire Holdings Ltd announces that on 14 December 2007 it purchased for cancellation 425,000 ordinary shares at a price of 364p pence per share through Numis Securities Limited.

For further information, please contact:

Lancashire Holdings Limited +1 441 278 8950

Greg Lunn

Financial Dynamics +44 20 7269 7200

Rob Bailhache

Nick Henderson

Kekst & Company Inc.

Michael Herley +1 212 521 4897

Mark Semer +1 212 521 4802

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 \$1 billion dollars 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