

Lancashire Holdings Ltd

Hamilton, Bermuda, 1 August 2008

Transaction in own shares

Lancashire Holdings Ltd announces that it has purchased 48,863 Ordinary Shares at an average price of 305.06 pence per share (\$6.04 per share at the current exchange rate).

The highest price and the lowest price paid for these shares were 307.25 pence and 301.25 pence respectively. All the purchased shares will be held as Treasury shares.

Following the above purchase, the Company holds 7,349,484 Ordinary Shares in Treasury.

The Company has 174,933,611 Ordinary Shares in issue (excluding Treasury shares).

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

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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 \$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