

Lancashire Holdings Limited

16 February 2009
Hamilton, Bermuda

Admission to the Official List and to trading on the London Stock Exchange's market for listed securities

Lancashire Holdings Limited ("Lancashire" or the "Company") today announces that, further to the announcement on 6 October 2008 of its intention to apply for admission of its common shares to the Official List of the UK Listing Authority (the "Official List"), an application will be made for the Company's common share capital to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities ("Admission") and pursuant to Rule 41 of the AIM Rules the Company hereby gives notice of the intended cancellation of trading of the Company's common shares on AIM, a market operated by the London Stock Exchange.

It is expected that Admission will become effective and dealings in Lancashire's common shares on the Official List will commence at 8.00 a.m. on 16 March 2009, subject to receipt of the necessary approvals from the UK Listing Authority and the London Stock Exchange. Cancellation of trading in the Company's common shares on AIM is expected to occur at the same time. No new shares of the Company are being issued.

Since its admission to AIM in 2005, the Company has both grown significantly and matured as an insurance underwriter and the directors of Lancashire believe that a move to the Official List is now appropriate for the next stage of the Company's development. The directors also believe that due to the higher number of institutional investors who regularly trade in companies admitted to the Official List and the higher profile of such companies, the Company will be better placed to achieve improved liquidity and visibility in its common shares following Admission. Furthermore, the directors believe that a move to the Official List will improve the Company's profile in the insurance market and increase public awareness of Lancashire. This move underlines the success and progress that the Lancashire Group has made since December 2005.

A prospectus prepared by the Company in connection with Admission will be published shortly before Admission takes place with a copy submitted to the Financial Services Authority for publication through the document viewing facility which is situated at The Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS. A copy of the published prospectus will also be available for viewing on the Company's website at www.lancashiregroup.com.

Merrill Lynch International has been appointed as sponsor to the Company in relation to the Admission.

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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 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.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

CERTAIN STATEMENTS MADE IN THIS ANNOUNCEMENT THAT ARE NOT BASED ON CURRENT OR HISTORICAL FACTS ARE FORWARD-LOOKING IN NATURE INCLUDING, WITHOUT LIMITATION, STATEMENTS CONTAINING WORDS 'BELIEVES', 'ANTICIPATES', 'PLANS', 'PROJECTS', 'INTENDS', 'EXPECTS', 'ESTIMATES', 'PREDICTS', 'MAY', 'WILL', 'SEEKS', 'SHOULD' OR, IN EACH CASE, THEIR NEGATIVE OR COMPARABLE TERMINOLOGY. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDING, WITHOUT LIMITATION, THOSE REGARDING THE GROUP'S FINANCIAL POSITION, RESULTS OF OPERATIONS, LIQUIDITY, PROSPECTS, GROWTH, BUSINESS STRATEGY, PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS (INCLUDING DEVELOPMENT PLANS AND OBJECTIVES RELATING TO THE GROUP'S INSURANCE BUSINESS) ARE FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE GROUP TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS AT THE DATE OF THIS ANNOUNCEMENT OR OTHER INFORMATION CONCERNED. LANCASHIRE HOLDINGS LIMITED EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING (SAVE AS REQUIRED TO COMPLY WITH ANY LEGAL OR REGULATORY OBLIGATIONS (INCLUDING THE AIM RULES)) TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN TO REFLECT ANY CHANGES IN THE GROUP'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.