

Press Release

AEGIS LONDON ANNOUNCES FURTHER PAYMENTS TO ITS MEMBERS

London, 25 May 2007 – AEGIS London, the UK-based subsidiary of AEGIS (Associated Electric & Gas Insurance Services Limited), has announced the third round of payments due to its members under its *Premium Credit Programme*.

To date, AEGIS London has paid a total of US\$2.85 million to 131 eligible members and policyholders of the mutual energy specialist who placed business with AEGIS Energy Syndicate 1225 in 2005 and 2006. It has today announced the approval of a further \$2.5 million of premium credit payments.

Stuart Davies, Managing Director of AEGIS London, commented: “Following our strong performance for the 2004 underwriting year, we have the opportunity to reward our members for their continued loyalty.

“As a mutual, our members are our primary focus so we are delighted to be able to offer them this additional benefit. “

The *Premium Credit Programme* is based on a program operated by AEGIS in the US which rewards members of AEGIS, predominantly US energy companies, for continuing to place their insurance with the organisation. The London version of the programme was announced in July 2004.

Payments to offset premiums paid to the syndicate are due to those who placed profitable insurance business with the syndicate in 2004 and continue to place business in 2007.

The total 2007 premium credit pool of \$2.5 million is based upon the financial results for the 2004 underwriting year. This pool is divided between eligible

AEGIS members and policyholders in proportion to their contribution to the syndicate's 2004 results.

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Enquires:

Damian Beeley or Adrian Beeby
FWD – PR for AEGIS

(T) 020 7623 2368

Notes to Editors

AEGIS London is the UK-based subsidiary of AEGIS (Associated Electric & Gas Insurance Services Limited). It operates AEGIS Energy Syndicate 1225 which has a capacity of £221 million for 2007.

The syndicate was originally created to provide global insurance facilities for AEGIS members. Its focus has now widened and includes leading a wide range of onshore and offshore energy risks in the Lloyd's market. As a result of this success the AEGIS London team has expanded to 70 people over the last five years.

AEGIS London is focused on providing cover for a wide range of clients in the global energy market, especially:

- Indigenous utilities in various countries, including the US
- Owners of international power projects
- Oil and gas accounts, including all aspects of oil and gas exploration, production, storage, transmission and processing
- Various contractors serving these market sectors

The main areas of cover provided are:

- Power utility
- Offshore energy
- Non-marine property
- Non-marine casualty
- Marine casualty
- Cargo, Specie, War and Terrorism

AEGIS

(Associated Electric & Gas Insurance Services Limited)

AEGIS is a mutual insurance company owned by its policyholder members, with gross written premiums of more than US \$1 billion. It was established in Bermuda in 1975, and is an eligible surplus lines insurer in most jurisdictions in the United States.

AEGIS aims to provide its members with superior insurance and risk management products through a secure and stable market to enable members to achieve the lowest overall long-term cost of risk. Industry sectors covered include gas and electric utilities, related energy companies, water

utilities, pipeline companies, transmission & distribution companies, and oil and gas exploration and production companies.