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13 October 2017

CATCo Reinsurance Opportunities Fund Ltd.

(the "Company" or "CATCo")

Publication of Circular and Notice of Special General Meeting

Following the Company's announcement on 2 October 2017 in relation to its intention to raise additional capital, CATCo Reinsurance Opportunities Fund Ltd. announces that it is convening a special general meeting (the "SGM") to be held at 10th Floor East, 141 Front Street, Hamilton HM19, Bermuda at 9.00 a.m. (Bermuda time) (1.00 p.m. London time) on 7 November 2017 to consider and, if thought fit, pass the resolutions detailed below. Resolution 1 will be proposed as an ordinary resolution. Resolution 2 will be proposed as a special resolution. In addition, the Company announces that it is intending to publish a prospectus in relation to an Initial Placing and Offer and a subsequent Placing Programme of C Shares in early November 2017.

RESOLUTION 1

THAT, the authorised share capital of the Company of US\$74,019,867.40 divided into 1,500,000,000 unclassified shares of US\$0.0001 and B shares of such nominal value as the Directors may determine upon issue be redesignated such that it is divided into 2,500,000,000 unclassified shares of US\$0.0001 and B shares of such nominal value as the Directors may determine upon issue, each having the rights and being subject to the restrictions as set out in the Bye-Laws of the Company, and the Company be and is hereby generally and unconditionally authorised to make such filings and take such other actions as may be required to implement the re-designation of the authorised share capital.

RESOLUTION 2

THAT, in addition to any subsisting authorities, the Directors be and are hereby empowered to allot New Shares as if, pursuant to Bye-law 5.6 of the Company's Bye-laws, Bye-law 5.2 is excluded in respect of any such allotment provided that:

- a) Bye-law 5.2 is excluded in respect of the allotment of up to 2 billion New Shares (being the maximum number of New Shares that could be issued pursuant to the Initial Placing and Offer and the Placing Programme), which may be issued as Ordinary Shares and/or C Shares (of one or more classes) at the discretion of the Directors;

- b) such exclusion of Bye-law 5.2 shall be limited to the allotment of New Shares under the Initial Placing and Offer and the Placing Programme; and
- c) such exclusion of Bye-law 5.2 shall expire on 6 November 2018 (unless previously renewed, revoked or varied by the Company by special resolution).

A circular to shareholders, together with a notice convening the SGM and certain ancillary documents, will be posted to shareholders today and can be viewed via the National Storage Mechanism which is located at <http://www.hemscott.com/nsm.do>. A copy of the circular will be available to download from CATCo's website at <http://www.markelcatco.com>.

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The information in this announcement should be read in conjunction with the full text of the Circular issued by CATCo Reinsurance Opportunities Fund Limited, dated 13 October 2017. Capitalised terms used in this announcement shall, unless the context otherwise requires, bear the meaning given to them in the Circular.

EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Direction or CREST Proxy Instructions from the Depositary Interest Holders for the Special General Meeting	9.00 a.m. (Bermuda time) (12.00 p.m. London time) on 2 November 2017
Latest time and date for receipt of Forms of Proxy for the Special General Meeting	9.00 a.m. (Bermuda time) (12.00 p.m. London time) on 3 November 2017
Special General Meeting	9.00 a.m. (Bermuda time) (1.00 p.m. London time) on 7 November 2017

(In the event that the Special General Meeting is adjourned, the timetable will be revised and Shareholders will be notified accordingly).

INTRODUCTION

On 2 October 2017, the Company announced its intention to raise further equity capital. It intends to do so through the issue of up to 2 billion New Shares over a twelve month period by way of an Initial Placing and Offer and a subsequent Placing Programme. The maximum size of 2 billion New Shares is not a target and is intended to afford the Board the flexibility to satisfy demand for New Shares throughout the life of the fundraising programme. A prospectus in relation to the Initial Placing and Offer is expected to be published in early November.

In order to be able to allot and issue the maximum number of New Shares under the Initial Placing and Offer and the Placing Programme (being 2 billion), the Company is proposing to re-designate the authorised share capital of the Company such that it is divided into 2,500,000,000 unclassified shares of US\$0.0001 each and B Shares of such nominal value as the Directors may determine upon issue. In addition, as neither the Initial Placing and Offer nor the Placing Programme is pre-emptive, the Company is proposing to disapply the pre-emption rights contained in the Bye-laws for the purposes of such capital raising. Each of these proposals requires the approval of Shareholders.

BACKGROUND TO AND REASONS FOR THE INITIAL PLACING AND OFFER AND THE PLACING PROGRAMME

After due consideration of the Company's strategy, the Board has concluded that it is now an appropriate time to seek to raise additional capital for the Company by way of an Initial Placing and Offer of C Shares. The Board is also proposing a Placing Programme under which it will be able to issue New Shares in a series of Subsequent Placings. New Shares issued pursuant to the Placing Programme may be issued as Ordinary Shares and/or C Shares at the discretion of the Directors.

The Company intends to use the net proceeds of the Initial Placing and Offer and the Placing Programme for the purpose of achieving the investment objective of the Company, being to seek to provide investors with significant capital returns and long-term distributions at a level which is sustainable by investing substantially all of the proceeds in the Master Fund.

The Directors believe that the Initial Placing and Offer and the Placing Programme will have the following benefits:

- a) enable existing Shareholders to subscribe for New Shares and provide other investors with an opportunity to make an investment in the Company (thereby broadening the shareholder base);
- b) increase the market capitalisation of the Company, which (following the conversion of C Shares into Ordinary Shares, if applicable) the Directors expect to improve the secondary market liquidity of the Ordinary Shares;
- c) facilitate the Company's raising of further equity capital by permitting the Company to offer New Shares that are not exposed to material liabilities or potential material liabilities arising from events that pre-date the issuance of such New Shares; and
- d) the Company's fixed running costs will be spread across a wider equity base, thereby reducing the Company's ongoing expense ratio.

OVERVIEW OF THE INITIAL PLACING AND OFFER AND THE PLACING PROGRAMME

The Company is seeking to issue in aggregate up to 2 billion New Shares over a twelve month period by way of the Initial Placing and Offer and the Placing Programme. The maximum size of 2 billion New Shares is not a target and is intended to afford the Board the flexibility to satisfy demand for New Shares throughout the life of the fundraising programme.

New Shares issued pursuant to the Initial Placing and Offer will be issued as C Shares. The assets attributable to such C Shares will be held in cash or near cash until the January 2018 reinsurance renewals, following which they are expected to be fully invested in accordance with the Company's investment policy. Such C Shares are expected to be converted into Ordinary Shares shortly after the date on which the Side Pocket Investment(s) attributable to 2016 and 2017 are no longer designated as such or such Side Pocket Investments are no longer material (as may be determined by the Directors in their absolute discretion).

New Shares issued pursuant to the Placing Programme may be issued as Ordinary Shares and/or C Shares at the discretion of the Directors. The Directors expect to issue New Shares pursuant to the Placing Programme as C Shares only in circumstances where:

- a) the Company is raising capital which it does not expect to be able to fully deploy shortly after issue, as issuing C Shares reduces the risk of cash drag to the Ordinary Shareholders; or
- b) during any period when the Master Fund has designated one or more investments as a Side Pocket Investment, in order to ensure that investors are not unduly exposed to potential losses and premiums that the Directors (in their absolute discretion) believe may be material taking into account the materiality of the value of the Side Pocket Investments as a percentage of the latest published Net Asset Value of the Company and such other factors as the Directors consider to be relevant,

(although there may be other circumstances in which the Directors consider that it is in the best interests of the Company to issue C Shares pursuant to the Placing Programme).

Issue Price

C Shares issued under the Initial Placing and Offer will be issued at US\$1.00 per C Share.

All New Shares issued as Ordinary Shares or (where C Shares of the same class are already in issue) C Shares pursuant to the Placing Programme will be issued at a premium to the latest published Net Asset Value per Ordinary Share or C Share of that class (as the case may be) which is at least sufficient to cover the costs and expenses of the relevant placing. In determining the relevant Issue Price, the Directors will also take into consideration, inter alia, the prevailing market conditions at that time. All New Shares issued as C Shares (where C Shares of the same class are not already in issue) under the Placing Programme will be issued at US\$1.00 per C Share.

Costs associated with the Initial Placing and Offer and the Placing Programme

The holders of C Shares issued pursuant to the Initial Placing and Offer will bear the costs of the Initial Placing and Offer up to a maximum amount of two per cent. of the gross proceeds of the Initial Placing and Offer. Any costs in excess of this amount shall be borne out of the Company's existing cash reserves and therefore borne, indirectly, by holders of existing Ordinary Shares. These are not expected to be material to holders of Ordinary Shares. By way of example, if gross proceeds of US\$200 million are raised under the Initial Placing and Offer (on the basis that 200 million New Shares are issued as C Shares at an Issue Price of US\$1.00 per New Share), the costs and expenses of the Initial Placing and Offer are expected to be approximately US\$4.5 million, in which case US\$4 million of such costs and expenses (being two per cent. of the gross proceeds of the Initial Placing and Offer) would be met by the Company from the gross proceeds of the Initial Placing and Offer, and US\$0.5 million would be met by the Company from its existing cash reserves, equating to less than US\$0.002 per existing Ordinary Share.

In contrast to the Initial Placing and Offer, there is no maximum amount of costs that will be met by the Company from the gross proceeds of a Subsequent Placing under the Placing Programme (and all such costs will therefore be borne, indirectly, by the holders of the New Shares issued pursuant to the applicable Subsequent Placing).

Dealings

Applications will be made to the London Stock Exchange for all of the New Shares issued pursuant to the Initial Placing and Offer and the Placing Programme to be admitted to trading on the Specialist Fund Segment. It is expected that Admission in respect of the Initial Placing and Offer will become effective, and that dealings in the New Shares issued pursuant to the Initial Placing and Offer will

commence, on 1 December 2017. It is expected that Admissions in respect of the Placing Programme will become effective, and that dealings for normal settlement in the New Shares issued pursuant to the Placing Programme will take place, between the Initial Admission and 6 November 2018.

Applications for a secondary listing will be made to the BSX for all of the New Shares issued pursuant to the Initial Placing and Offer and the Placing Programme to be admitted to trading on the BSX.

RE-DESIGNATION OF SHARE CAPITAL

The authorised share capital of the Company is US\$74,019,867.40 divided into 1,500,000,000 unclassified shares of US\$0.0001 each and B Shares of such nominal value as the Directors may determine upon issue. Re-designation of the authorised share capital of the Company requires the approval of Shareholders by an ordinary resolution

In order to be able to allot and issue the maximum number of New Shares under the Initial Placing and Offer and the Placing Programme (being 2 billion New Shares), the Board is proposing to re-designate the authorised share capital of the Company such that it is divided into 2,500,000,000 unclassified shares of US\$0.0001 each and B Shares of such nominal value as the Directors may determine upon issue.

DISAPPLICATION OF PRE-EMPTION RIGHTS

The Company's Bye-laws give Shareholders pre-emption rights over any issue of further Shares of a class held by such Shareholders. The pre-emption rights may be disappplied pursuant to a special resolution of Shareholders.

As neither the Initial Placing and Offer nor the Placing Programme is pre-emptive, Shareholders are being asked to approve the allotment and issue of up to 2 billion New Shares (being the maximum number of New Shares that could be issued pursuant to the Initial Placing and Offer and the Placing Programme in the aggregate) as Ordinary Shares and/or C Shares at the discretion of the Directors. Such approval will expire on 6 November 2018 regardless of whether any New Shares have been issued before that time and will be limited to the allotment and issue of New Shares pursuant to the Initial Placing and Offer and the Placing Programme.

The Initial Placing and Offer and the Placing Programme are conditional upon, amongst other things, the Resolutions being duly passed at the Special General Meeting.

THE SPECIAL GENERAL MEETING

The Special General Meeting will be held at the office of Markel CATCo Investment Management Ltd. at 10th Floor East, 141 Front Street, Hamilton HM19, Bermuda on 7 November 2017. Notice of the Special General Meeting is set out in Part 2 of the Circular.

RECOMMENDATION

The Directors are of the opinion that the Proposals and the Resolutions to be proposed at the Special General Meeting are in the best interests of the Company and the Shareholders as a whole. The Directors unanimously recommend that Shareholders vote in favour of the Resolutions as the Directors intend to do for their respective individual beneficial holdings of, in aggregate, 185,901 existing Ordinary Shares, representing approximately 0.05 per cent of the current total issued share capital of the Company.

Numis, which is authorised and regulated by the Financial Conduct Authority, is acting only for the Company in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of Numis or advice to any other person in relation to the matters contained herein.

The shares of the Company have not been, nor will they be, registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan, New Zealand or South Africa. Further, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended. Subject to certain exceptions, the shares of the Company may not be offered or sold in any Member State of the European Economic Area (other than the United Kingdom), the United States of America, Canada, Australia, Japan, New Zealand or South Africa or to or for the account or benefit of any national, resident or citizen of any Member State of the European Economic Area (other than the United Kingdom), Canada, Australia, Japan, New Zealand or South Africa or any person located in the United States. The distribution of this announcement in other jurisdictions may be restricted by law and the persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.