



FOR IMMEDIATE RELEASE

18 December 2018

CATCo Reinsurance Opportunities Fund Ltd. (the "Company")

Portfolio Update

To: SFS, London Stock Exchange and Bermuda Stock Exchange

Markel CATCo Investment Management Ltd., as Investment Manager of the Company (the "Manager"), announces its intention to establish specific loss reserves for the 30 November 2018 Net Asset Value (NAV) held by the Company in relation to 2018 major loss events.

As previously noted, the Company's Ordinary Shareholders and C Shareholders are exposed to potential losses arising from 2018 major loss events, including Hurricane Florence, Hurricane Michael, Typhoon Jebi, and the California Wildfires (Camp and Woolsey). The Manager has estimated the specific loss reserves required to cover 2018 major events and to be recorded within the 30 November 2018 NAV will be c. 23% for Ordinary Shares and c. 45% for C Shares. Estimated impacts are based on the 31 October NAV (inclusive of the 8 December 2018 announcement of the estimated reduction of the Ordinary Share Side Pocket Investment due to the 2017 specific loss reserve strengthening).

Recent insurance market reports have indicated Hurricane Florence is expected to result in industry insured losses at levels that will now exceed levels that would be absorbed by the attritional reserve. In addition, market reports have indicated that Hurricane Michael industry insured losses are also expected to reach or exceed the upper end of preliminary industry insured loss estimates. Therefore, a portion of the 30 November 2018 specific loss reserve will be used to cover potential portfolio exposure for both of these events.

Further, preliminary industry insured loss estimates have placed the total industry insured loss for the California Wildfire events, Camp and Woolsey, at c. USD 14 billion. The Manager has assumed that additional loss increases may develop beyond preliminary estimates, as was observed during the 2017 California Wildfire events. Therefore, the Manager has established a preliminary reserve for these events assuming the combined industry insured losses may increase significantly beyond the current reported levels of loss. It is also assumed that losses on Camp and Woolsey will result in material exposure to cedants who have both first and second event coverage for wildfire events.

It should be noted that significant levels of uncertainty will remain on 2018 events, especially as it relates to the California Wildfires. Preliminary reserves have been established based on very early information, including catastrophe modeled data, industry insured loss estimates, and early advice from brokers and cedants. Formal loss advices from cedants are not expected to be received on 2018 major events until year-end 2018, or further into 2019. Specific reserves will be re-assessed for sufficiency following the receipt of formal cedant loss reports. Therefore, it is possible that the expected portfolio exposure to 2018 loss events could change, resulting in either an increase or decrease to reserves, after further information has been made available.

The Manager expects the 30 November 2018 NAV to be released by 24 December 2018.

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