

CATCo Reinsurance Opportunities Fund Ltd. (“the Company”)

Portfolio Update – Midwestern Tornadoes Outbreak

To: SFM, London Stock Exchange and
Bermuda Stock Exchange

Date: 23 May 2013

Between 18-21 May 2013, a significant tornado outbreak affected parts of the Midwestern United States and lower Great Plains. On 18 May, a slow moving weather trough crossed the Rockies and traversed the western Great Plains with a few tornadoes touching down that day over Kansas and Nebraska.

The following day, activity shifted only slightly eastward, with many tornadoes occurring over Oklahoma, Kansas, Iowa, Missouri, and Illinois. In Oklahoma, two violent tornadoes caused significant damage in rural areas of the eastern Oklahoma City metropolitan area with two people killed in Shawnee. However, the most destructive events unfolded on 20 May as a large EF5 tornado devastated parts of Moore, Oklahoma, with 24 people being killed. Thousands of structures were destroyed, with many being completely destroyed.

Whilst it is too early for the industry, and indeed CATCo Investment Management Ltd (the “Managers”), to confirm a definitive magnitude of the retrocessional insured loss, early estimates from one insurance-risk modeling firm suggest that the “100%” replacement value of properties within a 0.4-mile buffer zone around the affected area was USD 2.2 billion and within a 1-mile buffer zone of the storm track the “100%” replacement value was USD 6.4 billion.

This is not an insured loss estimate, but represents a “total” replacement value assuming all properties were completely destroyed in this area. At the lower and higher ranges of this 100% replacement value estimate, the modeled impact to the Company’s 2013 retrocessional portfolio net returns is 0% and 5%, respectively.

It is the Manager’s opinion that the insured losses related to this event will be below \$5bn which would have no meaningful impact to the current portfolio. The Manager will continue to work closely with our reinsurance counterparties, and the market, to be able to provide as much information as possible when it becomes available.

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