

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

Announcement of Contingent Distribution to Ordinary Shareholders

To: SFM, London Stock Exchange
and the Bermuda Stock Exchange

Date: 14 January 2014

On the 2 August 2012, the Board of Directors announced that it had declared a distribution (the "Distribution") to Ordinary Shareholders of any proceeds it received in connection with that part of its investment in CATCo Diversified Fund (the "Master Fund"), a segregated account of CATCo Reinsurance Fund Ltd. (the "Master Fund SAC"), which was exposed to potential losses arising from the Master Fund's investment in reinsurance contracts linked to the New Zealand earthquake that occurred on 22 February 2011 and the Japan earthquake that occurred on 11 March 2011 (together, the "NZ and Japan Exposures").

There remains no further liability associated with the New Zealand earthquake as this loss was representative of the Company's side pocket investment.

However, with regard to the Japan earthquake, any payment of any Distribution was conditional upon the Company receiving the proceeds from the Master Fund in relation to this exposure. Following negotiation, a full and final commutation has been agreed with the counterparty holding that reinsurance contract. As a result, the Board of Directors declare a contingent distribution to Ordinary Shareholders of \$0.02887 cent per share. The distribution will have a record date of 10 August 2012 and an associated ex-dividend date of 8 August 2012. The Distribution will be paid on 24 January 2014.

This represents a 3.0% restated capital return for the year to 31 December 2011.

-Ends-

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