

ANNOUNCEMENT

Aurigen Completes Embedded Value Securitization

HAMILTON, BERMUDA – DECEMBER 28, 2011

Aurigen Capital Limited is pleased to announce the successful placement of CAD 120 million of notes issued by its indirect subsidiary, Vecta I Ltd. This marks the first ever securitization of Canadian life insurance embedded value.

“We are very excited to have completed the very first Canadian embedded value securitization”, said Alan Ryder, President and CEO of Aurigen Capital Limited. “This transaction demonstrates Aurigen’s leadership, innovation and access to the capital markets. It greatly diversifies our existing capital structure and provides Aurigen with a substantial amount of additional capital to continue the development of its business.”

The transaction is sponsored by Aurigen Reinsurance Ltd. (“ARL”) and covers a closed block of policies reinsured by ARL between 2008 and 2010. Principal repayment on the notes is linked to the emergence of future profits on the subject business consisting of twelve life reinsurance treaties written by Aurigen Reinsurance Company, an affiliate of ARL, from six separate life-insurance companies.

The transaction includes a single tranche of notes rated BBB+ (sf) by Standard and Poor’s. The notes have an expected maturity of 6.25 years and a coupon rate of 8.0%. Credit Agricole Securities and Swiss Re Capital Markets acted as joint book runners on the transaction. Independent third-party risk analysis for the notes was provided by Oliver Wyman.

Vecta I Ltd. was incorporated under the laws of Bermuda, for the limited purpose of issuing the notes, entering into a retrocession agreement with ARL, and engaging in other actions that are incidental to and necessary or convenient for these activities.

The Vecta I notes were sold in a private placement pursuant to Rule 144A of the U.S. Securities Act of 1933, as amended, (the “Securities Act”) and have not been registered under the Securities Act or any state securities laws; they may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.



About Aurigen

Aurigen's core business is the reinsurance of individual life insurance policies. It has 40 employees and is currently licensed to transact life reinsurance in Canada and Bermuda. Aurigen's operating life reinsurance companies each have financial strength ratings of A- (Excellent) from A.M. Best, life reinsurance in force in excess of CAD \$20 billion and consolidated assets in excess of CAD \$350 million.

For more information about Aurigen please visit www.AurigenRe.com or contact:

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