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FOR IMMEDIATE RELEASE

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ANNUITY & LIFE RE FOURTH QUARTER 2008 EARNINGS REPORT

Hamilton, Bermuda, March 31, 2009 6:30 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.PK) today reported financial results for the three months and year ended December 31, 2008. The Company reported a net loss of \$(634,818) or \$(0.03) per fully diluted share for the three months ended December 31, 2008, as compared to a net loss of \$(16,957,644) or \$(0.69) per fully diluted share for the three months ended December 31, 2007. The Company reported a net loss of \$(1,201,597) or \$(0.05) per fully diluted share for the year ended December 31, 2008, as compared to a net loss of \$(18,648,815) or \$(0.75) per fully diluted share for the year ended December 31, 2007.

There were no net realized investment gains or losses for the three months ended December 31, 2008 and December 31, 2007. Net realized investment gains for the year ended December 31, 2008 were \$21,017, as compared with net realized investment gains of \$94,780 for the year ended December 31, 2007.

Gross unrealized gains on the Company's investments were \$212,325 as of December 31, 2008, as compared to gross unrealized gains of \$281,209 at December 31, 2007. The Company's investment portfolio currently maintains an average credit quality of AA. Cash used by operations for the year ended December 31, 2008 was \$17,968,312 as compared to cash used by operations of \$259,550 for the year ended December 31, 2007.

In February 2008 the Company settled its dispute with Transamerica concerning an Agreement to novate certain reinsurance contracts to Transamerica effective December 31, 2004 and also closed on the sale of its U.S. operating subsidiary. (For additional information, please refer to Notes 3 and 11 to the Company's financial statements.)

The Company continues to explore strategic alternatives to attempt to maximize its economic value for shareholders. A cash distribution (return of capital) of \$0.50 per share on the Company's common shares was paid on May 15, 2008. The Company is in discussions with a third party regarding the possible sale of the Company. Any such sale would be presented to shareholders for their approval.

Annuity and Life Re (Holdings), Ltd. provides annuity and life reinsurance to insurers through its wholly owned subsidiaries, Annuity and Life Reassurance, Ltd. and Annuity and Life Reassurance America, Inc.

This press release and the Company's audited financial statements are available from the Company's website at www.alre.bm.