



Annuity  
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FOR IMMEDIATE RELEASE

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ANNUITY & LIFE RE ANNOUNCES AMALGAMATION AGREEMENT

Hamilton, Bermuda, July 15, 2009 5:00 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.PK) (the "Company") today announces that its Board of Directors has executed an amalgamation agreement with Pope Limited and Pope Limited's sole shareholder, Pope Investments II LLC.

The amalgamation agreement will now be proposed for approval by the Company's shareholders. A proxy and accompanying proxy statement will be mailed out in the near future pursuant to which shareholders will be invited to vote on the proposed amalgamation. If approved, each outstanding common share of the Company would be replaced by a cash payment of the amalgamation consideration. The amalgamation consideration will be subject to adjustment based on the actual shareholders' equity at closing. As such, the amalgamation consideration per common share of the Company cannot be precisely determined at this time, although, based on recent financial results, it is estimated to be in the range of \$0.43 to \$0.44 per share.

Further details will be provided in the proxy and accompanying proxy statement which will be mailed to all shareholders.

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

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by the Company or on its behalf. All statements which address operating performance, events, or developments that the Company expects or anticipates may occur in the future are forward-looking statements. These statements are made on the basis of management's views and assumptions; as a result, there can be no assurance that management's expectations will necessarily come to pass. The Company cautions that actual results could differ materially from those expressed or implied in forward-looking statements. Important factors that could materially and adversely affect the Company's operations and financial condition and/or cause the Company's actual results of operations or financial condition to differ from those expressed or implied in the Company's forward-looking statements include, but are not necessarily limited to, the Company's ability to meet the obligations associated with the Company's current business and to fund the Company's continuing operations; the loss of a key executive; the Company's success in managing its investments; changes in mortality, morbidity and claims experience; the Company's ability to make accurate estimates and assumptions regarding future mortality, persistency, lapses, expenses and investment performance based upon historical results and information provided to it by its cedants; changes in market conditions, including changes in interest levels; regulatory changes; and a prolonged economic downturn. Investors are also directed to consider the risks and uncertainties discussed in the Company's 2008 Annual Report to Shareholders for the year ended December 31, 2007. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on the Company's behalf.

This press release and the Company's financial statements are available from the Company's website at [www.alre.bm](http://www.alre.bm). The proxy will also be available on the website once it is mailed.