



# Annuity & Life Re

## FOR IMMEDIATE RELEASE

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## ANNUITY & LIFE RE AND TRANSAMERICA SETTLE DISPUTE

Hamilton, Bermuda, February 27, 2008 5:00 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.PK) today announced that it has resolved its disputes with Transamerica concerning the novation to Transamerica of the Company’s reinsurance contracts with F&G and Scottish Re. The novations were effective December 31, 2004, and had been the subject of arbitration and other proceedings.

Pursuant to the settlement agreement relating to the F&G business, the Company will pay Transamerica \$3 million. Although the agreement discharges the Company from any further post-novation liabilities, the Company remains responsible for pre-novation activity on the F&G business.

The settlement agreement regarding the Scottish Re business was a three-party agreement among the Company, Transamerica and Scottish Re. Pursuant to that agreement, the Company will pay Transamerica \$2.5 million and Scottish Re \$11,067,208 to settle all claims. The agreement discharges the Company from all future liabilities to Transamerica or Scottish Re.

(For additional information, please refer to Notes 3 and 11 to the Company’s 2006 financial statements and to Note 5 of the September 30, 2007 financial statements.)

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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.

Investors are directed to consider the risks and uncertainties discussed in the Company’s 2006 Annual Report to Shareholders for the year ended December 31, 2006. This press release and the Company’s financial statements are available from the Company’s website at [www.alre.bm](http://www.alre.bm).