



Annuity & Life Re

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FOR IMMEDIATE RELEASE

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ANNUITY & LIFE RE THIRD QUARTER 2007 EARNINGS REPORT

Hamilton, Bermuda, November 6, 2007 5:00 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.PK) today reported financial results for the three and nine months ended September 30, 2007.

On August 8, 2007, the Company announced that it had reached an agreement to sell its U.S. domiciled insurance company, Annuity & Life Reassurance America, Inc. to an unrelated third party. The sale transaction is subject to regulatory approval and is expected to close prior to March 31, 2008. Upon the closing of the sale transaction, the Company expects to dissolve its U.S based holding company, Annuity & Life Re America, Inc. Accordingly, the Company has recorded the operating results of both of its U. S based subsidiaries as discontinued operations. The Company's continuing operations consists of its Bermuda based operations, Annuity & Life Re (Holdings), Ltd. and Annuity & Life Reassurance, Ltd.

The Company has reported a net loss from continuing operations of \$(88,071) or \$(0.00) per fully diluted share for the three months ended September 30, 2007, as compared to a net loss from continuing operations of \$(212,209) or \$(0.01) per fully diluted share for the three months ended September 30, 2006 and a net loss from continuing operations of \$(133,755) or \$(0.00) per fully diluted share compared to a net loss from continuing operations of \$(1,241,502) or \$(0.05) per fully diluted share for the nine months ended September 30, 2007 and 2006, respectively.

The Company had \$3,323 in investment gains from continuing operations during the three months ended September 30, 2007 compared to a loss of \$(73,795) for the three months ended September 30, 2006 and a gain of \$94,780 for the nine months ended September 30, 2007 compared with net realized investment losses of \$(834,601) for the nine months ended September 30, 2006.

Gross unrealized gains related to the on the Company's investments in fixed income securities was \$24,432 as of September 30, 2007, as compared to gross unrealized losses of \$(188,372) as of December 31, 2006. The Company's investment portfolio currently maintains an average credit quality of AA.

For the three and nine month periods ending September 30, 2007, the Company is reporting a loss from its Discontinued Operations of \$(1,569,992) and \$(1,557,416), respectively. The Company has reported a loss on the sale transaction of Annuity & Life Reassurance America, Inc., its U.S based insurance company of approximately \$1 million and approximately \$0.6 million for the costs associated with the dissolution of its U.S based holding company, Annuity & Life Re America, Inc.

The dispute with Transamerica concerning an Agreement to novate certain reinsurance contracts to Transamerica effective December 31 2004 remains unresolved. The Company has been unable to resolve the dispute through negotiations. The arbitration hearing has been rescheduled for the week of March 17, 2008. (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.)

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.

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 Company's ability to pursue strategic alternatives on favorable terms; the loss of a key executive; the Company's ability to obtain adequate financial ratings; the ability of the Company's cedents to manage successfully assets they hold on the Company's behalf; the Company's success in managing its investments; the Company's ability to list its common shares on a national exchange or automated quotation system; 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 cedents; the Company's ability to underwrite business; unanticipated withdrawal or surrender activity; changes in market conditions, including changes in interest rate levels; the competitive environment; the impact of recent and possible future terrorist attacks and the U.S. government's response thereto; the Company's ability to attract and retain clients; regulatory changes (such as changes in U.S. tax law and insurance regulation that directly affect the competitive environment for the Company's products); and a prolonged economic downturn. Investors are also directed to consider the risks and uncertainties discussed in the Company's 2007 Annual Report to Shareholders for the year ended December 31, 2006. 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.