



Annuity & Life Re

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FOR IMMEDIATE RELEASE

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ANNUITY & LIFE RE FIRST QUARTER 2008 EARNINGS REPORT

Hamilton, Bermuda, May 1, 2008 5:00 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.PK) today reported financial results for the three months ended March 31, 2008. The Company reported a net loss of \$(79,213) or \$.00 per fully diluted share for the three months ended March 31, 2008, as compared to a net gain of \$58,948 or \$.00 per fully diluted share for the three months ended March 31, 2007.

Net realized investment gain for the three months ended March 31, 2008 were \$0, as compared with net realized investment gains of \$91,456 for the three months ended March 31, 2007.

Gross unrealized gains on the Company's investments were \$181,149 as of March 31, 2008, as compared to gross unrealized gains of \$67,931 as of December 31, 2007. The Company's investment portfolio currently maintains an average credit quality of AA. Cash used by operations for the three months ended March 31, 2008 was \$(16,847,599), compared to cash provided by operations of \$112,440 for the three months ended March 31, 2007.

As previously announced, the Company settled the arbitration case with Transamerica on February 27, 2008 and closed on the sale of its U.S. insurance company, Annuity and Life Reassurance America, Inc. on February 29, 2008.

The Company continues to explore strategic alternatives to maximize its economic value for shareholders. A cash distribution of \$0.50 per share will be made on May 15, 2008 to shareholders of record as of April 30, 2008.

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

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