

NEWS RELEASE



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FOR IMMEDIATE RELEASE

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ARIEL REINSURANCE LTD. BEGINS OPERATIONS WITH \$ 1 BILLION IN EQUITY CAPITAL

HAMILTON, Bermuda – December 18, 2005 – Ariel Reinsurance Ltd. commenced underwriting operations as a Class 4 Bermuda licensed reinsurer following funding from its parent company, Ariel Holdings in the amount of \$1 billion.

The transaction was led by The Blackstone Group, Texas Pacific Group, Thomas H. Lee Partners, Oak Hill Capital Partners, Olympus Partners, affiliates of Bain Capital, SAB Capital and Eton Park Capital Management.

The management team is being led by Donald Kramer, Chairman and Chief Executive, with George Rivaz and Mark Herman serving as Co-Presidents.

Ariel Re has its full operational team and all necessary physical facilities in Bermuda to underwrite business for the 2006 fiscal year. In addition the company has received an initial “A-” financial strength rating from A.M. Best Company.

Ariel Re plans to provide meaningful new capacity to the reinsurance market during this period of heightened demand and intends to broaden its business into direct insurance as conditions warrant.

Donald Kramer CEO, commented, “I’m so pleased to be re-united with several of my former colleagues who helped make Tempest Re into such a great success. I know that we can do it again. Today at Ariel Re we have the talent, the capital and all the other resources necessary to build a really important company. I’m truly excited about this opportunity.”

HSBC Securities (USA) Inc. and Grisons Peak Ltd. acted as financial advisors and placement agents for Ariel Holdings Ltd.

Ariel Reinsurance Limited is a wholly owned subsidiary of Ariel Holdings Ltd. a privately owned Bermuda based holding company.