

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the contents of this document or as to the action you should take you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. The whole text of this document should be read.

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# **OMEGA INSURANCE HOLDINGS LIMITED**

*(Incorporated and registered in Bermuda under registration number EC38802)*

## **Notice of Annual General Meeting**

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If you have sold or transferred all of your common shares in the capital of Omega Insurance Holdings Limited ("Common Shares"), please forward this document containing the letter from the Chairman, Notice of AGM, Form of Proxy and Form of Direction together with the accompanying 2006 Annual Report and Accounts to the stockbroker, bank or other agent who arranged the sale or transfer for transmission to the purchaser or transferee. If you have sold or transferred part of your holding of Common Shares you are advised to consult your stockbroker, bank or other agent who arranged the sale or transfer.

Notice of the first Annual General Meeting of Omega Insurance Holdings Limited to be held on 1 June 2007 is set out on pages 5 to 7 of this document. Holders of Common Shares (“Shareholders”) will find at the end of this document a Form of Proxy for use at the Annual General Meeting. Holders of depository interests in the Common Shares will find at the end of this document a Form of Direction by which they can instruct Capita IRG Trustees Limited (“Depository”) to vote in respect of their interests.

**Your attention is also drawn to the letter from the Chairman set out below.**

## **LETTER FROM THE CHAIRMAN OMEGA INSURANCE HOLDINGS LIMITED (the “Company”)**

*(Incorporated and registered in Bermuda under registration number EC38802)*

1 May 2007

**To Shareholders and for information only to holders of depository interests and holders of options under the Company’s share incentive plans**

Dear Shareholder

### **First Annual General Meeting**

The notice for the Company’s first Annual General Meeting to be held at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda on 1 June 2007 at 10:00 a.m. (Bermuda time) is set out on pages 5 to 7 (“Notice of AGM”).

“Bye-laws” when referred to in this document shall mean the Bye-laws of the Company adopted on 8 September 2006.

### **Business of the AGM**

#### **ORDINARY BUSINESS**

At this first Annual General Meeting of the Company resolutions will be proposed as set out in the Notice of AGM to receive and consider the Company’s audited consolidated financial statements for the year ended 31 December 2006, to reappoint Clifford Palmer as a Class III Director (designated pursuant to Bye-law 45.6), to reappoint Nicholas Warren as a Class III Director, to reappoint the Company’s auditors, to authorise the Company’s board of directors (“Board”) to determine the level of auditors’ remuneration and to increase the maximum size of the Board from 7 to 15 directors.

#### **Resolution 1 – Audited consolidated financial statements**

The directors are obliged to lay audited consolidated financial statements before the Company in general meeting. A resolution is proposed to receive and consider the Company’s audited consolidated financial statements for the year ended 31 December 2006.

#### **Resolution 2 & Resolution 3 – Re-election of Class III Directors**

The Bye-laws provide for the first term of office of the Class III Directors to expire at the 2007 Annual General Meeting of the Company. After their initial term of office, Class III Directors may be elected for a further three year term of office starting from the Annual General Meeting of the Company at which their first term expires.

A resolution is proposed to reappoint Clifford Palmer as a Class III Director of the Company (**Resolution 2**) and a separate resolution is proposed to reappoint Nicholas Warren as a Class III Director of the Company (**Resolution 3**), in each case, for a further three year term of office until the Company’s 2010 annual general meeting.

#### **Resolution 4 – Reappointment of auditors**

The Company is required to appoint auditors at each annual general meeting at which accounts are laid. This resolution proposes the reappointment of Ernst & Young LLP as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting at which the Company’s audited consolidated financial statements are presented.

#### **Resolution 5 – Auditors’ remuneration**

This resolution is proposed to authorise the Board to determine the auditors’ remuneration.

#### **Resolution 6 – Increase in Board size**

It is proposed that the maximum size of the Board should be increased from 7 to 15 directors to provide the Board with the flexibility to appoint up to the maximum number of directors permitted under the Bye-laws.

## **SPECIAL BUSINESS**

The following resolutions, constituting special business, will be proposed to authorise the Directors (as defined in Bye-law 1.1) to allot and issue unissued Common Shares in the capital of the Company, to allot and issue Common Shares for cash otherwise than to existing Shareholders pro rata to their holdings, to reduce the Company's share premium account and to repurchase Common Shares.

### **Resolution 7 – Renewal of general authority to allot shares**

Resolution 7 is proposed to renew the general and unconditional authority previously granted to the Directors to allot and issue unissued Common Share capital up to an aggregate nominal value of US\$4,911,852, an amount equal to approximately one-third of the issued Common Share capital of the Company as at the date of this document. The Directors have no present intention of issuing any of the authorised but unissued Common Share capital of the Company pursuant to this authority, but believe it to be in the best interests of the Company for the Board to be granted this authority to take advantage of appropriate opportunities. The authority granted by this resolution will be exercised only if the Directors believe that to do so would be in the best interests of the Company. Unless otherwise renewed or revoked in a general meeting this authority will expire at the conclusion of the annual general meeting of the Company in 2008 or, if earlier, 15 months from the date the relevant resolution is passed.

### **Resolution 8 – Renewal of authority for allotment for cash on non pre-emptive basis**

Resolution 8 is proposed as a Special Resolution (as defined in the Bye-laws) to renew the authority for the Directors to allot and issue Common Shares up to an aggregate nominal value of US\$736,778 on a non pre-emptive basis, such amount being approximately five per cent. of the Company's issued share capital as at the date of this document. The Bye-laws require that, unless Shareholders resolve otherwise, any Equity Securities (as defined in Bye-law 2.5(g)) allotted for cash must be offered to existing Equity Shareholders pro-rata to their existing shareholdings. The Bye-laws permit this requirement to be disapplied and the purpose of this resolution is to authorise the Board to issue Common Shares as if such provisions did not apply in certain circumstances, when the Board considers that to do so would be in the best interests of the Company. The Board has no current intention of exercising this authority. Unless otherwise renewed or revoked by the Shareholders in a general meeting this authority will expire at the conclusion of the annual general meeting of the Company in 2008 or, if earlier, 15 months from the date the relevant resolution is passed.

### **Resolution 9 – Reduction of share premium account**

Resolution 9 is proposed as a Special Resolution (as defined in the Bye-laws) to reduce the Company's share premium account by transferring US\$100 million to the Company's contributed surplus account.

Under Bermuda law, when a company issues shares, the aggregate paid in par value of the issued shares comprises the company's share capital account. When shares are issued at a "premium", that is, where the actual sum paid for a share exceeds the par value of the share, the amount paid in excess of the par value must be allocated to and maintained in a capital account called the "share premium account". The Bermuda Companies Act 1981 requires shareholder approval prior to any reduction of the Company's share capital or share premium account. Bermuda law also provides that the Company maintain a contributed surplus account, to which it must allocate, amongst other things, shareholder capital which is unrelated to any share subscription.

Under Bermuda law, the Company may not declare or pay dividends or make distributions from contributed surplus if there are reasonable grounds for believing either that the Company is, or would be after the payment, unable to pay its liabilities as they become due, or that the realisable value of the Company's assets would thereby be less than the sum of the Company's liabilities, the Company's issued share capital (par value) and the Company's share premium account. The Company has a high share premium account due to the significant difference between the US\$0.10 per share par value of the Company's Common Shares and their market value at the time of its acquisition of Omega Underwriting Holdings plc in November 2006.

In order to maintain flexibility for the Company to pay dividends to Shareholders, the Board has determined that it is in the best interests of the Company to reduce the share premium account to US\$288.1 million and allocate US\$100 million to the Company's contributed surplus account. This reduction of the Company's share premium account and allocation to contributed surplus requires the approval of the Shareholders to be effective. Distributions to Shareholders from contributed surplus, however, may be approved and made by the Board in future without any need for Shareholder approval. As of 31 December 2006, the value of the Company's total assets of US\$408.1 million exceeded the value of the Company's total liabilities of US\$6.8 million. In view of the net assets of the Company as at 31 December 2006 of US\$401.3 million, the Board believes that the Company is and will be, after the proposed reduction of share premium account, able to pay its liabilities as they become due.

Assuming the Shareholders give the required approval, the reallocation will be effective as of the date of the approval and the reallocated capital will remain part of the Company's capital structure available for the benefit of the Company's creditors and Shareholders. Future dividends and distributions may then be made by the Board within the limits prescribed by Bermuda law, without restriction by reference to the value of the historical share premium account.

Any determination to pay future dividends will be at the discretion of the Board in line with the Board's stated policy on dividend payments and will be dependent upon the Company's results of operations and cash flows, the Company's financial position and capital requirements, rating agency considerations, general business conditions, legal, tax, regulatory and any contractual restrictions on the payment of dividends, and any other factors the Board deems relevant. Dividends to shareholders will be considered as part of an active management of the Company's capital base together with, *inter alia*, share repurchases.

#### *Vote Required*

The reduction of the Company's share premium account for Bermuda company law purposes by transferring US\$100 million to the Company's contributed surplus account requires approval by the affirmative vote of a majority, subject to Bye-law 38, of the total number of shares voted at the Annual General Meeting .

#### **Resolution 10 – Removal of seven days' notice requirement**

Resolution 10 is proposed as a Special Resolution (as defined in the Bye-laws) to amend the Bye-laws of the Company, as permitted under Bye-law 84, to remove the requirement in Bye-law 63 to call any meeting of the Board upon seven days' notice. The removal of this requirement is to provide more flexibility in the calling of Board meetings (for example, in emergency situations requiring meetings to be called upon short notice) but the Board has advised that the underlying principle that will be applied in Board proceedings is that all Board meetings will be held on reasonable notice having been given of such meetings.

#### **Resolution 11 – Authority to purchase own shares**

Resolution 11 is proposed as a Special Resolution (as defined in the Bye-laws) to authorise the Company generally and unconditionally to make one or more market purchases of the issued Common Shares of the Company up to a maximum number of 14,735,556 Common Shares, an amount equal to approximately 10% of the issued Common Share capital of the Company as at the date of this document at a price of not less than the nominal value of the Common Shares and not more than 5 per cent. above the average of the closing middle market quotations of the Company's Common Shares derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made (in both cases exclusive of expenses payable by the Company) and otherwise in such manner and on such terms as the Board may from time to time determine. Purchases would only be made if the effect would be expected to improve earnings per share and the Board considers that it would be in the best interests of the Company to do so. Pursuant to the Bye-laws, no purchase can be made if the Board determines that it would result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any holder of shares or its affiliates.

The Company cannot by law purchase its own shares except out of (in respect of the par value of the shares to be purchased):

- (a) the capital paid up thereon; or
- (b) the funds of the Company which would otherwise be available for dividend payment or distribution; or
- (c) the proceeds of a fresh issue of shares made for the purpose of the repurchase, and

the premium if any payable on the repurchase is provided out of the funds of the Company which would otherwise be available for dividend payment or distribution or out of the Company's share premium account before the repurchase date.

Unless otherwise renewed or revoked by the Shareholders in a general meeting this authority will expire on the conclusion of the annual general meeting of the Company in 2008 or, if earlier, 15 months from the date the relevant resolution is passed. The Directors have no present intention to exercise this power.

The Resolution complies with the current guidance issued by the Association of British Insurers ("ABI") and the Board will have regard to any guidance issued by the ABI which may be published at the time of any such purchase of issued Common Shares.

## **BUSINESS OF NON-US SUBSIDIARIES**

In accordance with its Bye-laws, if and for so long as the voting rights of any Common Shares are adjusted pursuant to Bye-laws 38-42 (inclusive), then if the Company is required or entitled to vote at a general meeting of its non-US subsidiaries, the Directors are obliged to refer the subject matter of the vote to the Shareholders to seek authority from them (by a poll vote in a general meeting of the Shareholders) as to how the Company should vote on the resolution proposed by such non-US subsidiary.

If the voting rights of any Common Shares are adjusted pursuant to Bye-laws 38-42 (inclusive), Omega Specialty Insurance Company Limited ("OSIL"), a subsidiary of the Company, will be seeking the approval of the Company in its capacity as its sole shareholder: to receive audited financial statements for the year ended 31 December 2006; to reappoint auditors for the 2007 financial year; to authorise the directors of OSIL to fix the auditors' remuneration; and to reappoint its directors, Charles Collis, Stephen Edwards, Walter Fiederowicz, Richard Tolliday and Nicholas Warren to the OSIL board of directors (**Resolutions 12(i) to (viii)**). Whether such adjustments of voting rights will be required will be announced at the Annual General Meeting itself – if no such adjustments will be required, Resolutions 12(i) to (viii) will not be put to the vote of Shareholders.

## **ACTION TO BE TAKEN**

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, England as soon as possible and not later than 48 hours before the time appointed for the holding of the Annual General Meeting. The return of a completed Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person, should you so wish.

Holders of depository interests in the Company wishing to instruct the Depositary to vote in respect of the holder's interest should use the enclosed Form of Direction. The completed Form of Direction must be received by Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, England not later than 72 hours before the time appointed for the Annual General Meeting.

## **RECORD DATE AND ADJUSTMENT OF VOTING POWER**

Only Shareholders entered on the register of members of the Company at 5:00pm (Bermuda time) on 20 April 2007 shall be entitled to attend and vote at the meeting in respect of the number of Common Shares registered in their name at that time. Changes to entries on the register of members after 5:00pm (Bermuda time) on 20 April 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting. The length of time between the record date and the Annual General Meeting is necessary to allow sufficient time to complete the voting cut-back calculations related to any US 9.5% Shareholders as required by Bye-laws 38 to 42 (inclusive) of the Company's Bye-laws.

## **RECOMMENDATION**

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company and its Shareholders as a whole, and recommend that you vote in favour of the resolutions. Each Director who holds Common Shares in the Company intends to vote in favour of the resolutions in respect of his own shareholding.

Yours faithfully,

**Walter Fiederowicz**  
**Chairman**

# OMEGA INSURANCE HOLDINGS LIMITED

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the first Annual General Meeting of the Company will be held at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda on 1 June 2007 at 10:00 a.m. (Bermuda time), for the purpose of considering and, if thought fit, passing the following resolutions:

### **ORDINARY BUSINESS**

1. To receive and consider the Company's audited consolidated financial statements for the year ended 31 December 2006.
2. To re-elect Clifford Palmer (non-executive director, Chairman of the Remuneration Committee and a member of the Audit Committee) as a Class III director of the Company to hold office until the date of the 2010 annual general meeting of the Company.
3. To re-elect Nicholas Warren (non-executive director) as a Class III director of the Company to hold office until the date of the 2010 annual general meeting of the Company.
4. To reappoint Ernst & Young LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting at which the Company's audited consolidated financial statements are presented.
5. To authorise the Board, which may delegate this authority to the Board's audit committee, to determine the auditors' remuneration.
6. To increase the maximum size of the Board from 7 to 15 directors and to authorise the Board to appoint additional directors from time to time to the Board up to an aggregate number of 15 directors on the Board at any time.

### **SPECIAL BUSINESS**

#### **Authority to allot Relevant Securities**

To consider and, if thought fit, pass the following resolution:

7. That the directors be generally and unconditionally authorised, in accordance with Bye-law 2.4 of the Company's Bye-laws to allot Relevant Securities (within the meaning of that Bye-law) up to an aggregate nominal amount of US\$4,911,852 provided that:
  - a) this authority shall expire at the conclusion of the annual general meeting of the Company in 2008 or, if earlier, 15 months from the date on which this resolution is passed (unless such authority is revoked or varied by a resolution of the Shareholders in a general meeting);
  - b) the Company shall be entitled to make, before expiry of such authority, any offer or agreement which would or might require Relevant Securities (as defined in the Company's Bye-laws) to be allotted after such expiry and the directors may allot such Relevant Securities in pursuance of such offer or agreement as if such authority had not expired; and
  - c) such authority shall be in substitution for any and all authorities previously conferred upon the directors for the purposes of Bye-law 2.4 but without prejudice to the allotment of any Relevant Securities already made or to be made pursuant to such authorities.

### **Disapplication of pre-emption rights in Bye-laws**

To consider and, if thought fit, pass the following resolution as a Special Resolution (as defined in the Company's Bye-laws):

- 8.** That subject to and conditional upon the passing of resolution 7:
- 8.1** the directors be granted authority pursuant to Bye-law 2.6(a)(i) of the Company's Bye-laws to allot Equity Securities (within the meaning of Bye-law 2.5(g)) for cash pursuant to the authority conferred by resolution 7 as if Bye-law 2.5(a) of the Company's Bye-laws did not apply to such authority, provided that this power shall be limited to:
- a)** the allotment of Equity Securities in connection with any invitation made to holders of Common Shares and holders of other securities to the extent expressly required and (if considered appropriate by the Board) permitted by the rights attached thereto and made to any other persons entitled to participate in such allotment from time to time to subscribe by way of rights, open offer or otherwise where Equity Securities attributable to the interests of the holders of such Common Shares and (if applicable) other securities and such other persons are respectively proportionate (as nearly as may be) to the respective number of Common Shares and (if applicable) other securities held or deemed held by them on the record date of such allotment subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory; and
  - b)** the allotment for cash (otherwise than in pursuance to sub-paragraph 8.1(a) above) of Equity Securities up to an aggregate nominal value of US\$736,778,
- and shall expire at the conclusion of the annual general meeting of the Company in 2008 or, if earlier, 15 months from the date on which this resolution is passed unless the authority is revoked or varied by a resolution of the Shareholders in a general meeting, provided that the Company may before such expiry make any offer or agreement which would or might require Equity Securities to be allotted after such expiry and the directors may allot such Equity Securities in pursuance of such offer or agreement as if Bye-law 2.5(a) of the Company's Bye-laws did not apply; and
- 8.2** such authority shall be in substitution for any and all authorities previously conferred upon the directors for the purposes of disapplying Bye-law 2.5(a) but without prejudice to the allotment of any Equity Securities already made or to be made pursuant to such authorities.

### **Reduction of share premium account**

To consider and, if thought fit, pass the following resolution as a Special Resolution (as defined in the Company's Bye-laws):

- 9.** To approve the reduction of the Company's share premium account from US\$388,132,314 to US\$288,132,314 and to allocate the amount so reduced to the Company's contributed surplus to be effective as of the date of the Shareholder approval.

### **Amendment of Bye-laws relating to seven days' notice period**

To consider and, if thought fit, pass the following resolution as a Special Resolution (as defined in the Company's Bye-laws):

- 10.** To amend Bye-law 63 by replacing the existing Bye-law 63 with the following new Bye-law 63:

"A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is communicated or sent to such Director in writing by post, electronic mail or other mode of representing words in a legible form agreed by the Board from time to time at such Director's last known address or any other address given by such Director to the Company for this purpose and detailing the business to be conducted at the meeting."

### **Repurchase of Common Shares**

To consider and, if thought fit, pass the following resolution as a Special Resolution (as defined in the Company's Bye-laws):

- 11.** That the Company be generally and unconditionally authorised, in accordance with Bye-law 3 of the Company's Bye-laws and pursuant to section 42A of the Companies Act 1981 of Bermuda, to make one or more market purchases of Common Shares in such manner and on such terms as the directors may from time to time determine provided that:
- a)** the maximum number of Common Shares hereby authorised to be purchased shall be 14,735,556 (representing approximately 10% of the issued Common Share capital of the Company as at the date of this Notice);
  - b)** the minimum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be US\$0.10;

- c) the maximum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be 5 per cent. above the average of the closing middle market quotations for a Common Share of the Company taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Common Share is contracted to be purchased;
- d) the authority hereby conferred shall, unless previously varied, revoked or renewed, expire at the conclusion of the annual general meeting of the Company in 2008 or, if earlier, the date 15 months from the passing of this resolution; and
- e) the Company shall be entitled under such authority to make at any time before its expiry or termination any contract to purchase its own shares which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Common Shares in pursuance of any such contract.

### **Business of non-US subsidiary**

If the voting rights of any Common Shares are adjusted pursuant to Bye-laws 38–42 (inclusive), to consider and, if thought fit, pass the following resolutions in respect of the Company's subsidiary, Omega Specialty Insurance Company Limited ("OSIL"):

- 12.** To authorise the Company to vote in its capacity as sole shareholder of OSIL to resolve:
- (i) to receive audited financial statements for the year ended 31 December 2006;
  - (ii) to reappoint Ernst & Young, Hamilton, Bermuda as auditors for the 2007 financial year;
  - (iii) to authorise the directors of OSIL to fix the auditors' remuneration;
  - (iv) to reappoint Charles Collis as a director of OSIL;
  - (v) to reappoint Stephen Edwards as a director of OSIL;
  - (vi) to reappoint Walter Fiederowicz as a director of OSIL;
  - (vii) to reappoint Richard Tolliday as a director of OSIL; and
  - (viii) to reappoint Nicholas Warren as a director of OSIL.

By order of the Board

**Malcolm Stuart Mitchell**  
**Company Secretary**

Registered Office:  
 Clarendon House  
 Church Street  
 Hamilton HM11  
 Bermuda

Registered Number EC38802

1 May 2007

### **Notes:**

- (i) A Shareholder entitled to attend and vote at the meeting convened by this Notice or any adjournment thereof is entitled to appoint one or more proxies to attend and to vote instead of him. A proxy need not be a member of the Company.
- (ii) To be valid, the enclosed Form of Proxy must be received by Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, England, not later than 48 hours before the time appointed for the Annual General Meeting.
- (iii) Any holders of depository interests in the Company wishing to instruct the Depository to vote in respect of the holder's interest should use the enclosed Form of Direction. The completed Form of Direction must be received by Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD, England not later than 72 hours before the time appointed for the Annual General Meeting.
- (iv) Only those Shareholders entered on the register of members of the Company at 5:00pm (Bermuda time) on 20 April 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 5:00pm (Bermuda time) on 20 April 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (v) Copies of service agreements and letters of appointment under which directors of the Company are employed or serve, are available for inspection at the Company's registered office and at the offices of LeBoeuf, Lamb, Greene & MacRae, No. 1 Minster Court, Mincing Lane, London, EC3R 7YL during normal business hours from the date of this Notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

**OMEGA INSURANCE HOLDINGS LIMITED (the "Company")  
ANNUAL GENERAL MEETING**

**FORM OF PROXY**

**(If your interest in the Company's Common Shares is held in electronic form in CREST you must use the Form of Direction)**

To be used by holders of Common Shares of the Company in connection with the Annual General Meeting of the Company to be held at the offices of Conyers Dill & Pearman, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda at 10:00 a.m. (Bermuda time) on 1 June 2007 and at any adjournment thereof.

I/We \_\_\_\_\_  
(PLEASE USE BLOCK LETTERS)  
of \_\_\_\_\_

being (a) holder(s) of Common Shares of the Company hereby appoint the Chairman of the Meeting or (see Note 1)

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and, on a poll, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 a.m. (Bermuda time) on 1 June 2007 and at any adjournment thereof.

I/We hereby authorise and instruct my/our Proxy to vote on the resolutions to be proposed at such meeting as indicated by the marking of an "X" in the boxes below. Unless otherwise directed, the Proxy will vote or abstain from voting as he or she thinks fit. Should any resolutions, other than those specified, be proposed at the meeting, the Proxy may vote thereon as the Proxy thinks fit.

**RESOLUTIONS**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1. To receive and consider the Company's audited consolidated financial statements for the year ended 31 December 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Clifford Palmer as a Class III director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Nicholas Warren as a Class III director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To reappoint Ernst & Young LLP as auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Board to determine the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To increase the maximum size of the Board from 7 to 15 directors and to authorise the Board to appoint additional directors from time to time up to this number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the directors to allot shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Special Resolution (as defined in the Company's Bye-laws) to disapply pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Special Resolution to reduce the Company's share premium account and to allocate the amount reduced to the Company's contributed surplus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Special Resolution to amend the Company's Bye-laws to remove the requirement for Board meetings to be called upon 7 days' notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Special Resolution to authorise the Company to purchase its own issued Common Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**RESOLUTIONS RELATING TO THE COMPANY'S SUBSIDIARY OMEGA SPECIALTY INSURANCE COMPANY LTD ("OSIL") (See Note 7)**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
12(i). To receive OSIL's audited financial statements for the year ended 31 December 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(ii). To reappoint Ernst & Young, Hamilton, Bermuda as auditors of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(iii). To authorise the board of OSIL to fix the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(iv). To reappoint Charles Collis as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(v). To reappoint Stephen Edwards as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(vi). To reappoint Walter Fiederowicz as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(vii). To reappoint Richard Tolliday as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(viii). To reappoint Nicholas Warren as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**Notes:**

- If you wish to appoint a proxy other than the Chairman, strike out the words "the Chairman of the Meeting or" and insert the name of the person you wish to be your proxy (who need not be a member of the Company but must attend the meeting to represent you). If such words are not deleted and the name or names of proxy or proxies is/are stated on this Form the Chairman shall not be entitled to vote as proxy. Any alteration must be initialled. If more than one person is appointed to act as proxy the number of shares in respect of which each such proxy must vote must be specified. In the absence of any specific direction a proxy shall be deemed to be entitled to vote in respect of all the shares in the relevant holding.
- To be effective, this Form of Proxy must be completed, signed and lodged with Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD not later than 48 hours before the time appointed for the meeting or adjourned meeting (together with the original or a notarially certified copy of any power of attorney or other authority under which it is executed).
- Where the holder of Common Shares is a body corporate this Form of Proxy must be executed by it (under its common seal if applicable) or be signed on its behalf by an attorney or duly authorised officer of the body corporate.
- In the case of joint holders of Common Shares, the signature of any one holder will be sufficient but the names of all the joint holders should be stated and the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of joint holdings.
- Deposit of a completed Form of Proxy will not preclude a member from attending the meeting and voting in person. A proxy need not be a member of the Company. If the Form of Proxy is completed without an indication as to how the person(s) appointed shall vote, such person(s) will exercise their own discretion as to how to vote or to abstain from voting.
- Unless instructed otherwise the proxy may also vote or abstain from voting as he or she thinks fit on any other business which may properly come before the meeting including amendments to resolutions.
- Resolutions 12(i) to (viii) above will only be put to the vote of the holders of Common Shares if and for so long as the voting rights of any Common Shares are adjusted pursuant to Bye-laws 38-42 (inclusive) of the Company's Bye-laws. Whether such adjustments of voting rights will be required will be announced at the Annual General Meeting itself – if no such adjustments will be required, Resolutions 12(i) to (viii) above will not be put to the vote of the holders of Common Shares.



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Capita Registrars  
Proxy Processing Centre  
Telford Road  
Bicester OX26 4LD  
England

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FIRST FOLD



**OMEGA INSURANCE HOLDINGS LIMITED (the "Company")  
ANNUAL GENERAL MEETING**

## FORM OF DIRECTION

(You **must** use this Form of Direction if your interest in the Company's Common Shares is held in electronic form in CREST)

To be used by holders of Depositary Interests representing Common Shares of the Company on a 1 for 1 basis in connection with the Annual General Meeting of the Company to be held at the offices of Conyers Dill & Pearman, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda at 10:00 a.m. (Bermuda time) on 1 June 2007 and at any adjournment thereof.

I/We \_\_\_\_\_

(PLEASE USE BLOCK LETTERS)

of \_\_\_\_\_

being (a) holder(s) of Depositary Interests in the Company hereby appoint Capita IRG Trustees Limited ("Capita") to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 a.m. (Bermuda time) on 1 June 2007 and at any adjournment thereof.

I/We hereby authorise and instruct Capita to vote on the resolutions to be proposed at such meeting as indicated by the marking of an "X" in the boxes below. Unless otherwise directed, Capita will vote or abstain from voting as it thinks fit. Should any resolutions, other than those specified, be proposed at the meeting, Capita may vote thereon as Capita thinks fit.

**RESOLUTIONS**

	FOR	AGAINST	ABSTAIN
1. To receive and consider the Company's audited consolidated financial statements for the year ended 31 December 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Clifford Palmer as a Class III director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Nicholas Warren as a Class III director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To reappoint Ernst & Young LLP as auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Board to determine the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To increase the maximum size of the Board from 7 to 15 directors and to authorise the Board to appoint additional directors from time to time up to this number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the directors to allot shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Special Resolution (as defined in the Company's Bye-laws) to disapply pre-emption rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Special Resolution to reduce the Company's share premium account and to allocate the amount reduced to the Company's contributed surplus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Special Resolution to amend the Company's Bye-laws to remove the requirement for Board meetings to be called upon 7 days' notice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Special Resolution to authorise the Company to purchase its own issued Common Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**RESOLUTIONS RELATING TO THE COMPANY'S SUBSIDIARY OMEGA SPECIALTY INSURANCE COMPANY LTD ("OSIL") (See Note 6)**

	FOR	AGAINST	ABSTAIN
12(i). To receive OSIL's audited financial statements for the year ended 31 December 2006	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(ii). To reappoint Ernst & Young, Hamilton, Bermuda as auditors of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(iii). To authorise the board of OSIL to fix the auditors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(iv). To reappoint Charles Collis as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(v). To reappoint Stephen Edwards as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(vi). To reappoint Walter Fiederowicz as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(vii). To reappoint Richard Tolliday as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12(viii). To reappoint Nicholas Warren as a director of OSIL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed \_\_\_\_\_ Dated \_\_\_\_\_

**Notes:**

- To be effective, this Form of Direction must be completed, signed and lodged with Capita Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD not later than 72 hours before the time appointed for the meeting or adjourned meeting (together with the original or a notarially certified copy of any power of attorney or other authority under which it is executed).
- Where the holder of Depositary Interests is a body corporate this Form of Direction must be executed by it (under its common seal if applicable) or be signed on its behalf by an attorney or duly authorised officer of the body corporate.
- In the case of joint holders of Depositary Interests, the signature of any one holder will be sufficient but the names of all the joint holders should be stated and the direction of the senior shall be accepted to the exclusion of the directions of the other joint holders. For this purpose seniority shall be determined by the order in which the names stand in the register of Depositary Interests in respect of joint holdings.
- If the Form of Direction is completed without an indication as to how Capita shall vote, Capita will exercise its own discretion as to how to vote or to abstain from voting.
- Unless instructed otherwise Capita may also vote or abstain from voting as it thinks fit on any other business which may properly come before the meeting including amendments to resolutions.
- Resolutions 12(i) to (viii) above will only be put to the vote of the holders of Common Shares if and for so long as the voting rights of any Common Shares are adjusted pursuant to Bye-laws 38-42 (inclusive) of the Company's Bye-laws. Whether such adjustments of voting rights will be required will be announced at the Annual General Meeting itself – if no such adjustments will be required, Resolutions 12(i) to (viii) above will not be put to the vote of the holders of Common Shares.



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