

CHAUCER HOLDINGS PLC (“Chaucer”)

Sale of interests in Pembroke and Syndicate 4000

Chaucer Holdings PLC, the specialist Lloyd’s insurer, is pleased to announce the sale of its shareholding in Pembroke JV Limited to Ironshore Inc. (“Ironshore”) for a cash consideration of £14.9m, subject to a £ for £ adjustment to the extent that net assets at completion differ from £0.5m.

For the year ended 31 December 2007, Pembroke JV reported unaudited consolidated pre-tax profits of £0.8m and consolidated net assets of £1.1m. Pembroke JV owns Pembroke Managing Agency Limited (“Pembroke”), which is the managing agent of Lloyd’s Syndicate 4000 (the “Syndicate”). Two wholly owned subsidiaries of Chaucer provide capital for the Syndicate, which has an underwriting capacity of £73m for 2008.

Chaucer’s right to participate on the Syndicate for the 2009 and subsequent years of account will pass to an Ironshore corporate member.

Chaucer will retain its participations on the Syndicate for the 2008 and prior open years of account, continuing to provide Funds at Lloyd’s to support their underwriting. The open years continue to perform satisfactorily.

The disposal is consistent with Chaucer’s strategy of enhancing profits through syndicate investment and management activities. The proceeds from the sale will provide additional working capital for Chaucer’s core businesses.

The sale of Pembroke follows a competitive auction process organised by Lexicon Partners Limited. Completion of the transaction remains subject to the receipt of certain regulatory and other approvals.

As a non-executive director of Chaucer, Bob Deutsch, CEO of Ironshore, has taken no part in the Chaucer Board’s deliberations relating to this transaction. Bob will stand down from the Board of Chaucer at the end of the year.

Commenting on the disposal, Ewen Gilmour, Chief Executive Officer, said:

“We are delighted to announce this transaction, which demonstrates the value of our syndicate investment and management activities, realising a significant return for Chaucer shareholders and securing the future of Pembroke’s business. We have enjoyed a successful partnership with the Pembroke management team over the last four years and wish them and Ironshore every success in the future.”

Bob Deutsch, CEO of Ironshore, said:

“We are very excited about the acquisition of Pembroke and Ironshore’s entry into the Lloyd’s marketplace. We will work closely with Lloyd’s and the FSA to gain regulatory approval. The addition of Pembroke completes Ironshore’s strategic goal to have three central underwriting platforms: Bermuda, US and Lloyd’s.

Ironshore is pleased to have found such a talented group in Mark Wheeler and his experienced team. Pembroke offers Ironshore a diverse spread of international financial institutions and professional liability risks, as well as an ideal Lloyd’s platform poised for future growth focused

on underwriting profits.”

Mark Wheeler, Syndicate 4000 Active Underwriter, said:

“Pembroke is an excellent fit within Ironshore. Our business is complementary and our underwriting approach like-minded. We are excited about this opportunity to join forces and further develop our existing business, whilst expanding into targeted lines of business where additional expertise is brought to bear. This natural evolution will enable us to enhance our offering to clients, and we believe provides the right platform to grow the business successfully. We have enjoyed our time working with Chaucer and are extremely grateful for the support that they have provided.”

Calendar

Chaucer will announce interim results for the six months to 30 June 2008 on 28 August 2008.

Enquiries

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Note to editors

Chaucer

Chaucer Holdings PLC (LSE: CHU) is a specialist insurance group listed on the London Stock Exchange. Chaucer provides the capital and expertise required to underwrite business at Lloyd's, the world's leading insurance and reinsurance market. At the core of the business are Syndicate 1084, which underwrites marine, non-marine and motor insurance and Nuclear Syndicate 1176. Syndicate 1084 is rated 'A' (Excellent) by A.M. Best. For more information on Chaucer, please visit www.chaucerplc.com.

Ironshore

Ironshore provides broker-sourced specialty commercial property and casualty coverages for risks located throughout the world. Through its platform in Bermuda, Ironshore writes property catastrophe and property all-risk coverage for small to mid-sized commercial risks. With the launch of IronPro in May 2007, IronBuilt in October 2007 and IronHealth in March 2008, Ironshore's US companies serve the Professional Liability, Construction and Healthcare Liability specialty market sectors. The Ironshore Group of companies is rated A - (Excellent) by A.M. Best Company with a Financial Size Category of Class XI.