



OVERSEAS PARTNERS LTD.

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### **Sale of Overseas Partners Re Ltd.**

We are pleased to announce the proposed sale of Overseas Partners Re Ltd. (“OP Re”) to Catalina Holdings Ltd., (“Catalina”). A brief description of the terms and conditions of the proposed sale are set out below:

On September 3, 2005, Overseas Partners Ltd. (“OPL”) and Catalina Holdings Ltd. entered into a definitive stock purchase agreement pursuant to which Catalina will purchase from OPL 100% of the outstanding shares of OPL’s wholly owned subsidiary, OP Re. The purchase price is \$170.5 million, subject to adjustment in certain circumstances, and is payable in cash. OPL’s loss on sale will be approximately \$27 million. At June 30, 2005, OP Re had total assets of \$363 million and gross loss reserves of \$141 million. OPL expects the closing of the transaction will occur on or about September 30, 2005.

Catalina is a Bermuda company and was established by Chris Fagan and Marwyn Capital with the acquisition funding provided by Nikko Principal Investments Limited and RBS Equity Finance and senior debt facilities provided by Barclays Bank.

Each of OPL and Catalina has made warranties and covenants in the stock purchase agreement including, among others, covenants by OPL (i) to seek approval from Catalina prior to taking certain actions during the period through to the date of closing of the transaction and (ii) not to solicit or (subject to certain exceptions) enter into any discussions or agreement regarding any acquisition of OP Re or any substantial part of OP Re’s business, assets or capital stock or any merger, amalgamation, consolidation or other business combination involving OP Re.

The completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approval from the Bermuda Monetary Authority and Catalina’s debt finance arrangements becoming unconditional. The stock purchase agreement contains certain termination rights for both OPL and Catalina, and provides that if OPL terminates the stock purchase agreement to enter into a definitive agreement relating to a superior proposal received from another party, OPL must pay a "break fee" of \$5,000,000 to Catalina. Further, the stock purchase agreement will terminate if, prior to closing of the transaction, OP Re suffers a material diminution of consolidated shareowner’s equity.

This is clearly another significant step towards our goal of returning our remaining capital to shareowners and, ultimately, liquidating the Company. A more detailed discussion of the benefits and implications of the sale will be set out in a Letter to Shareowners upon the closing of the transaction, which we expect to occur on or around September 30, 2005.