

Ecclesiastical Insurance Office PLC

("the Company")

07.00 18 November 2010

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Potential further issue of 8.625% preference shares

Ecclesiastical Insurance Office PLC announces that it is considering a further issue of 8.625 per cent. non-cumulative irredeemable preference shares so that it can take increased advantage of growth opportunities in its core markets. At the same time, this will also leave the Company in a stronger position ahead of anticipated regulatory changes (specifically the Solvency II Directive) and the potential requirement for increased regulatory capital in the future.

Improving investment market conditions and fewer large one-off events than during the first half of the year have resulted in a more positive outlook for the full year, although the Group is still operating under challenging market conditions.

In line with the Company's strategy to reduce non-core operations, the London Market business ceased underwriting on 30 September 2010 and will run off over the next few years. Ecclesiastical Life Limited, a wholly-owned subsidiary of the Company, is in the process of disposing of a majority part of its life business to a third party.

A further announcement will be made in due course.

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