



Middlesea Insurance p.l.c.

Registered address:
Middle Sea House, Floriana, Malta.

Postal address:
P.O. Box 337 Marsa, GPO 01, Malta.

Tel: (+356) 21 246262
Fax: (+356) 21 248195
E-mail: middlesea@middlesea.com
Website: www.middlesea.com
Registration Number: C5553

MSI/EMB/MSE02605

27 April 2005

Company Announcement in accordance with MFSA Listing Rule 8.6.14

Middlesea Insurance p.l.c. has reached an agreement with Corporación Mapfre S.A., the leading Spanish life and non-life insurance group, to acquire their 38.97% holding in Progress Assicurazioni S.p.A. which is an unlisted non-life insurance company based in Palermo and operating in Sicily and Southern Italy. This acquisition is equivalent to 584,597,110 shares of a nominal value of €0.01 each, which are fully paid up. Total consideration would not exceed €8.6 million. The financing of this specific investment has been attained through a long term arrangement at competitive terms with a leading local financial institution.

Middlesea Insurance p.l.c. already holds a 51% shareholding in the Italian company, which acquisition was made on 8 August 2000. Middlesea Valletta Life Assurance Co. Ltd. hold an additional 10% and the balance is held by individuals. Approval for the transaction has been obtained from the MFSA.

E.M. Borg
Company Secretary