



Middlesea Insurance p.l.c.

MSI/CF/MSE01210

17 May 2010

Company Announcement pursuant to the Listing Rules of the Malta Financial Services Authority

The following is a Company Announcement issued by Middlesea Insurance p.l.c., pursuant to the Listing Rules of the Malta Financial Services Authority.

Quote

The Board of Directors of Middlesea Insurance plc announces that during the first quarter of the current financial year the (unaudited) operating profits of Middlesea Insurance plc and of its associate company Middlesea Valletta Life Assurance Co Ltd (MSV) have been satisfactory. The Group registered a profit before taxation of €2.8 million for the period, as compared to a loss of €5.3 million during the first quarter of the previous year. The improvement in the technical results of the insurance operations of Middlesea Insurance plc, the turnaround of the capital markets, together with the discontinuance of the operations of the Italian subsidiary (losses from this subsidiary for the first quarter of 2009 amounted to €3 million) have all been important contributing factors to the improved first quarter 2010 results. MSV also had an encouraging first quarter, with profits after taxation for the period of €2.0 million (March 2009: loss of €3.3 million), 50% of which have been accounted for in the Group results.

The balance sheet of Middlesea Insurance plc, was further strengthened during the period under consideration by the profits generated. Furthermore, subsequent to the end of the quarter, Middlesea Insurance plc concluded the implementation of measures agreed with the Regulator (as referred to in note 5.4 of the FY 2009 financial statements) with respect to its regulatory solvency position. The implementation of these measures has restored the regulatory capital position of the company to the level required by the Malta Financial Services Authority. The company is therefore, once again, fully compliant with the relevant solvency and capital regulatory requirements.

Since the end of the first quarter of this financial year, and up to the date of this announcement, no other material events and/or transactions have been noted.

Unquote



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