



Middle Sea Insurance p.l.c.

Middle Sea Bank
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Registration Number: 15753

Company Announcement in accordance with Malta Stock Exchange Bye Law 8.05.04

Government is currently offering for sale 863,625 ordinary shares in Middle Sea Insurance p.l.c. (nominal value 50c per share) at the price of 1.m2.28 per share. Up to June 1999, these shares were held by Mid-Med Bank p.l.c. and were then acquired by Government when it disposed of its majority shareholding in the bank.

Government had pledged that the shareholders of Mid-Med Bank at the time it transferred its majority shareholding in the bank, would be given the opportunity of continuing their participation in Middle Sea Insurance p.l.c. through a direct holding. The present offer of sale relates to that pledge.

These shares are being offered at 1.m2.28 per share, which is the price at which they were acquired by Government in 1999. The value of the company's shares had grown significantly since then. This favourable offer for sale is limited only to the shareholders who held shares in Mid-Med Bank at close of business on the 5th April 1999. As a result, these Mid-Med Bank shareholders are being given the full benefit of the gain on the Middle Sea Insurance p.l.c. shares that has been registered since April 1999. Their right to acquire Middle Sea shares is not transferable.

Middle Sea shareholders, as well as investors in general, will note that the offer for sale relates to existing shares and not to any new issue of shares. The sale of these existing shares at a favourable price, corresponding to their original cost to Government, does not entail in any way a dilution in the value of the company or of its shares.

E.M. Borg
Company Secretary

28 November, 2000