



Middlesea Insurance p.l.c.

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MSI/EMB/MSE4201

2 November, 2001

Company Announcement in accordance with Malta Stock Exchange Bye Law 6.05.04(iv)

This is to announce that Middlesea Insurance p.l.c. shall be entering into an agreement with International Insurance Management Services Ltd (IIMS), a wholly owned subsidiary, whereby Middlesea Insurance p.l.c. will outsource to IIMS the functions of a number of its service departments. The service departments in question are the Accounts Department, the Finance and Investments Department, the Management Information Services Department, and the Marketing, Product Development, Administration, Human Resources and Reinsurance Departments. IIMS will in turn also provide similar management services to other subsidiary and associated companies within the Middlesea Group. Furthermore, it is the intention that such services shall also be made available and marketed overseas as well as to Companies wishing to operate in and /or from Malta. With these added services, IIMS shall be in a better position to service its affiliate (captive companies) clients.

In accordance with the above and in order to ensure continuity a number of senior Middlesea Insurance p.l.c. executives, amongst others, will be transferred to IIMS. These will include Ms M. Formosa, Assistant General Manager Finance and Investments, Ms E. Carbonaro, Senior Executive Manager Accounts Department, Mr B. Fenech Senior Executive Manager, Management Information Services, and Mr P. Spiteri, Senior Executive Manager Reinsurance. The move of the mentioned executives is intended to ensure a smooth transition and implementation of the changes referred to in this announcement.

These changes shall take place with effect from January 2002.

E.M. Borg
Company Secretary

- 2 Decades of Service -
1981 - 2001