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FOR IMMEDIATE RELEASE

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A.M. Best Revises Outlook to Stable and Affirms Ratings of Aspen Insurance UK Limited

OLDWICK, NEW JERSEY, U.S.A., Dec. 7, 2007—A.M. Best Co. has affirmed the financial strength rating of A (Excellent) and the issuer credit rating (ICR) of “a” of **Aspen Insurance UK Limited** (AIUK) (United Kingdom). A.M. Best has also affirmed the ICR of “bbb” of AIUK’s ultimate parent, **Aspen Insurance Holdings Ltd.** (Aspen) (Bermuda), the debt ratings of “bbb” on the USD 250 million 6% senior notes, “bb” on the USD 200 million perpetual non-cumulative preference shares and the USD 230 million perpetual preferred income equity replacement securities, all issued by Aspen. In addition, A.M. Best has affirmed the ratings for Aspen’s universal shelf registrations of “bb”, “bbb-” and “bbb” on preferred stock, senior unsecured and subordinated debt, and upgraded to “bbb-” from “bb+” the rating on the junior subordinated debt. The outlook for all ratings has been revised to stable from negative.

The change in outlook reflects a sustainable improvement in AIUK’s stand alone risk-adjusted capitalisation and excellent financial performance. In addition, Aspen has continued to balance the spread of business between its two main operating entities, AIUK and its sister company, Aspen Insurance Limited (AIL) (Bermuda), through the use of intra-group quota share arrangements. This even distribution of risk, AIUK’s excellent risk-adjusted capitalisation and excellent financial strength of the consolidated group has led A.M. Best to harmonise the ratings of both entities. (For details on the AIL rating, please refer to A.M. Best’s press release dated

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December 7, 2007.)

A.M. Best believes that AIUK is likely to maintain excellent performance in 2007, supported by a benign year for U.S. hurricanes and improved investment returns. However, AIUK's 2007 combined ratio is likely to deteriorate to approximately 90% compared to 78% in 2006 due to a higher cession to AIL under its pro rata reinsurance contracts. In addition, A.M. Best believes there will be modest deterioration in AIUK's loss ratio to approximately 55% from 50% in 2006, reflecting softening rates and the impact of the UK floods and Windstorm Kyrill. Despite the movements at the AIUK level, A.M. Best anticipates a continuation of Aspen's strong consolidated underwriting performance, with a combined ratio of approximately 85% anticipated for 2007 (83% in 2006).

In A.M. Best's opinion, AIUK has an excellent business profile based on its well-established and diversified portfolio (both by product and territory), which comprises property and casualty reinsurance, primary UK commercial insurance, and specialty insurance and reinsurance business (including marine liability, hull, energy and aviation business).

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