



Mandatory Suspension of Dividends Notice and Potential Mandatory Suspension of Dividend Notice

October 15, 2008 Dividend Date:

Pursuant to the provisions of Section 4 of the Certificate of Designations for the Non-Cumulative Perpetual Preferred Shares (the "Perpetual Preferred Shares") of Scottish Re Group Limited (the "Company"), the Company hereby notifies holders of the Perpetual Preferred Shares that the Company had not met certain financial tests required for the Company to pay dividends, as described in more detail below. As a result, the Company was precluded by the terms of the Perpetual Preferred Shares from declaring and paying dividends on the October 15, 2008 dividend payment date.

The above is consistent with our notice of July 11, 2008 wherein the Company announced that The Board of Directors would not declare a dividend on the Non-Cumulative Perpetual Preferred Shares for October 15, 2008.

The Company was precluded from declaring and paying such dividends because the Company's Trailing Four Quarters Consolidated Net Income Amount for the period ending on the quarter that is two quarters prior to the most recently completed quarter before the Dividend Declaration Date was a negative amount, and the Adjusted Shareholders' Equity Amount as of the most recently completed quarter before that Dividend Declaration Date and as of the end of the quarter that is two quarters before the most recently completed quarter before that Dividend Declaration Date (the "quarter test date") had declined by 10% or more as compared to the Adjusted Shareholders' Equity Amount at the end of the date that is ten quarters prior to the most recently completed quarter before that Dividend Declaration Date.

January 15, 2009 Dividend Date:

Pursuant to the provisions of Section 4 of the Certificate of Designations for the Non-Cumulative Perpetual Preferred Shares (the "Perpetual Preferred Shares") of Scottish Re Group Limited (the "Company"), the Company hereby notifies holders of the Perpetual Preferred Shares that the Company may not meet certain financial tests required for the Company to pay dividends, as described in more detail below. As a result, the Company may be precluded by the terms of the Perpetual Preferred Shares from declaring and paying dividends on the January 15, 2009 dividend payment date.

The Company may be precluded from declaring and paying such dividends unless the Company, through the generation of earnings or issuance of new ordinary shares, increases the Adjusted Shareholders' Equity Amount ("ASEA") by \$2 billion.

the Trailing Four Quarters Consolidated Net Income for the most recently completed Quarter (\$,000)

| | |
|------------|--------------------|
| 9/30/2007 | (190,072) |
| 12/31/2007 | (775,145) |
| 3/31/2008 | (735,290) |
| 6/30/2008 | (465,971) |
| | <u>(2,166,478)</u> |

Adjusted Shareholders Equity Amount (ASEA) (\$,000)

| | |
|----------------|--------------|
| 6/30/2006 | 1,283,689 |
| 6/30/2008 | (904,130) |
| Change in ASEA | <u>-170%</u> |

Terms not otherwise defined herein shall have the definition given them in the prospectus supplement dated June 28, 2005 regarding the Perpetual Preferred Shares.