



**Mandatory Suspension of Dividends Notice,
Notice of Right to Appoint Directors and
Potential Mandatory Suspension of Dividend Notice**

July 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 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 July 15, 2009 dividend payment date.

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.

Notice of Right to Appoint Directors:

Pursuant to Section 8 of the Certificate of Designations for the Perpetual Preferred Shares, whenever dividends on any Perpetual Preferred Shares have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods, the holders of such Perpetual Preferred Shares, voting together as a single class with holders of any and all other series of voting perpetual preferred shares then outstanding, are entitled to vote for the election of a total of two additional members to the Company's Board of Directors. As previously disclosed in the Company's financial statements for the period ended June 30, 2009, a copy of which can be found on the Company's website at www.scottishre.com, and as discussed above, the Company was precluded from declaring and paying dividends on the Perpetual Preferred Shares on the July 15, 2009 dividend payment date. Nonpayment of dividends on the July 15, 2009 dividend payment date marks the sixth dividend period for which dividends have not been declared and paid. Accordingly, notice is hereby given that the holders of the Perpetual Preferred Shares have become entitled to elect directors to the Board of Directors. Additional information regarding the process for electing directors can be found in the Certificate of Designations for the Perpetual Preferred Shares.

October 15, 2009 Dividend Date:

Pursuant to the provisions of Section 4 of the Certificate of Designations for the Perpetual Preferred Shares, 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 is precluded by the terms of the Perpetual Preferred Shares from declaring and paying dividends on the October 15, 2009 dividend payment date.

The Company is 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, 2010 Dividend Date:

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, 2010 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 by \$1.6 billion.

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