

### **Potential Mandatory Suspension of Dividends Notice**

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 a currently undetermined amount by the second dividend date after the date of this notice. The amount by which the ASEA must be increased to allow the payment of dividends on the January 15, 2009 payment date cannot be determined until the Company finalizes its financial results for the three months ended March 31, 2008, which has not occurred as of the date of this notice.

Because the Company has not finalized its financial results for the three months ended March 31, 2008, it cannot provide the results of its Trailing Four Quarters Consolidated Net Income Amount or its ASEA for the relevant period and dates.

The Company intends to send a follow-up notice once it has finalized its financial results for the three months ended March 31, 2008 and is able to provide the results of its Trailing Four Quarters Consolidated Net Income Amount and its ASEA for the relevant period and dates.

In addition, pursuant to the terms of forbearance agreements we entered into on June 30, 2008 with the counterparties of certain of our collateral finance facilities, we are prohibited from declaring cash dividends, returning any capital or making any capital distribution or other payment with respect to our securities during the forbearance period. Therefore, the Company is also announcing that its Board of Directors has not and will not declare a cash dividend on the Non-Cumulative Perpetual Preferred Shares for the July 15, 2008 payment date. The Board of Directors will also not declare a dividend on the Non-Cumulative Perpetual Preferred Shares for the October 15, 2008 payment date.

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