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NOTICE OF MEETINGS

THE BERMUDA FIRE & MARINE INSURANCE COMPANY LIMITED

(IN LIQUIDATION) (THE "COMPANY")

NOTICE IS HEREBY GIVEN that the Company has applied to the Supreme Court of Bermuda and to the High Court of England and Wales for directions relating to the convening and conduct of meetings (the "Meetings") of the Company's Scheme Creditors ("Scheme Creditors").

The Meetings are proposed to be convened under Section 99 of the Bermudian Companies Act 1981 and Section 425 of the Companies Act 1985 of Great Britain for the purpose of enabling the Scheme Creditors to consider and, if thought appropriate, approve an Amending Scheme of Arrangement (the "Amending Scheme") in respect of the Company and its Scheme Creditors.

Should the Amending Scheme become effective, it will amend and restate the terms of the Scheme of Arrangement presently in force in respect of the Company dated 2 October 1996 (the "Original Scheme").

The Amending Scheme will introduce a mechanism for the closure of the Original Scheme by utilisation of a bar date by which claims must be submitted to qualify for any potential payment from the Company together with an actuarially based estimation methodology, where appropriate, to evaluate and quantify liabilities (including contingent and future insurance and reinsurance liabilities) notified under the Amending Scheme owed by and to the Company. Such a mechanism will facilitate the making of a substantive and ultimate distribution to Scheme Creditors earlier than would be the case under the Original Scheme.

At these directions hearings (the "Hearings"), the Company will request that the Bermudian Court and English Court convene separate meetings of its:

- (i) Protected Scheme Creditors (being Scheme Creditors whose claims are eligible for protection under the applicable provisions of the Policyholders Protection Act 1975 by the Financial Compensation Scheme Limited); and
- (ii) General Scheme Creditors (being Scheme Creditors in respect of claims which are not Protected Scheme Claims).

Scheme Creditors who wish to attend and make representations in connection with the composition of the Meetings at the Hearings on 1 April 2004 in the Supreme Court of Bermuda and on 31 March 2004 in the High Court of England and Wales, should contact the Liquidators as soon as possible.

If the Courts give directions to convene the Meetings, the Company will, in due course, make available to all Scheme Creditors copies of the Amending Scheme and Explanatory Statement at the same time as formal notice is given of the Meetings. In the meantime, the latest drafts of those documents, the Liquidators' letter to the Scheme Creditors dated 1 March 2004 notifying Scheme Creditors of the Hearings and a more detailed notice of the Hearings, the Bermudian and English Court applications and draft Court Orders setting out the proposed directions can be downloaded from www.bfmic.bm. Alternatively, hard copies can be obtained from the Liquidators. In the event the Courts give leave to convene the Meetings, the bar date is expected to be toward the end of September 2004.

JC McKENNA, GH HUGHES AND LA JOAQUIN

Address for correspondence

BFMIC Liquidators, John Stow House, 18 Bevis Marks, London EC3A 7JB, United Kingdom.

Tel: +44 (0) 20 7645 4995 Fax: +44 (0) 870 600 7582

Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ, United Kingdom
(Ref: PLH/M5020/18)

Appleby Spurling & Kempe, Canons Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda (Ref JF/SD)

1 March 2004