
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): October 1, 2010

Enstar Group Limited

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction
of incorporation)

001-33289
(Commission
File Number)

N/A
(IRS Employer
Identification No.)

P.O. Box HM 2267, Windsor Place, 3rd Floor
18 Queen Street, Hamilton HM JX Bermuda
(Address of principal executive offices)

N/A
(Zip Code)

Registrant's telephone number, including area code: (441) 292-3645

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On October 1, 2010, Enstar Group Limited (the “Company”) entered into share repurchase agreements (the “Repurchase Agreements”) with three of its executives and certain trusts and a corporation affiliated with them to repurchase an aggregate of 800,000 ordinary shares of the Company at a price of \$70.00 per share. The aggregate purchase price of \$56,000,000 is payable by the Company through promissory notes to each selling shareholder (each, a “Promissory Note”).

The Company agreed to repurchase an aggregate of 600,000 ordinary shares from Dominic F. Silvester and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust (the “Left Trust”). Mr. Silvester is the Company’s Chief Executive Officer and Chairman of the Board of Directors, and Mr. Silvester and his immediate family are the sole beneficiaries of the Left Trust. Mr. Silvester’s beneficial ownership interest in the Company will be reduced from approximately 15.6% to 11.9% as a result of the repurchase. The sales by Mr. Silvester are designed to reduce his holdings below 10% after taking into consideration the 2,972,892 shares of nonvoting convertible ordinary shares of the Company held by one of its subsidiaries (which shares are not considered to be outstanding for financial reporting purposes). Mr. Silvester has informed the Company that he intends to become a resident of the United States during 2011 or 2012, which will make Mr. Silvester a “U.S. person” for purposes of the “subpart F” rules under the U.S. Internal Revenue Code. Under those rules, if one or more U.S. persons that each own, directly or by attribution, 10% or more of a foreign corporation’s outstanding shares, measured by voting power, own in the aggregate more than 25% of the foreign corporation’s outstanding shares, by vote or value, the corporation will be a “controlled foreign corporation” with respect to “insurance income” — which is generally defined as insurance company income from insuring risks located outside its country of incorporation. In that case, those U.S. shareholders must include in their taxable income each year their pro rata share of the controlled foreign corporation’s insurance income even if that income is not distributed. A substantial amount of the income normally earned by the Company’s non-U.S. subsidiaries that are insurance companies constitutes “insurance income” as so defined.

The Company believes that the nonvoting shares owned by its subsidiary do not affect the determination whether the Company or any of its subsidiaries is a controlled foreign corporation, and that the Company’s bye-law restriction that caps any U.S. person’s voting power with respect to Company shares at 9.5% of the total voting power, coupled with pass-through voting for directors of the Company’s foreign subsidiaries, has operated and will continue to operate to preclude any U.S. person from owning, directly or by attribution, more than 10%, measured by voting power, of the shares of the Company or any of its foreign subsidiaries. Accordingly, the Company believes that the ownership of 10% or more of its ordinary shares by a U.S. person should not cause the Company or any of its subsidiaries to be controlled foreign corporations. Nonetheless, it is possible that Internal Revenue Service might disagree with these positions. Therefore, the Company believes it is prudent to avoid a circumstance in which U.S. persons that own 10% or more of its outstanding shares, by vote or value, own in the aggregate more than 25% of its outstanding shares. Because the Company’s subsidiary that owns the nonvoting convertible ordinary shares is a U.S. person, any negative tax consequences from the Company becoming a controlled foreign corporation might impact that subsidiary — and, hence, the Company, as well as Mr. Silvester. By repurchasing the shares from Mr. Silvester, the Company eliminates any such tax exposure that might otherwise have resulted from his move to the United States.

The Company also agreed to repurchase 100,000 of its ordinary shares from R&H Trust Co. (BVI) Limited, as trustee of the Elbow Trust (the “Elbow Trust”). Paul J. O’Shea (the Company’s Joint Chief Operating Officer, Executive Vice President and a member of its Board of Directors) and his immediate family are the sole beneficiaries of the Elbow Trust. In addition, the Company agreed to repurchase 100,000 of its ordinary shares from Hove Investments Holding Limited (“Hove”). Nicholas A. Packer (the Company’s Joint Chief Operating Officer and Executive Vice President) and his immediate family are the sole beneficiaries of a trust that is the sole owner of Hove. While the shares held by Messrs. O’Shea and Packer do not present the same tax issues as Mr. Silvester’s holdings, the Company believed it was fair and appropriate to offer each of them, as Mr. Silvester’s co-founders of the Company, the opportunity to sell shares back to the Company on the same terms offered to Mr. Silvester.

Closing of the repurchase transactions is expected to occur as soon as practicable. At the closing, the Company will issue a Promissory Note to Mr. Silvester in the principal amount of \$4,789,260 and to the Left Trust in the principal amount of \$37,210,740. The Company will issue Promissory Notes to both the Elbow Trust and

Hove in the principal amount of \$7,000,000. The annual interest rate for the notes is fixed at 3.5% and the notes are repayable in three equal installments on December 31, 2010, December 1, 2011 and December 1, 2012. The holders may accelerate amounts payable under the Promissory Notes upon the Company's default in payment, a sale of all or substantially all of the Company's assets, formal action in contemplation of the Company's dissolution or liquidation or the institution of bankruptcy proceedings. The Company may prepay the Promissory Notes in whole or in part at any time without premium or penalty.

In connection with the Repurchase Agreements, the Company will enter into lock-up agreements with each of Messrs. Silvester, O'Shea and Packer, the Left Trust, the Elbow Trust, Hove, and a separate trust of which Mr. Silvester and his immediate family are the sole beneficiaries. The lock-up agreements prohibit future sales and transfers of shares now owned or subsequently acquired for two years from the date of the Repurchase Agreements.

The Repurchase Agreements and the transactions contemplated thereby were approved by the Company's Audit Committee, which consists solely of its independent directors, on September 30, 2010. The closing price of the Company's ordinary shares on the NASDAQ Global Select Market on September 29, 2010 was \$72.11. The descriptions of the Repurchase Agreements are qualified in their entirety by reference to the full text of the agreements, which are filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

In addition to the repurchases by the Company, Messrs. O'Shea and Packer have also entered into agreements to sell 32,500 shares each at \$70.00 per share to certain investment funds affiliated with Akre Capital Management, LLC. Charles T. Akre, a member of the Company's Board of Directors, is the managing member of Akre Capital Management, LLC. Mr. O'Shea's beneficial ownership interest in the Company will be reduced from approximately 4.6% to 3.9% as a result of the two transactions. Mr. Packer's beneficial ownership interest in the Company will be reduced from approximately 4.4% to 3.7% as a result of the two transactions.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report regarding the Promissory Notes is hereby incorporated by reference. The description of the Promissory Notes set forth herein is qualified in its entirety by reference to the full text of the form of Promissory Notes, which are included as exhibits to the Repurchase Agreements filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Dominic F. Silvester and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust.
- 10.2 Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Paul J. O'Shea and R&H Trust Co. (BVI) Limited, as trustee of the Elbow Trust.
- 10.3 Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Nicholas A. Packer and Hove Investments Holding Limited.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENSTAR GROUP LIMITED

Date: October 1, 2010

By: /s/ Richard J. Harris
Richard J. Harris
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Dominic F. Silvester and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust.
10.2	Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Paul J. O'Shea and R&H Trust Co. (BVI) Limited, as trustee of the Elbow Trust.
10.3	Share Repurchase Agreement, dated as of October 1, 2010, by and among Enstar Group Limited, Nicholas A. Packer and Hove Investments Holding Limited.

SHARE REPURCHASE AGREEMENT

THIS SHARE REPURCHASE AGREEMENT (this "Agreement") is dated as of October 1, 2010 by and among Enstar Group Limited (the "Company"), Dominic F. Silvester ("Silvester") and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust (the "Left Trust" and, together with Silvester, the "Sellers").

WHEREAS, Silvester desires to sell 68,418 ordinary shares of the Company, par value \$1.00 per share (the "Silvester Shares"), to the Company;

WHEREAS, the Left Trust desires to sell 531,582 ordinary shares of the Company, par value \$1.00 per share (the "Trust Shares"), to the Company; and

WHEREAS, the Company desires to purchase the Silvester Shares and the Trust Shares (collectively, the "Shares") from Silvester and the Left Trust, respectively.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

SECTION 1. SALE AND PURCHASE; CLOSING.

1.1 Sale and Transfer of the Shares. Subject to the terms and conditions of this Agreement, the Company shall purchase the Silvester Shares from Silvester and the Trust Shares from the Left Trust at a purchase price of \$70.00 per Share, for an aggregate purchase price of \$4,789,260 for the Silvester Shares and \$37,210,740 for the Trust Shares, payable as provided in Section 1.2 hereof.

1.2 Payment. At the Closing (as defined below):

(a) each Seller shall (i) deliver to the Company stock certificates, endorsed in blank, representing the respective Seller's Shares or (ii) cause the respective Seller's Shares to be electronically transferred to the Company's account at the Company's transfer agent;

(b) the Company shall deliver to Silvester the promissory note in the form attached hereto as Exhibit A (the "Silvester Note") as consideration for the Silvester Shares;

(c) the Company shall deliver to the Left Trust the promissory note in the form attached hereto as Exhibit B (the "Trust Note") as consideration for the Trust Shares;

(d) Silvester shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit C (the "Silvester Lock-up");

(e) the Left Trust shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit D (the "Left Trust Lock-up"); and

(f) Silvester shall cause R&H Trust Co. (BVI) Ltd., as trustee of the Right Trust (the “Right Trust”) to deliver to the Company the lock-up agreement in the form attached hereto as Exhibit E (the “Right Trust Lock-up”).

(g) This Agreement, the Silvester Note, the Trust Note, the Silvester Lock-up, the Left Trust Lock-up and the Right Trust Lock-up are collectively referred to herein as the “Transaction Documents.”

1.3 Closing. The closing of the sale and purchase of the Shares (the “Closing”) shall occur as soon as reasonably practicable following the execution and delivery of this Agreement and at such place as the parties shall agree.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SILVESTER. Silvester hereby represents and warrants to the Company as follows:

2.1 Securities Ownership. Each Seller is the beneficial and record owner of its respective Shares, free and clear of any lien, pledge, option, security interest, claim, charge, third party right or any other restriction or encumbrance (each an “Encumbrance”) and will, at the Closing, transfer to the Company good and marketable title to the Shares, free and clear of any Encumbrance. Other than the Right Trust, no affiliate or immediate family member of the Sellers or the Right Trust beneficially owns any ordinary shares of the Company or any securities convertible into ordinary shares of the Company.

2.2 Authority; Execution and Delivery. The Sellers and the Right Trust have the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which each is a party, to perform their obligations under this Agreement and the other Transaction Documents to which each is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by the Sellers and the Right Trust of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby and thereby, and, with respect to the Left Trust and the Right Trust, no other proceedings on the part of the trusts or their trustees are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which each Seller and the Right Trust is a party have been duly executed and delivered by each Seller and the Right Trust and constitute the legal, valid and binding obligations of the Sellers and the Right Trust, enforceable against the Sellers and the Right Trust in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors’ rights and general principles of equity.

2.3 No Conflicts; Consents. The execution, delivery and performance by the Sellers and the Right Trust of this Agreement and the other Transaction Documents to which each is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) with respect to the Left Trust and the Right Trust, conflict with or result in a violation or breach of, or default under, any provision of the respective trust’s organizational or trust documents; (b) conflict with or result in a violation or breach of any provision of any law or

governmental order applicable to a Seller or the Right Trust; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which a Seller or the Right Trust is a party or by which a Seller or the Right Trust is bound or to which any of their properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of a Seller or the Right Trust. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to a Seller or the Right Trust in connection with the execution and delivery of this Agreement and the other Transaction Documents to which a Seller or the Right Trust is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of obligations under Section 13 or Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")).

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to the Sellers as follows:

3.1 Authority; Execution and Delivery. The Company has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and no other proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights and general principles of equity.

3.2 No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the memorandum of association, bye-laws or other organizational documents of the Company; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to the Company; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which the Company is a party or by which the Company is bound or to which any of its properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of the Company. No consent, approval, permit,

governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to the Company in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of the Company's obligations under the Exchange Act or by any insurance authority or other regulatory body with jurisdiction over the Company or any of its subsidiaries).

SECTION 4. FURTHER ASSURANCES. Each party hereto shall use its commercially reasonable efforts to execute all documents necessary or desirable to effect the transaction contemplated hereunder.

SECTION 5. ENTIRE AGREEMENT; EFFECT ON PRIOR DOCUMENTS. This Agreement and the other documents referred to herein or delivered pursuant hereto contain the entire agreement among the parties with respect to the transaction contemplated hereby and supersede all prior negotiations, commitments, agreements and understandings among them with respect thereto.

SECTION 6. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures of the parties transmitted by facsimile or pdf shall be deemed to be their originals for all purposes.

SECTION 7. GOVERNING LAW. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of Bermuda without regard to its principles of conflicts of laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris
Name: Richard J. Harris
Title: Chief Financial Officer

/s/ Dominic F. Silvester
DOMINIC F. SILVESTER

The COMMON SEAL of R&H TRUST CO. (NZ) LIMITED, as trustee of THE LEFT TRUST was hereunto affixed in the presence of

By: /s/ Bryce M. R. Smith
Name: Bryce M. R. Smith
Title: Director

[Affix Seal Above]

[Signature Page to Silvester Share Repurchase Agreement]

EXHIBIT A
Silvester Note
See attached.

PROMISSORY NOTE

\$4,789,260

October __, 2010
Hamilton, Bermuda

FOR VALUE RECEIVED, ENSTAR GROUP LIMITED, a Bermuda exempted company, (“**Maker**”), hereby unconditionally promises to pay to the order of DOMINIC F. SILVESTER, an individual (“**Payee**”), in installments as hereinafter provided, the principal amount of FOUR MILLION SEVEN HUNDRED EIGHTY-NINE THOUSAND TWO HUNDRED SIXTY DOLLARS (\$4,789,260), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at an annual rate of three and one-half percent (3.5%), and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

Interest shall be calculated on the basis of actual days elapsed and a year of 360 days and shall be paid in arrears on each Payment Date (as defined below).

The principal amount hereof shall be repaid on each date specified below, or if the date specified below is not a business day, on the first business day thereafter (each, a “**Payment Date**”), in each case in the amount specified below, such that the Note will be repaid in full on the last Payment Date:

Payment Date	Amount of Repayment
December 31, 2010	\$1,596,420
December 1, 2011	\$1,596,420
December 1, 2012	\$1,596,420

Payments of principal and interest shall be made in lawful money of the United States of America by wire transfer of immediately available funds to the account designated in writing to Maker by Payee or at such other place as the holder of this Note shall designate to Maker in writing.

Maker may prepay this Note in whole or in part at any time without premium or penalty. Any partial prepayment shall be applied to the unpaid installments of principal in the inverse order of their maturity.

The occurrence of any of the following shall constitute an “**Event of Default**” hereunder: (a) default in any payment by Maker hereunder when due; (b) sale of all or substantially all of Maker’s assets, or any formal action in contemplation of the dissolution, liquidation or termination of Maker’s existence; or (c) institution of any proceedings by or against Maker under any law relating to bankruptcy, insolvency, reorganization or other form of debtor relief or

Maker's making an assignment for the benefit of creditors, or the appointment of a receiver, trustee, conservator or other judicial representative for Maker or Maker's property.

Upon the occurrence of any Event of Default, all amounts payable hereunder shall, at the holder's option but without notice or demand, become immediately due and payable, and the holder shall thereupon have all rights and remedies provided hereunder or otherwise available at law or in equity.

No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

This Note shall be binding upon Maker's successors and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

This Note shall be construed and interpreted in accordance with the laws of Bermuda (excluding the laws applicable to conflicts or choice of law). If any of the terms of this Note shall be declared invalid by any court of competent jurisdiction, such invalidity shall not affect any of the other terms hereof or such other instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has duly executed and delivered this instrument.

ENSTAR GROUP LIMITED

By: _____
Name: Richard J. Harris
Title: Chief Financial Officer

[Signature Page to Silvester Note]

EXHIBIT B

Trust Note

See attached.

PROMISSORY NOTE

\$37,210,740

October __, 2010
Hamilton, Bermuda

FOR VALUE RECEIVED, ENSTAR GROUP LIMITED, a Bermuda exempted company, (“**Maker**”), hereby unconditionally promises to pay to the order of R&H TRUST CO. (NZ) LIMITED, as trustee of THE LEFT TRUST, a trust formed under the laws of New Zealand (“**Payee**”), in installments as hereinafter provided, the principal amount of THIRTY-SEVEN MILLION TWO HUNDRED TEN THOUSAND SEVEN HUNDRED FORTY (\$37,210,740), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at an annual rate of three and one-half percent (3.5%), and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

Interest shall be calculated on the basis of actual days elapsed and a year of 360 days and shall be paid in arrears on each Payment Date (as defined below).

The principal amount hereof shall be repaid on each date specified below, or if the date specified below is not a business day, on the first business day thereafter (each, a “**Payment Date**”), in each case in the amount specified below, such that the Note will be repaid in full on the last Payment Date:

Payment Date	Amount of Repayment
December 31, 2010	\$ 12,403,580
December 1, 2011	\$ 12,403,580
December 1, 2012	\$ 12,403,580

Payments of principal and interest shall be made in lawful money of the United States of America by wire transfer of immediately available funds to the account designated in writing to Maker by Payee or at such other place as the holder of this Note shall designate to Maker in writing.

Maker may prepay this Note in whole or in part at any time without premium or penalty. Any partial prepayment shall be applied to the unpaid installments of principal in the inverse order of their maturity.

The occurrence of any of the following shall constitute an “**Event of Default**” hereunder: (a) default in any payment by Maker hereunder when due; (b) sale of all or substantially all of Maker’s assets, or any formal action in contemplation of the dissolution, liquidation or termination of Maker’s existence; or (c) institution of any proceedings by or against Maker under any law relating to bankruptcy, insolvency, reorganization or other form of debtor relief or

Maker's making an assignment for the benefit of creditors, or the appointment of a receiver, trustee, conservator or other judicial representative for Maker or Maker's property.

Upon the occurrence of any Event of Default, all amounts payable hereunder shall, at the holder's option but without notice or demand, become immediately due and payable, and the holder shall thereupon have all rights and remedies provided hereunder or otherwise available at law or in equity.

No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

This Note shall be binding upon Maker's successors and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

This Note shall be construed and interpreted in accordance with the laws of Bermuda (excluding the laws applicable to conflicts or choice of law). If any of the terms of this Note shall be declared invalid by any court of competent jurisdiction, such invalidity shall not affect any of the other terms hereof or such other instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has duly executed and delivered this instrument.

ENSTAR GROUP LIMITED

By: _____
Name: Richard J. Harris
Title: Chief Financial Officer

[Signature Page to Trust Note]

EXHIBIT C
Silvester Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with the shareholder and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust, providing for the Company's repurchase of certain of the shareholder's and the Left Trust's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company:

- (i) as a *bona fide* gift or gifts; or
- (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

DOMINIC F. SILVESTER

[Signature Page to Silvester Lock-up]

C-3

EXHIBIT D
Left Trust Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with Dominic F. Silvester and the shareholder providing for the Company's repurchase of certain of Mr. Silvester's and the shareholder's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company as:

- (i) a *bona fide* gift or gifts; or
- (ii) distributions by the undersigned to its beneficiaries;

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

The COMMON SEAL of R&H TRUST CO. (NZ) LIMITED, as trustee of THE LEFT TRUST was hereunto affixed in the presence of

By: _____
Name:
Title:

[Affix Seal Above]

[Signature Page to Left Trust Lock-up]

EXHIBIT E
Right Trust Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with Dominic F. Silvester and R&H Trust Co. (NZ) Limited, as trustee of the Left Trust, providing for the Company's repurchase of certain of Mr. Silvester's and the Left Trust's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, as well as Mr. Silvester and the Left Trust, which are affiliated with the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company as:

- (i) a *bona fide* gift or gifts; or
- (ii) distributions by the undersigned to its beneficiaries;

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

The COMMON SEAL of R&H TRUST CO. (BVI) LIMITED, as trustee of THE RIGHT TRUST was hereunto affixed in the presence of

By: _____
Name:
Title:

[Affix Seal Above]

[Signature Page to Right Trust Lock-up]

SHARE REPURCHASE AGREEMENT

THIS SHARE REPURCHASE AGREEMENT (this "Agreement") is dated as of October 1, 2010 by and among Enstar Group Limited (the "Company"), Paul J. O'Shea ("O'Shea") and R&H Trust Co. (BVI) Limited, as trustee of the Elbow Trust (the "Elbow Trust").

WHEREAS, O'Shea and his immediate family are the sole beneficiaries of the Elbow Trust;

WHEREAS, the Elbow Trust desires to sell 100,000 ordinary shares of the Company, par value \$1.00 per share (the "Shares"), to the Company; and

WHEREAS, the Company desires to purchase the Shares from the Elbow Trust.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

SECTION 1. SALE AND PURCHASE; CLOSING.

1.1 Sale and Transfer of the Shares. Subject to the terms and conditions of this Agreement, the Company shall purchase the Shares from the Elbow Trust at a purchase price of \$70.00 per Share, for an aggregate purchase price of \$7,000,000, payable as provided in Section 1.2 hereof.

1.2 Payment. At the Closing (as defined below):

(a) the Elbow Trust shall (i) deliver to the Company stock certificates, endorsed in blank, representing the Shares or (ii) cause the Shares to be electronically transferred to the Company's account at the Company's transfer agent;

(b) the Company shall deliver to the Elbow Trust the promissory note in the form attached hereto as Exhibit A (the "Trust Note") as consideration for the Shares;

(c) O'Shea shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit B (the "O'Shea Lock-up"); and

(d) the Elbow Trust shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit C (the "Elbow Trust Lock-up").

(e) This Agreement, the Trust Note, the O'Shea Lock-up and the Elbow Trust Lock-up are collectively referred to herein as the "Transaction Documents."

1.3 Closing. The closing of the sale and purchase of the Shares (the "Closing") shall

occur as soon as reasonably practicable following the execution and delivery of this Agreement and at such place as the parties shall agree.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF O'SHEA. O'Shea hereby represents and warrants to the Company as follows:

2.1 Securities Ownership. The Elbow Trust is the beneficial and record owner of the Shares, free and clear of any lien, pledge, option, security interest, claim, charge, third party right or any other restriction or encumbrance (each an "Encumbrance") and will, at the Closing, transfer to the Company good and marketable title to the Shares, free and clear of any Encumbrance. No affiliate of the Elbow Trust or O'Shea, and no immediate family member of O'Shea, beneficially owns any ordinary shares of the Company or any securities convertible into ordinary shares of the Company.

2.2 Authority; Execution and Delivery. O'Shea and the Elbow Trust each have the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which each is a party, to perform their obligations under this Agreement and the other Transaction Documents to which each is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by O'Shea and the Elbow Trust of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby and thereby, and, with respect to the Elbow Trust, no other proceedings on the part of the trust or its trustee are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which each of O'Shea and the Elbow Trust is a party have been duly executed and delivered by each of O'Shea and the Elbow Trust and constitute the legal, valid and binding obligations of O'Shea and the Elbow Trust, enforceable against O'Shea and the Elbow Trust in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights and general principles of equity.

2.3 No Conflicts; Consents. The execution, delivery and performance by O'Shea and the Elbow Trust of this Agreement and the other Transaction Documents to which each is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) with respect to the Elbow Trust, conflict with or result in a violation or breach of, or default under, any provision of the trust's organizational or trust documents; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to O'Shea or the Elbow Trust; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which O'Shea or the Elbow Trust is a party or by which O'Shea or the Elbow Trust is bound or to which any of their properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of O'Shea or the Elbow Trust. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to O'Shea or the Elbow Trust in

connection with the execution and delivery of this Agreement and the other Transaction Documents to which O'Shea or the Elbow Trust is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of obligations under Section 13 or Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")).

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to O'Shea and the Elbow Trust as follows:

3.1 Authority; Execution and Delivery. The Company has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and no other proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights and general principles of equity.

3.2 No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the memorandum of association, bye-laws or other organizational documents of the Company; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to the Company; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which the Company is a party or by which the Company is bound or to which any of its properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of the Company. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to the Company in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of the Company's obligations under the Exchange Act or by any insurance authority or other regulatory body with jurisdiction over the Company or any of its subsidiaries).

SECTION 4. FURTHER ASSURANCES. Each party hereto shall use its commercially

reasonable efforts to execute all documents necessary or desirable to effect the transaction contemplated hereunder.

SECTION 5. ENTIRE AGREEMENT; EFFECT ON PRIOR DOCUMENTS. This Agreement and the other documents referred to herein or delivered pursuant hereto contain the entire agreement among the parties with respect to the transaction contemplated hereby and supersede all prior negotiations, commitments, agreements and understandings among them with respect thereto.

SECTION 6. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures of the parties transmitted by facsimile or pdf shall be deemed to be their originals for all purposes.

SECTION 7. GOVERNING LAW. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of Bermuda without regard to its principles of conflicts of laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris
Name: Richard J. Harris
Title: Chief Financial Officer

/s/ Paul J. O'Shea
PAUL J. O'SHEA

The COMMON SEAL of R&H TRUST CO. (BVI) LIMITED, as trustee of THE ELBOW TRUST was hereunto affixed in the presence of

By: /s/ Craig Williams
Name: Craig Williams
Title: Director

[Affix Seal Above]

[Signature Page to O'Shea Share Repurchase Agreement]

EXHIBIT A

Trust Note

See attached.

PROMISSORY NOTE

\$7,000,000

October __, 2010
Hamilton, Bermuda

FOR VALUE RECEIVED, ENSTAR GROUP LIMITED, a Bermuda exempted company, (“**Maker**”), hereby unconditionally promises to pay to the order of R&H TRUST CO. (BVI) LIMITED, as trustee of THE ELBOW TRUST, a trust formed under the laws of the British Virgin Islands (“**Payee**”), in installments as hereinafter provided, the principal amount of SEVEN MILLION DOLLARS (\$7,000,000), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at an annual rate of three and one-half percent (3.5%), and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

Interest shall be calculated on the basis of actual days elapsed and a year of 360 days and shall be paid in arrears on each Payment Date (as defined below).

The principal amount hereof shall be repaid on each date specified below, or if the date specified below is not a business day, on the first business day thereafter (each, a “**Payment Date**”), in each case in the amount specified below, such that the Note will be repaid in full on the last Payment Date:

Payment Date	Amount of Repayment
December 31, 2010	\$ 2,333,333
December 1, 2011	\$ 2,333,333
December 1, 2012	\$ 2,333,334

Payments of principal and interest shall be made in lawful money of the United States of America by wire transfer of immediately available funds to the account designated in writing to Maker by Payee or at such other place as the holder of this Note shall designate to Maker in writing.

Maker may prepay this Note in whole or in part at any time without premium or penalty. Any partial prepayment shall be applied to the unpaid installments of principal in the inverse order of their maturity.

The occurrence of any of the following shall constitute an “**Event of Default**” hereunder: (a) default in any payment by Maker hereunder when due; (b) sale of all or substantially all of Maker’s assets, or any formal action in contemplation of the dissolution, liquidation or termination of Maker’s existence; or (c) institution of any proceedings by or against Maker under any law relating to bankruptcy, insolvency, reorganization or other form of debtor relief or

Maker's making an assignment for the benefit of creditors, or the appointment of a receiver, trustee, conservator or other judicial representative for Maker or Maker's property.

Upon the occurrence of any Event of Default, all amounts payable hereunder shall, at the holder's option but without notice or demand, become immediately due and payable, and the holder shall thereupon have all rights and remedies provided hereunder or otherwise available at law or in equity.

No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

This Note shall be binding upon Maker's successors and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

This Note shall be construed and interpreted in accordance with the laws of Bermuda (excluding the laws applicable to conflicts or choice of law). If any of the terms of this Note shall be declared invalid by any court of competent jurisdiction, such invalidity shall not affect any of the other terms hereof or such other instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has duly executed and delivered this instrument.

ENSTAR GROUP LIMITED

By: _____
Name: Richard J. Harris
Title: Chief Financial Officer

[Signature Page to Trust Note]

EXHIBIT B
O'Shea Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with the shareholder and R&H Trust Co. (BVI) Limited, as trustee of the Elbow Trust, providing for the Company's repurchase of certain of the Elbow Trust's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, as well as the Elbow Trust, which is affiliated with the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company:

- (i) as a *bona fide* gift or gifts; or
- (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

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provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

PAUL J. O'SHEA

[Signature Page to O'Shea Lock-up]

B-3

EXHIBIT C
Elbow Trust Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with Paul. J. O'Shea and the shareholder providing for the Company's repurchase of certain of the shareholder's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company as:

- (i) a *bona fide* gift or gifts; or
- (ii) distributions by the undersigned to its beneficiaries;

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

The COMMON SEAL of R&H TRUST CO. (BVI)
LIMITED, as trustee of THE ELBOW TRUST was
hereunto affixed in the presence of

By: _____
Name:
Title:

[Affix Seal Above]

[Signature Page to Elbow Trust Lock-up]

SHARE REPURCHASE AGREEMENT

THIS SHARE REPURCHASE AGREEMENT (this "Agreement") is dated as of October 1, 2010 by and among Enstar Group Limited (the "Company"), Nicholas A. Packer ("Packer") and Hove Investments Holding Limited ("Hove").

WHEREAS, the sole owner of Hove is R&H Trust Co. (BVI) Limited, as trustee of the Hove Trust;

WHEREAS, Packer and his immediate family are the sole beneficiaries of the Hove Trust;

WHEREAS, Hove desires to sell 100,000 ordinary shares of the Company, par value \$1.00 per share (the "Shares"), to the Company; and

WHEREAS, the Company desires to purchase the Shares from Hove.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

SECTION 1. SALE AND PURCHASE: CLOSING.

1.1 Sale and Transfer of the Shares. Subject to the terms and conditions of this Agreement, the Company shall purchase the Shares from Hove at a purchase price of \$70.00 per Share, for an aggregate purchase price of \$7,000,000, payable as provided in Section 1.2 hereof.

1.2 Payment. At the Closing (as defined below):

(a) Hove shall (i) deliver to the Company stock certificates, endorsed in blank, representing the Shares or (ii) cause the Shares to be electronically transferred to the Company's account at the Company's transfer agent;

(b) the Company shall deliver to Hove the promissory note in the form attached hereto as Exhibit A (the "Hove Note") as consideration for the Shares;

(c) Packer shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit B (the "Packer Lock-up"); and

(d) Hove shall deliver to the Company the lock-up agreement in the form attached hereto as Exhibit C (the "Hove Lock-up").

(e) This Agreement, the Hove Note, the Packer Lock-up and Hove Lock-up are collectively referred to herein as the "Transaction Documents."

1.3 Closing. The closing of the sale and purchase of the Shares (the “Closing”) shall occur as soon as reasonably practicable following the execution and delivery of this Agreement and at such place as the parties shall agree.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF PACKER. Packer hereby represents and warrants to the Company as follows:

2.1 Securities Ownership. Hove is the beneficial and record owner of the Shares, free and clear of any lien, pledge, option, security interest, claim, charge, third party right or any other restriction or encumbrance (each an “Encumbrance”) and will, at the Closing, transfer to the Company good and marketable title to the Shares, free and clear of any Encumbrance. No affiliate of Hove or Packer, and no immediate family member of Packer, beneficially owns any ordinary shares of the Company or any securities convertible into ordinary shares of the Company.

2.2 Authority; Execution and Delivery. Packer and Hove each have the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which each is a party, to perform their obligations under this Agreement and the other Transaction Documents to which each is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by Packer and Hove of this Agreement and the other Transaction Documents to which each is a party and the consummation of the transactions contemplated hereby and thereby, and, with respect to Hove, no other proceedings on the part of the company is necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which each of Packer and Hove is a party have been duly executed and delivered by each of Packer and Hove and constitute the legal, valid and binding obligations of Packer and Hove, enforceable against Packer and Hove in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors’ rights and general principles of equity.

2.3 No Conflicts; Consents. The execution, delivery and performance by Packer and Hove of this Agreement and the other Transaction Documents to which each is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) with respect to Hove, conflict with or result in a violation or breach of, or default under, any provision of the company’s charter, bylaws or other organizational documents; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to Packer or Hove; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which Packer or Hove is a party or by which Packer or Hove is bound or to which any of their properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of Packer or Hove. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to Packer or Hove in connection with the execution and delivery of this Agreement and the other Transaction

Documents to which Packer or Hove is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of obligations under Section 13 or Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)).

SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants to Packer and Hove as follows:

3.1 Authority; Execution and Delivery. The Company has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All requisite action has been taken to authorize the execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and no other proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which the Company is a party have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors’ rights and general principles of equity.

3.2 No Conflicts; Consents. The execution, delivery and performance by the Company of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the memorandum of association, bye-laws or other organizational documents of the Company; (b) conflict with or result in a violation or breach of any provision of any law or governmental order applicable to the Company; (c) require the consent, notice or other action by any person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which the Company is a party or by which the Company is bound or to which any of its properties and assets are subject; or (d) result in the creation or imposition of any Encumbrance on any properties or assets of the Company. No consent, approval, permit, governmental order, declaration or filing with, or notice to, any governmental authority is required by or with respect to the Company in connection with the execution and delivery of this Agreement and the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby (except for any filings that may be required by the U.S. Securities and Exchange Commission as a result of the Company’s obligations under the Exchange Act or by any insurance authority or other regulatory body with jurisdiction over the Company or any of its subsidiaries).

SECTION 4. FURTHER ASSURANCES. Each party hereto shall use its commercially reasonable efforts to execute all documents necessary or desirable to effect the transaction

contemplated hereunder.

SECTION 5. ENTIRE AGREEMENT; EFFECT ON PRIOR DOCUMENTS. This Agreement and the other documents referred to herein or delivered pursuant hereto contain the entire agreement among the parties with respect to the transaction contemplated hereby and supersede all prior negotiations, commitments, agreements and understandings among them with respect thereto.

SECTION 6. COUNTERPARTS; FACSIMILE AND PDF SIGNATURES. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures of the parties transmitted by facsimile or pdf shall be deemed to be their originals for all purposes.

SECTION 7. GOVERNING LAW. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of Bermuda without regard to its principles of conflicts of laws.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ENSTAR GROUP LIMITED

By: /s/ Richard J. Harris
Name: Richard J. Harris
Title: Chief Financial Officer

/s/ Nicholas A. Packer
NICHOLAS A. PACKER

HOVE INVESTMENTS HOLDING LIMITED

By: /s/ Craig Williams
Name: Craig Williams
Title: Authorized Representative

[Signature Page to Packer Share Repurchase Agreement]

EXHIBIT A

Hove Note

See attached.

PROMISSORY NOTE

\$7,000,000

October __, 2010
Hamilton, Bermuda

FOR VALUE RECEIVED, ENSTAR GROUP LIMITED, a Bermuda exempted company, (“**Maker**”), hereby unconditionally promises to pay to the order of HOVE INVESTMENTS HOLDING LIMITED, a company formed under the laws of the British Virgin Islands (“**Payee**”), in installments as hereinafter provided, the principal amount of SEVEN MILLION DOLLARS (\$7,000,000), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at an annual rate of three and one-half percent (3.5%), and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

Interest shall be calculated on the basis of actual days elapsed and a year of 360 days and shall be paid in arrears on each Payment Date (as defined below).

The principal amount hereof shall be repaid on each date specified below, or if the date specified below is not a business day, on the first business day thereafter (each, a “**Payment Date**”), in each case in the amount specified below, such that the Note will be repaid in full on the last Payment Date:

Payment Date	Amount of Repayment
December 31, 2010	\$ 2,333,333
December 1, 2011	\$ 2,333,333
December 1, 2012	\$ 2,333,334

Payments of principal and interest shall be made in lawful money of the United States of America by wire transfer of immediately available funds to the account designated in writing to Maker by Payee or at such other place as the holder of this Note shall designate to Maker in writing.

Maker may prepay this Note in whole or in part at any time without premium or penalty. Any partial prepayment shall be applied to the unpaid installments of principal in the inverse order of their maturity.

The occurrence of any of the following shall constitute an “**Event of Default**” hereunder: (a) default in any payment by Maker hereunder when due; (b) sale of all or substantially all of Maker’s assets, or any formal action in contemplation of the dissolution, liquidation or termination of Maker’s existence; or (c) institution of any proceedings by or against Maker under any law relating to bankruptcy, insolvency, reorganization or other form of debtor relief or

Maker's making an assignment for the benefit of creditors, or the appointment of a receiver, trustee, conservator or other judicial representative for Maker or Maker's property.

Upon the occurrence of any Event of Default, all amounts payable hereunder shall, at the holder's option but without notice or demand, become immediately due and payable, and the holder shall thereupon have all rights and remedies provided hereunder or otherwise available at law or in equity.

No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

This Note shall be binding upon Maker's successors and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

This Note shall be construed and interpreted in accordance with the laws of Bermuda (excluding the laws applicable to conflicts or choice of law). If any of the terms of this Note shall be declared invalid by any court of competent jurisdiction, such invalidity shall not affect any of the other terms hereof or such other instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has duly executed and delivered this instrument.

ENSTAR GROUP LIMITED

By: _____
Name: Richard J. Harris
Title: Chief Financial Officer

[Signature Page to Hove Note]

EXHIBIT B
Packer Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the "**Company**"), understands that the Company proposes to enter into a Share Repurchase Agreement (the "**Repurchase Agreement**") with the shareholder and Hove Investments Holding Limited ("**Hove**"), providing for the Company's repurchase of certain of Hove's ordinary shares of the Company, par value \$1.00 per share (the "**Ordinary Shares**"). In recognition of the benefit that such a repurchase will confer upon the undersigned, as well as Hove, which is affiliated with the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the "**Lock-up Period**"), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company's Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the "**Lock-Up Securities**") or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company:

- (i) as a *bona fide* gift or gifts; or
- (ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

B-1

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, trustee, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

NICHOLAS A. PACKER

[Signature Page to Packer Lock-up]

B-3

EXHIBIT C
Hove Lock-up
See attached.

October __, 2010

Enstar Group Limited
P.O. Box HM 2267
Windsor Place, 3rd Floor
18 Queen Street
Hamilton HM JX
Bermuda

Re: Share Repurchase by Enstar Group Limited

Dear Sirs:

The undersigned, a shareholder of Enstar Group Limited, a Bermuda exempted company (the “**Company**”), understands that the Company proposes to enter into a Share Repurchase Agreement (the “**Repurchase Agreement**”) with Nicholas A. Packer and the shareholder providing for the Company’s repurchase of certain of the shareholder’s ordinary shares of the Company, par value \$1.00 per share (the “**Ordinary Shares**”). In recognition of the benefit that such a repurchase will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees with the Company that, during a period of two years from the date of the Repurchase Agreement (the “**Lock-up Period**”), the undersigned will not, without the prior written consent of the Company, (i) directly or indirectly, offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise dispose of or transfer any of the Company’s Ordinary Shares or any securities convertible into or exchangeable or exercisable for Ordinary Shares, whether now owned or hereafter acquired by the undersigned or with respect to which the undersigned has or hereafter acquires the power of disposition (collectively, the “**Lock-Up Securities**”) or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or other transaction is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, the undersigned may transfer the Lock-Up Securities without the prior written consent of the Company as:

- (i) a *bona fide* gift or gifts; or
- (ii) distributions to stockholders of the undersigned;

provided, in each case, that: (A) the Company receives a signed lock-up agreement for the balance of the Lock-up Period from each donee, stockholder, distributee, or transferee, as the case may be and (B) any such transfer shall not involve a disposition for value.

C-1

In addition, the undersigned agrees that, without the Company's prior written consent, the undersigned will not, during the period commencing on the date hereof and ending at the end of the Lock-up Period, make any demand for or exercise any right with respect to, the registration of any Lock-up Securities or any securities convertible into, exercisable for, or exchangeable for Lock-up Securities.

The undersigned understands and acknowledges that the terms of this lock-up agreement apply to Lock-Up Securities that are subject to any pledge arrangement or agreement, and accordingly, any sale or transfer of any pledged Lock-up Securities in violation of the provisions herein would constitute a breach of this lock-up agreement for which the Company would be entitled to seek damages.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Lock-Up Securities except in compliance with the foregoing restrictions.

[Signature Page Follows]

Very truly yours,

HOVE INVESTMENTS HOLDING LIMITED

By: _____

Name:

Title:

[Signature Page to Hove Lock-up]