



December 22, 2011

## Enstar Group Limited Announces Closing of Second and Third Tranches of Investment by GS Capital Partners

HAMILTON, Bermuda, Dec. 22, 2011 (GLOBE NEWSWIRE) -- Enstar Group Limited ("Enstar") (Nasdaq:ESGR) today announced the simultaneous closing of the second and third tranches of an investment in Enstar by certain affiliated funds of GS Capital Partners ("GSCP"), private equity funds managed by Goldman Sachs & Co. Enstar issued 134,184 voting ordinary shares and 1,975,768 non-voting ordinary shares to GSCP for a total purchase price of approximately \$181.5 million, or \$86.00 per share.

At an initial closing on April 20, 2011, GSCP invested approximately \$110.2 million in Enstar to acquire 531,345 voting ordinary shares of Enstar, 749,869 Series A convertible non-voting preference shares of Enstar ("Non-Voting Preferred Shares"), and warrants to acquire an additional 340,820 Non-Voting Preferred Shares at \$115.00 per share. Following receipt of shareholder approval of certain matters related to the transaction at Enstar's Annual General Meeting of Shareholders on June 28, 2011, the Non-Voting Preferred Shares automatically converted into non-voting ordinary shares and the warrants automatically converted into the right to purchase non-voting ordinary shares.

Following the closing today, GSCP has purchased from Enstar an aggregate of 665,529 voting ordinary shares, 2,725,637 non-voting ordinary shares, and warrants to purchase an additional 340,820 non-voting ordinary shares at \$115.00 per share. The shares GSCP purchased from Enstar represent approximately 19.9% of Enstar's outstanding voting and non-voting ordinary shares on an aggregate fully diluted basis, and the warrants represent the right to acquire approximately an additional 2.0% of Enstar's outstanding voting and non-voting ordinary shares on a fully diluted basis. The voting ordinary shares GSCP purchased from Enstar represent less than 4.9% of Enstar's outstanding voting ordinary shares.

Other than pursuant to the exercise of the warrants, Enstar has no obligation to issue any additional shares to GSCP.

Enstar, a Bermuda company, acquires and manages insurance and reinsurance companies in run-off and portfolios of insurance and reinsurance business in run-off, and provides management, consultancy and other services to the insurance and reinsurance industry.

The Enstar Group Limited logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=5734>

*This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include statements regarding the intent, belief or current expectations of Enstar and its management team. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Important risk factors regarding Enstar may be found under the heading "Risk Factors" in Enstar's Form 10-K for the year ended December 31, 2010, and are incorporated herein by reference. Furthermore, Enstar undertakes no obligation to update any written or oral forward-looking statements or publicly announce any updates or revisions to any of the forward-looking statements contained herein, to reflect any change in its expectations with regard thereto or any change in events, conditions, circumstances or assumptions underlying such statements, except as required by law.*

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