



American Overseas Group Limited Announces Re-Domestication of its Operating Subsidiary, American Overseas Reinsurance Company Limited, to Barbados

HAMILTON, Bermuda, November 20, 2012 (BUSINESS WIRE) -- American Overseas Group Limited (BSX:AORE.BH) (Pink Sheets: AORE) ("AOG") today announced its intention to re-domesticate its operating subsidiary, American Overseas Reinsurance Company Limited ("AORE"), to Barbados effective on or about December 7, 2012. An application is pending with the Barbados Financial Services Commission (the "Barbados FSC") for licensing of AORE as an Exempt Insurance Company in accordance with the provisions of the Barbados Exempt Insurance Act 1983. AORE has received confirmation of no objection from the Bermuda Monetary Authority's Insurance Division (the "BMA") of its discontinuance from Bermuda in accordance with the Insurance Act 1978 and intends to file notice of discontinuance under the Companies Act 1981.

With its application to the Barbados FSC, AORE has submitted a business plan to begin writing short-tail, non-catastrophe, property/casualty reinsurance business upon its licensing and continuance in Barbados, while continuing to run-off its existing financial guaranty reinsurance portfolio. AOG's Chief Executive Officer, David Steel, commented that, "Our strategy is to enhance shareholder value by writing short-tail, P&C reinsurance business complimenting our long-tail financial guaranty portfolio run-off. AORE's re-domestication is integral to our business plan."

AOG will remain a Bermuda-domiciled holding company with 100% ownership of the common equity in AORE. In addition, AOG's affiliated management company, Reid Street Services Limited, will continue to be domiciled in Bermuda and will continue to provide services to AORE.

The re-domestication of AORE and its plan to resume writing new reinsurance business are subject to approval of the Barbados FSC, and the discontinuance from Bermuda is subject to the approval of the Bermuda Minister of Finance. No assurance can be given that such approvals will be obtained.

Forward-Looking Statements

This release contains statements that may be considered "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current views of the economic and operating environment and are not guarantees of future performance. A number of risks and uncertainties, including economic competitive conditions and failure to obtain the necessary regulatory approvals, could cause actual results to differ materially from those projected in forward-looking statements. AOG's

actual results could differ materially from those expressed or implied in the forward-looking statements. Among the factors that could cause actual results to differ materially are: (i) AORE's ability to execute its business strategy, including with respect to any new reinsurance businesses; (ii) changes in general economic conditions, including inflation, foreign currency exchange rates, interest rates and other factors; (iii) the loss of significant customers with which AORE has a concentration of its reinsurance in force; (iv) legislative and regulatory developments; (v) changes in regulations or tax laws applicable to AORE or its customers; (vi) more severe or more frequent losses associated with AORE's insured portfolio; (vii) losses on credit derivatives; (viii) changes in AOG's accounting policies and procedures that impact AOG's reported financial results; (ix) the effects of ongoing and future litigation and (x) other risks and uncertainties that have not been identified at this time. AOG undertakes no obligation to revise or update any forward-looking statement to reflect changes in conditions, events, or expectations, except as required by law.

Information about the Company

American Overseas Group Limited is a Bermuda-based holding company. Its operating subsidiary, American Overseas Reinsurance Company Ltd., has historically provided financial guaranty reinsurance for U.S. and international public finance and structured finance transactions. More information can be found at www.aoreltd.com.

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