Scottish Re Announces Sale of Middle East Life Portfolio to Arab Insurance Group

June 28, 2007 (Bermuda and Bahrain) - Scottish Re Group Limited (NYSE: SCT), a global life reinsurance specialist, today announced the sale of its Middle East Life portfolio to Arab Insurance Group (Arig), one of the largest reinsurance companies in the Middle East and North Africa.

Dave Howell, Chief Executive Officer of Scottish Re's International Segment, noted, "This transaction enables our international management team to focus on growth opportunities in the UK and Ireland, Asia and our specialist global aviation business. We understand that the portfolio represents a good strategic fit for Arig and wish them every success for the future. We are particularly pleased that a number of employees from Scottish Re's local office have transferred to Arig. The regional expertise of Arig, strengthened by the transferring Scottish Re staff, will ensure that clients continue to receive the high quality service which they have come to expect."

Yassir Albaharna, Chief Executive Officer of Arig said "Arig is firmly committed to the continued growth of all classes of business and has been exploring ways to diversify from its traditional non-life book. This transaction therefore underscores our strength and capabilities to become a leading life reinsurance provider in the MENA region. Scottish Re's portfolio is a solid complement to ours and we are very pleased to complete the purchase today. Key staff from Scottish Re will shortly relocate to Arig's Head Office in Bahrain in order to ensure continuity for our clients. During the transition period, clients can expect their reinsurance treaties and contracts to remain unchanged."

The conclusion of the transaction will mean the transfer of Scottish Re's Middle East life portfolio (estimated around USD 22 million annual premiums) to Arig as of 1st July 2007 along with the necessary infrastructure to support ongoing client and business needs. The financial terms of the transaction were not disclosed.

Jointly Issued by:

Scottish Re and Arab Insurance Group

About Scottish Re
Scottish Re Group Limited is a global life reinsurance specialist. Scottish Re has operating businesses in Bermuda, Grand Cayman, Guernsey, Ireland, Singapore, the United Kingdom and the United States. Its flagship operating subsidiaries include Scottish Annuity & Life Insurance Company (Cayman) Ltd., Scottish Re (U.S.), Inc., and Scottish Re Limited. Additional information about Scottish Re Group Limited can be obtained from its Web site, www.scottishre.com.

About Arig
Arab Insurance Group (Arig) is one of the largest Arab-owned, professional reinsurance providers in the Middle East and North Africa. Arig is listed on the stock exchanges in Bahrain, Dubai and Kuwait and offers a wide range of reinsurance products and services. Arig's subsidiaries include Takaful Re (Dubai), Gulf Warranties (Bahrain) and Arima Insurance Software (Bahrain). Additional information about Arig can be obtained at www.arig.com.bh

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