



NEWS RELEASE

For immediate release

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Hudson Insurance Group Announces the Formation of an Environmental Products Unit

Stamford, CT – September 4, 2008 – Hudson Insurance Group (“Hudson”), the U.S. Insurance division of Odyssey Re Holdings Corp. (NYSE: ORH), today announced the formation of an Environmental Products unit to be headquartered in New York City and managed by Stephen L. Porcelli, Senior Vice President.

Hudson’s Environmental Products unit will focus on environmental contractors’ and consultants’ liability as well as underground storage tank liability and other site pollution insurance products. Coverage will be offered in all 50 states by Hudson Specialty Insurance Company.

Brian Young, CEO of Global Insurance Operations, noted, “We look forward to strengthening our presence within the environmental market by offering our brokers and their clients direct access to Hudson’s experienced underwriting and claims handling professionals. Hudson is committed to the U.S. environmental marketplace.”

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Hudson Insurance Group specializes in primary and excess insurance coverages through Hudson Programs, Hudson Healthcare, Hudson Financial Products and Hudson Crop. Hudson provides admitted and non-admitted insurance predominantly through Hudson Insurance Company and Hudson Specialty Insurance Company; both rated "A" (Excellent) XV by A.M. Best Company. Hudson Insurance Group is the U.S. Insurance division of OdysseyRe, a leading worldwide underwriter of property and casualty reinsurance and specialty insurance with \$3 billion in policyholders' surplus. The company is traded on the NYSE under the symbol, ORH.

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Odyssey Re Holdings Corp. is a leading worldwide underwriter of property and casualty treaty and facultative reinsurance, as well as specialty insurance. OdysseyRe operates through its subsidiaries Odyssey America Reinsurance Corporation, Hudson Insurance Company, Hudson Specialty Insurance Company, Clearwater Insurance Company, Newline Underwriting Management Limited, Newline Asia Services Pte. Ltd. and Newline Insurance Company Limited. The Company underwrites through offices in the United States, London, Paris, Singapore, Toronto and Latin America.

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Certain statements contained herein may constitute forward-looking statements and are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: a

reduction in net income if the Company's loss reserves are insufficient; the occurrence of catastrophic events with a frequency or severity exceeding the Company's estimates; the lowering or loss of one of the Company's financial or claims-paying ratings, including those of the Company's subsidiaries; an inability to realize the Company's investment objectives; a decrease in the level of demand for the Company's reinsurance or insurance business, or increased competition; emerging claim and coverage issues; risks relating to ongoing investigations by U.S. government authorities; the risk that ongoing regulatory developments will disrupt the Company's business or mandate changes in industry practices that increase the Company's costs; changes in economic conditions, including interest rate, currency, equity and credit conditions; the Company's inability to access its subsidiaries' cash; loss of services of any of the Company's key employees; risks related to the Company's use of reinsurance brokers; failure of the Company's reinsurers to honor their obligations; regulatory and legislative changes; risks associated with the growth of the Company's specialty insurance business; and other factors that are described in the Company's filings with the Securities and Exchange Commission. Except as otherwise required by federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.