



## NEWS RELEASE

For immediate release

Contact: R. Scott Donovan, Chief Financial Officer  
(203) 977-0199

### **OdysseyRe Announces Removal of Hedges on Equity Portfolio Investments**

Stamford, CT – November 20, 2008 – Odyssey Re Holdings Corp. (NYSE: ORH) announced today that it has removed the hedge on its equity portfolio investments by covering its S&P and S&P/TSX60 equity index total return swaps. The Company had previously disclosed in its third quarter conference call that it had reduced the notional value of its equity portfolio hedge from approximately \$1.0 billion, at September 30, 2008, to approximately \$785 million as of October 31, 2008, the date of that call.

OdysseyRe took this action after consultation with its investment advisor, Hamblin Watsa Investment Counsel Ltd., reflecting the Company's present view that stock prices may have already discounted the worst of the recent economic decline. The Company does recognize, however, that in the short term, the stock markets may continue to fall significantly.

As of October 31, 2008, OdysseyRe continued to hold approximately 70% of its investment portfolio in treasury bills and government bonds as well as approximately \$2.1 billion notional amount of credit default swaps. The credit default swaps are extremely volatile, with the result that their market value and their liquidity may vary dramatically either up or down in short periods, and their ultimate value will therefore only be known upon their disposition. Similarly, the values of OdysseyRe's other portfolio investments, including treasury bills, government bonds, other fixed income securities and equities are also volatile, particularly in light of the increased volatility of current financial markets, and their ultimate value will only be known upon their disposition.

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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. Odyssey Re Holdings Corp. is listed on the New York Stock Exchange under the symbol ORH.

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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.