

NOTICE OF INTENTION TO APPLY TO THE FEDERAL COURT FOR CONFIRMATION OF A SCHEME FOR THE TRANSFER OF CERTAIN INSURANCE BUSINESS OF MUNICIPAL MUTUAL INSURANCE LIMITED TO GORDIAN RUNOFF LIMITED

TAKE NOTICE that Municipal Mutual Insurance Limited ARBN 007 509 873 (“**MMI**”) on its own behalf and on behalf of Gordian RunOff Limited ACN 052 179 647 (“**GRO**”), intends to make an application to the Federal Court of Australia in Sydney on Friday 27 February 2009 at 9:00 a.m., or on such later date or time as the Court appoints, for confirmation of a scheme to transfer MMI’s Australian insurance business to GRO.

MMI is a company incorporated in England and Wales. It is authorised under the *Insurance Act 1973* (Cth) (the “**Act**”) to carry on general insurance run-off business in Australia. MMI has not issued new policies in Australia since 1992 and, in order to reduce ongoing costs and administration of MMI’s policies, MMI wishes to transfer its Australian insurance policies to GRO. GRO is a company incorporated in Australia and is also authorised under the Act to carry on general insurance run-off business in Australia.

Before the proposed scheme can become legally effective, it must be confirmed by the Federal Court of Australia under Division 3A of Part III of the Act. If confirmed by the Court, the scheme will become binding on all persons.

Policyholders affected by the scheme may attend the Court hearing and request to be heard by the Court on the application for confirmation of the scheme.

Any person who wishes to appear before the Court is requested to advise Mr John Edmond of Allens Arthur Robinson, Deutsche Bank Place, Corner of Hunter and Phillip Streets, Sydney, NSW, 2000 (Ph: +612 9230 4287 or email: John.Edmond@aar.com.au) or Ms Naomi Moore of Bingham McCutchen LLP, Suites 4903-04, One Exchange Square, 8 Connaught Place, Central, Hong Kong (Ph: +852 3182 1706 or email: naomi.moore@bingham.com) at least seven days prior to the hearing date specified above. **You are not required to take any action if you have no objection to the scheme.**

A copy of the scheme and the actuarial report of Mr Richard Wilkinson, FIA, FIAA, of KPMG Actuaries Pty Limited upon which the scheme will be based, will be open for public inspection in Australia by any policyholder of MMI or GRO between the hours of 9.00am and 5.00pm (local time) every day (except weekends and public holidays) for a period of at least 15 business days from 5 February 2009 at the offices of KPMG at the following addresses: **New South Wales:** The KPMG Centre, Level 15, 10 Shelley Street, SYDNEY NSW 2000, Tel: (02) 9335 7000, Fax: 02 9229 7077; **Victoria:** KPMG House, Level 5, 147 Collins Street, Melbourne VIC 3000, Tel: (03) 9288 5555, Fax: (03) 9288 6666; **Queensland:** Riparian Plaza, Level 16, 71 Eagle Street, BRISBANE QLD 4000, Tel: (07) 3233 3111, Fax: (07) 3233 3100; **Western Australia:** Central Park, Level 31, 152-158 St George’s Terrace, Perth WA 6000, Tel: (08) 9263 7171, Fax: (08) 9263 7129; **South Australia:** KPMG Building, Level 7, 151 Pirie Street, ADELAIDE SA 5000, Tel: (08) 8236 3111, Fax: (08) 8236 3299; **Tasmania:** Level 3, 100 Melville Street, Hobart TAS 7000, Tel: (03) 6230 4000, Fax: (03) 6230 4040; **Australian Capital Territory:** Level 3, 20 Brindabella Circuit, Brindabella Business Park, Canberra Airport ACT 2609, Tel: (02) 6248 1111, Fax: (02) 6248 1122; **Northern Territory:** Ground Floor, 18 Smith Street, Darwin NT 0800, Tel: (08) 8982 9000, Fax: (08) 8941 0238.

The scheme and actuarial report may also be viewed on the website of MMI at www.mminsurance.co.uk.

Any policyholder of MMI or GRO may obtain a copy of the scheme free of charge by contacting Mr Mark Thornton of McGrathNicol, advisers to MMI, Level 31, 60 Margaret Street, Sydney NSW 2000, Australia (Ph: +61 2 9338 2600 or email: mthornton@mcgrathnicol.com).

If you have any other enquiries or are unsure of the action you should take, you may contact either Mr Mark Thornton of McGrathNicol (see contact details above) or Mr Vu Pham of GRO at the following address: Manager, Actuarial Services, Enstar Australia Limited, Level 9, 220 George Street, Sydney NSW 2000 (Ph: +612 8062 4237 or email: vu.pham@enstargroup.com.au).

We recommend that each policyholder obtains and reviews the scheme and actuarial report. The actuarial report contains a discussion on the potential detriments as well as benefits from the scheme.

**THIS NOTICE HAS BEEN PREPARED BY MUNICIPAL MUTUAL INSURANCE LIMITED
AND GORDIAN RUNOFF LIMITED**

Dated: 4 February 2009