



Assured Guaranty Corp. and CIFG Assurance North America, Inc. Resolve Reinsurance Dispute Regarding Xenia Rural Water District Water Revenue Bonds

New York, New York, July 13, 2011 – Assured Guaranty Corp. (“AGC”) and CIFG Assurance North America, Inc. (“CIFG”) announced today that they have reached an agreement to settle their dispute related to CIFG Policy No. 1259 (the “Xenia Policy”) insuring \$83.8 million of water revenue bonds issued by Xenia Rural Water District, Iowa in 2006. Under the settlement agreement, the pending litigation between AGC and CIFG related to the Xenia Policy will be dismissed in the ordinary course and the Xenia Policy will be a “Covered Policy” under the Quota Share Reinsurance Agreement dated January 21, 2009 (the “Reinsurance Agreement”) between AGC and CIFG. As a result, AGC will reinsure CIFG for 100% of the Xenia Policy, and CIFG and AGC will seek to novate the Xenia Policy to AGC according to the terms and procedures adopted by CIFG and AGC with respect to the novation of other CIFG policies covered by the Reinsurance Agreement.

For more information on the novation process, go to www.cifg.com or www.assuredguaranty.com/novation.

###

About AGC

AGC is a Maryland-domiciled insurance company regulated by the Maryland Insurance Administration and licensed to conduct financial guaranty insurance business in all 50 states of the United States, the District of Columbia and Puerto Rico. AGC commenced operations in 1988. AGC is a wholly owned, indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance, infrastructure finance and structured finance markets. Neither AGL nor any of its shareholders is obligated to pay any debts of AGC or any claims under any insurance policy issued by AGC.

Additional information concerning AGC may be obtained on the Internet at www.assuredguaranty.com or by contacting the Maryland Insurance Administration at 525 St. Paul Place, Baltimore, Maryland 21202, telephone (800) 735-2258.

About CIFG

CIFG, a New York domiciled insurance company, is part of the CIFG group of companies with offices in New York and Paris, France. The CIFG group is actively managing the runoff of a \$36 billion insured portfolio of municipal, infrastructure and structured finance exposures. Additional information concerning CIFG may be obtained on the Internet at www.cifg.com or by contacting the New York State Insurance Department at 25 Beaver Street, New York, New York 10004, telephone (800) 342-3736.

Cautionary Statement Regarding Forward-Looking Statements

Any forward-looking statements made in this press release reflect current views with respect to future events and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties. For example: issuers, trustees or custodians may not execute consents to novation in a timely manner; processing delays may occur based on the volume of responses or for technical reasons; AGC’s ratings or the outlook on such ratings may change either before or after novation occurs; and other unforeseen events may occur. Readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are made as of July 13,

2011, and AGC and CIFG undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CIFG Contacts:

Michael S. Knopf, 212-909-0419
General Counsel
m.knopf@cifg.com

Norie Bregman, 212-909-0423
Novation Team Coordinator
novationteam@cifg.com

AGC Contacts:

Investor Relations:

Robert Tucker, 212-339-0861
Managing Director, Investor Relations
rtucker@assuredguaranty.com

Michael Walker, 212-261-5575
Director, Fixed Income Investor Relations
mwalker@assuredguaranty.com

Ross Aron, 212-261-5509
Vice President, Equity Investor Relations
raron@assuredguaranty.com

Media:

Ashweeta Durani, 212-408-6042
Vice President, Corporate Communications
adurani@assuredguaranty.com