



Press Release

Assured Guaranty Ltd. Announces Agreement to Reinsure Approximately \$13 Billion of CIFG Assurance North America, Inc.'s U.S. Public Finance Business

Hamilton, Bermuda – October 23, 2008 – Assured Guaranty Ltd. (NYSE:AGO) announced today that its triple-A rated financial guaranty subsidiary Assured Guaranty Corp. (“Assured”) has entered into a definitive agreement with CIFG Assurance North America, Inc. (“CIFG NA”) under which Assured will assume via reinsurance approximately \$13 billion of net par insured from CIFG NA's U.S. public finance business. As part of the transaction, Assured will receive unearned premium reserves of approximately \$88 million.

“We are pleased to have the opportunity to provide CIFG NA's policyholders with the safety and security of Assured's financial strength,” commented Dominic Frederico, President and Chief Executive Officer of Assured Guaranty Ltd. “Public finance investors will benefit from an upgrade of the rating on their investment if they agree to the novation of their current policy with CIFG NA, and we look forward to helping them make the novation process as quick and efficient as possible.”

“This agreement is another important step towards ensuring CIFG NA honors its obligations to its policyholders,” said John Pizzarelli, Chief Executive Officer of CIFG Holding, Ltd. “I would especially like to thank the New York State Insurance Department and Superintendent Eric Dinallo for their assistance in helping us reach this agreement.”

After closing, Assured and CIFG NA will work together to novate the reinsured policies from CIFG NA to Assured. This novation will provide policyholders with Assured's direct guaranty of their obligation and will eliminate CIFG NA's obligation under its current guaranty policy to any participating policyholder.

The agreement is subject to the receipt of regulatory approvals as well as other closing conditions. The agreement is not subject to a financing contingency. The parties expect to close the transaction in the fourth quarter 2008. Lazard advised CIFG NA and Banc of America Securities LLC advised Assured on this transaction.

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Assured Guaranty Ltd. is a Bermuda-based holding company whose subsidiaries provide credit enhancement products to the capital markets through its three principal insurance subsidiaries: Assured Guaranty Corp., Assured Guaranty (UK) Ltd. and Assured Guaranty Re Ltd.

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Assured Guaranty Corp. is a leading provider of financial guaranty insurance in the U.S. and international public finance, structured finance and mortgage-backed securities markets. Assured Guaranty Corp. is rated triple-A by the three leading rating agencies and is licensed in all 50 states, the District of Columbia and Puerto Rico.

CIFG Assurance North America, Inc., a New York licensed financial guaranty insurance company, is part of the CIFG group of companies including CIFG Holding, Ltd., CIFG Guaranty, Ltd. and CIFG Europe.

Any forward-looking statements made in this press release reflect the Company's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. For example, the Company's forward-looking statements, including its statements regarding the expansion of the consumer and mortgage-backed securities business, could be affected by a significant reduction in the amount of reinsurance ceded by one or more of our principal ceding companies, rating agency action such as a ratings downgrade, difficulties with the execution of the Company's business strategy, contract cancellations, developments in the world's financial and capital markets, more severe or frequent losses associated with products affecting the adequacy of the Company's loss reserve, changes in regulation or tax laws, governmental actions, natural catastrophes, the Company's dependence on customers, decreased demand or increased competition, loss of key personnel, technological developments, the effects of mergers, acquisitions and divestitures, changes in accounting policies or practices, changes in general economic conditions, other risks and uncertainties that have not been identified at this time, management's response to these factors, and other risk factors identified in the Company's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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