

Press Release

Acquisition from Santam increases share of group underwriting capacity to 81%

London, 29 December, 2006 – Beazley announces that it has acquired the entire issued share capital of Santam Corporate Ltd from Santam UK Ltd. Santam Corporate Ltd participates solely on syndicate 623 with a capacity of £19.0m.

The acquisition allows Beazley to increase its share of the combined capacity for syndicates 2623 and 623 of £860.0m to 81% for 2007. This increases the amount the Group underwrites at Lloyd's to £697.0m (2006: £647.0m). As a result of the Group's reduced capital requirement for 2007, this additional capacity will not require additional funds to be lodged at Lloyd's.

Santam Corporate Ltd made a profit before tax of £1.0m and had net assets of £10.8m, for the year ended 31 December 2005. All future profits from 2004 to 2006 years of account will accrue to Beazley. The consideration paid for Santam Corporate Ltd was £14.4m, in cash.

Andrew Beazley, CEO of Beazley Group plc, said;

"I am delighted that we have been able to acquire Santam's capacity. Beazley Group plc will now be able to take a larger share of the combined syndicates at a time when underwriting conditions remain good."

Under the terms of the UKLA listing rules the acquisition is a Class 2 transaction not requiring shareholder approval.

The logo consists of a solid purple square with the word "BEAZLEY" written in white, uppercase, serif font, centered within the square.

ENDS

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Note to Editors:

Beazley Group, plc (BEZ.L) based in London, is the parent company of global, specialist insurance businesses with operations in the UK, US, France, Singapore and Hong Kong. Beazley manages two Lloyd's syndicates (Syndicate 2623 and Syndicate 623) with aggregate underwriting capacity in 2006 of £830m (US\$1.5bn). Both syndicates are rated A by A.M. Best. In the US, Beazley's underwriters focus on writing specialist insurance products in the admitted market, backed by Beazley Insurance Company, Inc., an admitted carrier in all 50 states; and surplus lines risks, backed by the Beazley syndicates at Lloyd's. Beazley Insurance Company is rated A- by A.M. Best.

Beazley is a market leader in many of its chosen lines including professional indemnity, commercial property, marine, reinsurance, and personal lines.

For more information please go to: www.beazley.com