

Tawa acquires Chilington International Group and establishes significant footprint in Europe

Tawa plc ("Tawa") today announced that it has entered into a share purchase agreement to acquire Hamburger Internationale Ruckversicherung ("HIR"), the holding company for the Chilington Group of companies ("Chilington").

The purchase of HIR includes Chilington, which provides consultancy and outsource services to the international (re)insurance industry. Chilington specialises in compliance, audit and investigation work, litigation support, restructuring services, claims management and commutations

Tawa has agreed to acquire 100% of HIR for a combination of cash, deferred consideration and through the issue of 3 million new ordinary Tawa shares of 10 pence par value each. An application has been made for the 3 million shares to be admitted to trading on AIM and dealings are expected to commence following a 5 year lock-up period.

After making allowances for fair value adjustments, Tawa anticipates that the acquisition will have minimal impact on Tawa's net assets.

The transaction will provide Tawa with a stronghold in Continental Europe along with a platform in the growing South American market. Chilington and Tawa's insurance service provider, Pro, have complementary operations in both the UK and US that will generate operational synergies, and provide broader resources and skill base in order to service the existing, and new clients, of the combined entity.

The transaction is expected to be completed over the next 90 days and is subject to the usual closing conditions including regulatory approvals.

Gilles Erulin, Chief Executive Officer of Tawa, comments: "We are delighted that the Chilington team are joining the Tawa group. They are very experienced and well connected in the international insurance market. It is our view that they are the most respected continental consulting group in our line of business. While strengthening our UK and US units, this transaction provides a strong footprint in Continental Europe and a unique platform of Insurance consulting in South America. This comes at a time when consistent growth is being experienced in both areas".

Wolfgang Eilers, CEO of Chilington, comments: "HIR/Chilington Group has had tremendous success since Chilington's formation in 1982. However, to remain at the forefront of (re)insurance consultancy, we have decided the time is right to team with a bigger partner. By joining a first class organisation such as Tawa, we have a wonderful opportunity to expand our range of services to new and existing clients. This deal is about increased growth with our enlarged consulting resources being able to offer our clients a wider product range".

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About Tawa:

Tawa plc was formed in 2001 with the purpose of acquiring or developing assets and business in the insurance industry. Tawa is interested in acquiring portfolios of insurance and reinsurance companies, companies and businesses providing services to the insurance industry and in developing its own products to serve the insurance market as a whole.

Since its formation, Tawa has acquired CX Reinsurance Company Limited, KX Reinsurance Company Limited, PXRE Reinsurance Company, Island Capital Limited, the Pro group of companies and OX Reinsurance Company Limited. It also set up QX Reinsurance Company Limited, a Bermudian regulated reinsurance company, to write reinsurance business.

The combined Tawa/Pro team of 300 professionals service a number of the largest insurance businesses in the UK and Europe and deliver a third-party outsourcing and consulting covering the London's company and Lloyd's markets as well as Europe and the USA.

Tawa also operates as an incubator for new projects and launched the STRIPE® system in September 2010. STRIPE is a web based platform enabling insurers and cedants to deal with their (re)insurers directly, reducing re-processing of data. STRIPE supports the single keying of data and allows the rapid and secure delivery of all transactions.

In July 2007 Tawa plc was floated on the AIM market. Further information can be found on the Company's website: www.tawapl.com

About Chiltington:

Established in London in 1982, Chiltington is an independently owned, international (re)insurance consultancy that develops innovative and cost effective solutions based on the needs of its clients.

Following the retirement of its founder in 2002, the holding company and risk carrier Hamburger Internationale Rückversicherung (HIR) together with its trading company Chiltington International, was sold to the senior management. This ensured the continuation of the Group's independence and the ability to acquire additional companies which include Hassneh Insurance Company (UK) Limited (finalized through Solvent Scheme of Arrangement) and Pavant International Re S.A. (formerly PFA Re).

Chiltington's management has sought to build an international organisation resulting in 5 offices and 7 representative offices. The Group employ over 70 staff spread across its principal locations in London, Hamburg, New Jersey and Buenos Aires.

Chiltington performed the first UK insurance solvent scheme of arrangement - HIR (UK) – in 1997/8. More recently, they completed the first cross border transfer of a German reinsurer using new EU legislation before successfully implementing a scheme of arrangement.

Some of the services offered to their global clients include:

- (Re)insurance audits & internal audit support
- Due diligence
- Company or portfolio run-off
- Part VII transfers and Solvent schemes of arrangement
- Litigation and arbitration support & expert witness testimony
- Portfolio analysis

Chiltington has won a number of awards including Reactions magazine's "Best Consultancy of the Year". Further information can be found at: www.chiltington.com