**Results of Operations for the Six Months Ended June 30, 2018** - American Overseas Group Limited Announces Net Loss Of $2.4 Million and Operating Loss of $1.5 Million For The Six Months Ended June 30, 2018.

HAMILTON, Bermuda, September 24, 2018 (BUSINESS WIRE) -- American Overseas Group Limited (BSX: AOREF.BH) (Pink Sheets: AOREF.PK) (“AOG” or the “Company”) today reported consolidated net loss available to common shareholders of $2.4 million, or $51.30 per diluted share, for the six months ended June 30, 2018. This compares to consolidated net loss available to common shareholders of $8.2 million, or $182.08 per diluted share, for the six months ended June 30, 2017.

Year over year improvement in results were driven by improved results associated with the Company’s reinsurance of Puerto Rico-related credits in its financial guaranty segment. Book value per share at June 30, 2018 was $1,230.37, a decline from the book value per share of $1,308.58 at December 31, 2017.

For the six months ended June 30, 2018, the Company had an operating loss of $1.5 million, or $32.4 per diluted share, compared to an operating loss of $13.4 million, or $297.14 per diluted share for the six months ended June 30, 2017. Operating income for the property and casualty segment in 2018 was $1.4 million, compared to the $0.3 million operating income in 2017 for this segment. The financial guaranty segment had operating losses of $3.9 million for the first six months of 2018, compared to financial guaranty operating losses of $14.9 million in the first six months of 2017.

Net earned property and casualty premiums were $1.4 million for the first six months of 2018, which is 22% lower compared to $1.8 million for the same period in 2017. Loss and loss adjustment expenses were $0.9 million for the first six months of 2018, which was $1.5 million lower than the same period in 2017. Operating income in the property and casualty segment increased $1.1 million primarily due to improved underwriting margin.

The legacy financial guaranty portfolio of American Overseas Reinsurance Company Limited (“AORE”) continues to run-off satisfactorily, notwithstanding loss reserve increases mainly due to the Company’s continued exposure to Puerto Rico credits. The financial guaranty operating loss of $3.9 million in 2018 is significantly lower than the operating loss of $14.9 million in 2017 primarily due to reduced unfavorable development on outstanding losses.

Operating expenses of $7.0 million were comparable in the first six months of 2018 as compared to the first six months of 2017 of $6.9 million.

As part of its ongoing capital management efforts, the Company will continue to redirect excess capital within the group to debt reduction unless other compelling opportunities present themselves.

**Forward-Looking Statements**

This release contains statements that may be considered "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, the Company's expectations respecting the volatility of its insured portfolio, losses, loss reserves and loss development, the adequacy and availability of its liquidity and capital resources, its current run off strategy, its strategy for writing other reinsurance businesses and its expense reduction measures. These statements are based on current expectations and the current views of the economic and operating environment and are not guarantees of future performance. A number of risks and uncertainties, including economic competitive conditions, could cause actual results to differ materially from those projected in forward-looking statements. The Company's actual results could differ materially from those expressed or implied in the forward-looking statements. Among the factors that could cause actual results to differ materially are: (i) the Company's reviewing the results of our entire portfolio of policies. Management considers credit derivative policies as a normal extension of AORE’s financial guaranty business and reinsurance in substance.

**Explanation of Non-GAAP Financial Measures**

The Company believes that the following non-GAAP financial measure included in this press release serve to supplement GAAP information and is meaningful to investors.

***Operating income (loss):*** The Company believes operating income (loss) is a useful measure because it measures income from operations, unaffected by non-operating items such as realized investment gains or losses. Operating income (loss) is typically used by research analysts and rating agencies in their analysis of the Company.

**Information About the Company**

American Overseas Group Limited is an insurance holding company incorporated in Bermuda and a tax resident of the United Kingdom. Its operating subsidiaries provide specialty property/casualty insurance, reinsurance and insurance management services. More information can be found at www.aoreltd.com







