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Press Release

NEPHILA CAPITAL JOINS HEDGE FUNDS STANDARDS BOARD AS SIGNATORY MEMBER

October 17, 2012 – Bermuda – Nephila Capital Ltd, a leading investment manager specializing in natural catastrophe and weather risk reinsurance, today announced that it joined the Hedge Funds Standards Board ('HFSB'), a standard setting body for the hedge fund industry, as a signatory member.

HFSB brings together managers, investors, regulators and consultants from around the world to help determine how the hedge fund industry should operate. Over 76 hedge fund managers so far have committed to the Standards accounting for over \$260billion in assets under management. Sixty major international investors, including pension and endowment funds, sovereign wealth funds and funds of funds, have embraced the HFSB as members of the organization's Investor Chapter to drive adoption of the Standards.

"As part of the application process, we performed an in-depth, gap analysis of the firm's control structure in areas including disclosure, valuation, operational risk, governance, risk management and shareholder conduct," said Steve Glassman, a principal and Chief Compliance Officer with Nephila. "This process was very beneficial to the firm and we expect it to provide an on-going benefit as each member of the HFSB is required to commit and conform to the standards on an annual basis."

The HFSB standards are reviewed regularly in collaboration with managers and investors to ensure that they are effective guidelines, remain relevant, and are consistent with public policy and evolving industry practices. The membership re-affirms the manager's commitment to its investors, operating within a framework of transparency, integrity and good governance.

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About Nephila Capital

Nephila Capital Ltd is a leading investment manager specializing in reinsurance risk. Nephila offers a broad range of investment products focusing on instruments such as insurance-linked securities, catastrophe bonds, insurance swaps, and weather derivatives.

Nephila has assets under management of approximately \$7 billion as of September 30, 2012 and has been managing institutional assets in this space since it was founded in 1998. The firm has over forty five employees based in their Bermuda headquarters, San Francisco, CA and Nashville, TN. Further information can be found at www.nephilacapital.com.