

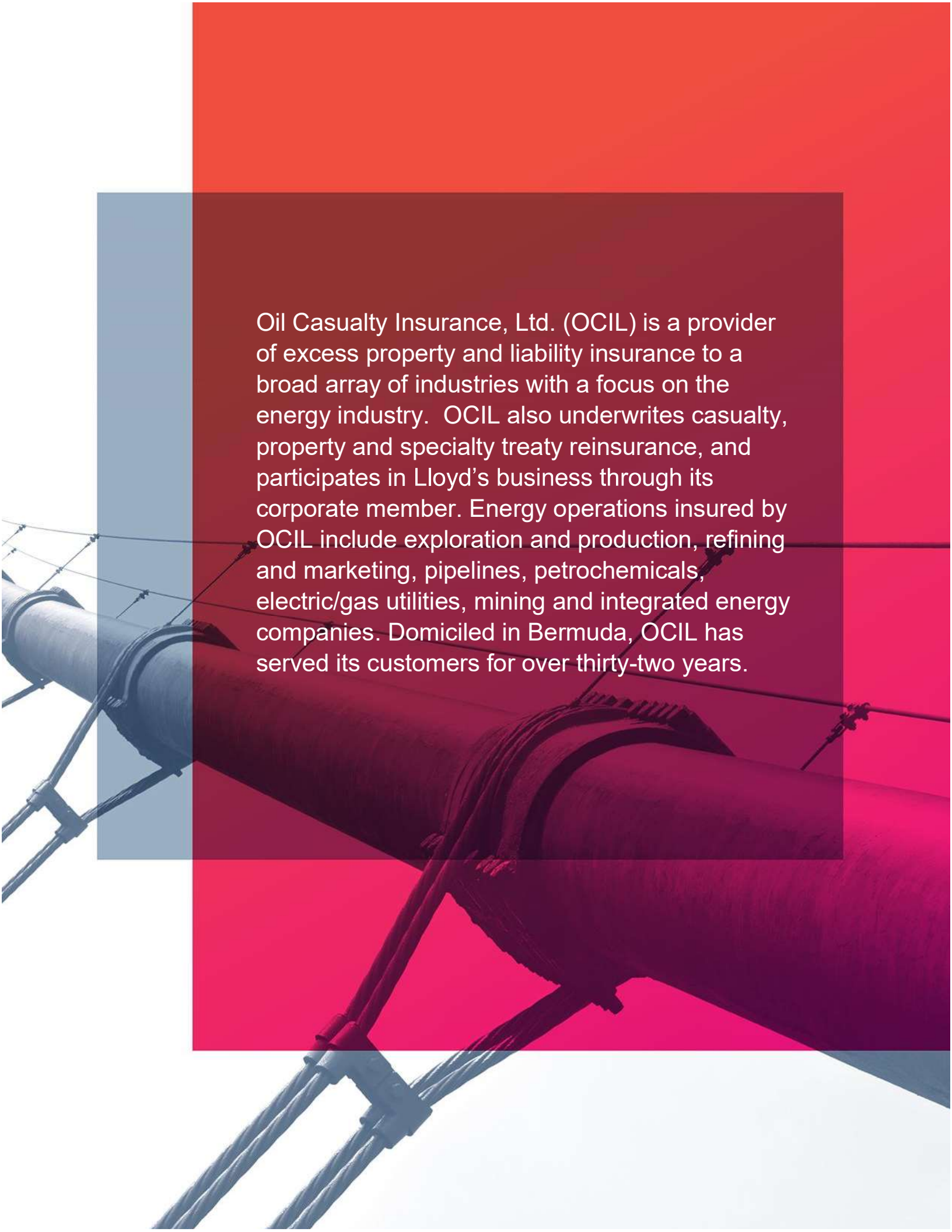


FIRST QUARTER REPORT

OIL CASUALTY INSURANCE, LTD.



FOR THE PERIOD ENDED FEBRUARY 28, 2019



Oil Casualty Insurance, Ltd. (OCIL) is a provider of excess property and liability insurance to a broad array of industries with a focus on the energy industry. OCIL also underwrites casualty, property and specialty treaty reinsurance, and participates in Lloyd's business through its corporate member. Energy operations insured by OCIL include exploration and production, refining and marketing, pipelines, petrochemicals, electric/gas utilities, mining and integrated energy companies. Domiciled in Bermuda, OCIL has served its customers for over thirty-two years.

**OIL CASUALTY INSURANCE, LTD.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

(\$'000)	28-Feb-19	30-Nov-18
ASSETS		
Cash and cash equivalents	112,330	87,821
Investments at fair value	723,201	711,894
Other investments	95,955	94,056
Restricted assets	205,507	210,994
Investment sales pending settlement	26,344	13,394
Accrued investment income	4,628	3,978
Losses recoverable from reinsurers	313,340	294,616
Accounts receivable	199,075	183,707
Funds withheld	20,812	23,799
Prepaid reinsurance premiums	20,155	26,550
Other assets	32,256	28,192
Total assets	1,753,603	1,679,001
LIABILITIES		
Outstanding losses and loss expenses	770,757	732,351
Unearned premiums	162,478	146,472
Investment purchases pending settlement	46,860	34,579
Loan payable	136,499	136,468
Reinsurance premium payable	58,333	52,613
Amounts due to affiliates	3,383	1,144
Accounts payable	80,237	68,647
Total liabilities	1,258,547	1,172,274
SHAREHOLDERS' EQUITY		
Common shares	245	250
Retained earnings	494,811	506,477
Total shareholders' equity	495,056	506,727
Total liabilities and shareholders' equity	1,753,603	1,679,001

**OIL CASUALTY INSURANCE, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**

THREE MONTHS ENDED

(\$'000)	28-Feb-19	28-Feb-18
INCOME		
Gross Premiums written	87,525	58,940
Change in unearned premiums written	(16,006)	(3,278)
Premiums earned	71,519	55,662
Premiums ceded	(16,375)	(5,253)
Change in prepaid reinsurance premiums	(6,395)	(7,856)
Net premiums earned	48,749	42,553
Losses and loss expenses incurred, net of reinsurance	(59,001)	(27,061)
Commission and brokerage fees, net	(15,971)	(8,653)
Net underwriting (loss) income	(26,223)	6,839
Interest income	6,379	5,064
Net gains (losses) on investments	15,309	(4,507)
Dividend income	419	727
Investment advisory and custodian fees	(825)	(1,026)
Interest expenses	(2,884)	(2,872)
Net investment income (loss)	18,398	(2,614)
General and administrative expenses	(3,841)	(3,941)
Net (loss) income	(11,666)	284

**OIL CASUALTY INSURANCE, LTD.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(UNAUDITED)**

(\$'000)	28-Feb-19
CAPITAL	
Common shares at beginning of period	250
Shares issued in period	5
Shares redeemed in period	(10)
Common shares outstanding at end of period	245
RETAINED EARNINGS	
Retained earnings at beginning of period	506,477
Net loss for period	(11,666)
Retained earnings at end of period	494,811
Total shareholders' equity	495,056



INSURANCE OPERATIONS

Premiums written for the three months ended February 28, 2019, increased to \$87.5 million from \$58.9 million in the comparative period. Net premiums earned for the three months ended February 28, 2019 increased to \$48.7 million from \$42.6 million in the comparative period. The increases in premiums written and earned was primarily due to growth in assumed reinsurance business and OCIL's Lloyd's corporate member business. The increase in net premiums earned was partially offset by reinstatement premiums accrued on the Company's ceded liability treaties as a result of case reserves established in the period.

During the three months ended February 28, 2019, losses and loss expenses incurred of \$59.0 million primarily related to: (i) net case and IBNR reserves totaling \$29.7 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves totaling \$16.3 million on the direct liability and property books of business; and (iii) net reserves on OCIL's Lloyd's corporate member business of \$12.7 million.

During the three months ended February 28, 2019, the Company recorded a net underwriting loss of \$26.2 million compared to net underwriting income of \$6.8 million in the comparative period.

INVESTMENTS

During the three month period ended February 28, 2019, the global equity, fund of hedge funds and bond portfolios posted favorable returns. For the three months ended February 28, 2019, returns on the Company's global equity, global fixed income and fund of hedge fund portfolios were approximately, 3.6%, 2.2% and 2.0%, respectively. Including cash, the Company's invested assets returned 2.0% over the three month period.

NET INCOME

During the three months ended February 28, 2019, the Company recorded a net loss of \$11.7 million compared to net income of \$0.3 million in the comparative period.

For further information, please contact:

Bertil Olsson, Chief Executive Officer; bertil.olsson@omsl.bm;
Jerry Rivers, Chief Operating Officer; jerry.rivers@ocil.bm or
Ricky Lines, Chief Financial Officer; ricky.lines@omsl.bm



3 BERMUDIANA ROAD
HAMILTON HM 08
BERMUDA

P.O. BOX HM 1751
HAMILTON HM GX
BERMUDA

TEL: 441 295 0905
FAX: 441 295 0351
WWW.OCIL.BM