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Syncora Capital Assurance Inc.
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August 24, 2015

**Third Waiver and Amendment To The Master Transaction Agreement and
Conditional Surplus Note Purchase Agreement**

Dear Swap Counterparties and Surplus Noteholders:

Syncora Holdings Ltd., (“SHL”), Syncora Guarantee Inc. (“SGI”) and Syncora Capital Assurance Inc. (“SCAI”, and together with SHL and SGI, the “Company”) is pleased to announce that the Company has received in excess of 75% of the requisite approvals, both by value and number, of swap counterparties, long term surplus noteholders and short term surplus noteholders in support of the Third Waiver and Amendment To The Master Transaction Agreement and the Conditional Surplus Note Purchase Agreement between SGI and SCAI.

Accordingly, since the transaction is now complete among the parties, all signature pages currently held in escrow by the Company are deemed released from escrow subject only to receipt by the Company of regulatory approval from the New York Department of Financial Services (the “NYDFS”) following which the agreements will become effective.

The Company will notify all parties once it receives regulatory approval from the NYDFS and will publicly announce the successful completion of the transaction. **Until then, please be advised that the terms of this transaction remain subject to the confidentiality restrictions acknowledged by each swap counterparty and surplus noteholder.**

On behalf of the Company, thank you for your overwhelming support, which provides the increased financial and operational flexibility afforded by the Third Waiver and Amendment To The Master Transaction Agreement and the Conditional Surplus Note Purchase Agreement between SGI and SCAI.

Sincerely,

Claude LeBlanc
Chief Financial Officer and Chief Restructuring Officer