



Dear Shareholders:

Strength. Endurance. Leadership.

GHL Announces Sale of European Motor Insurance Companies

Guardian Holdings Limited (GHL) announces the sale and disposal of its Gibraltar based insurance carrier, Zenith Insurance, and its UK based insurance service company, GHL Insurance Services UK Limited.

The sale, which is in keeping with prior shareholder communication, was finalized between the parties on December 31st, 2009, and is subject to regulatory approval. Such approval is anticipated within the next 30-60 days.

Given the past performance of this business, current consideration is nominal, however the Group has the possibility of sharing in future profits over the next four years. Any such future consideration will have a positive effect on the Group's profit and loss position.

This move is part of the Group's overall strategy to shed non-performing businesses and reduce operating costs so as to deliver sustainable, quality earnings to its shareholders.

The two companies are being sold to MarkerStudy Holdings, a Gibraltar based insurance company. MarkerStudy has several years of experience operating in the UK motor business and the company views the acquisition as part of its overall strategy to expand its business platform so as to compete with the larger British insurers.

A handwritten signature in black ink, appearing to read 'J. Mack', is written over a horizontal line.

Jeffrey Mack
Group CEO

December 31, 2009