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**Assured Guaranty Ltd. and Assured Guaranty Corp. Exposure to Hurricane Katrina
 Updated February 8, 2007**

This document provides information regarding the net par exposure of Assured Guaranty Ltd. (NYSE: AGO) and its consolidated operating subsidiaries in the financial guaranty direct and financial guaranty reinsurance segments to the areas most affected by Hurricane Katrina. Also disclosed in this document is information specific to the exposure of Assured Guaranty Corp., the Company's financial guaranty direct subsidiary.

Assured Guaranty Ltd.

Assured Guaranty's net par outstanding public finance exposure in counties designated by FEMA for both individual and public assistance in the states of Louisiana, Mississippi and Alabama totaled \$195.3 million as of December 31, 2006, an increase of \$5.0 million since September 30, 2006. Details by asset category are included in Table 1 below. A list of the Company's top ten public finance exposures in counties designated by FEMA for both individual and public assistance in the affected states is provided in Table 2.

Table 1

**Public Finance Exposure in FEMA-Designated Counties*
 Net Par Outstanding as of December 31, 2006
 (\$ in Millions)**

| <u>Bond Type</u> | <u>Alabama</u> | <u>Greater New Orleans*</u> | <u>Other Louisiana</u> | <u>Mississippi</u> | <u>Total</u> |
|--------------------------|----------------|-------------------------------------|----------------------------|--------------------|-----------------|
| General Obligation | \$ 7.6 | \$ 8.3 | \$ 0.6 | \$ 7.6 | \$ 24.1 |
| Healthcare | 2.1 | 17.9 | 6.9 | 4.3 | 31.2 |
| Higher Education | 0.1 | 2.4 | 0.2 | 0.6 | 3.3 |
| Housing | - | 0.1 | 0.4 | 0.0 | 0.5 |
| Investor Owned Utilities | 0.0 | - | - | - | 0.0 |
| Municipal Utility | 6.9 | 1.3 | 2.1 | 3.7 | 14.0 |
| Other Public Finance | - | 0.7 | - | - | 0.7 |
| Tax Backed | 0.3 | 83.3 | 18.0 | 17.2 | 118.8 |
| Transportation | - | 2.5 | 0.1 | - | 2.6 |
| Total | \$ 16.9 | \$ 116.6 | \$ 28.3 | \$ 33.5 | \$ 195.3 |

* Counties designated by FEMA for both individual and public assistance as of October 7, 2005

** Comprised of Orleans, St. Bernard and Jefferson parishes

Table 2

**Top Ten Public Finance Exposures in FEMA-Designated Counties*
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | | |
|----|--|------------------------|
| 1 | Louisiana State Stadium & Exposition District | \$ 29.0 |
| 2 | Ernest N. Morial - New Orleans Exhibition Hall Authority | 28.8 |
| 3 | West Jefferson Louisiana Medical Center | 16.1 |
| 4 | Rankin County Mississippi School District | 15.3 |
| 5 | Jefferson Parish Louisiana Special Sales Tax | 13.4 |
| 6 | St. Tammany Louisiana School District # 12 | 9.2 |
| 7 | New Orleans Louisiana General Obligation | 8.3 |
| 8 | St. Bernard Louisiana Sales Tax Bonds | 5.9 |
| 9 | Foley Alabama Utilities Board | 5.9 |
| 10 | Franciscan Missionaries of Our Lady Health System | 4.7 |
| | Total Top Ten Public Finance Exposures in FEMA-Designated Counties* | <u>\$ 136.6</u> |

* Counties designated by FEMA for both individual and public assistance as of October 7, 2005

Assured Guaranty's exposure to investor-owned utilities in the affected states totals \$91.1 million, remaining unchanged from September 30, 2006 and is presented in Table 3. With respect to the Company's structured finance net par outstanding, management's review of Assured Guaranty's structured finance portfolio shows no significant concentrations in the areas affected by Hurricane Katrina, as these exposures are generally secured by geographically diverse pools of assets.

Table 3

**Investor-Owned Utility Exposure in Alabama, Louisiana and Mississippi
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | Alabama | Louisiana | Mississippi | Total |
|--------------------------|----------------|------------------|--------------------|--------------|
| Investor-owned utilities | \$79.1 | \$0.4 | \$11.5 | \$91.1 |

For informational purposes, Assured Guaranty's total public finance net par outstanding exposure in Louisiana, Mississippi and Alabama, inclusive of the counties designated by FEMA for individual and public assistance, is \$1,529.6 million, up from \$1,374.6 million as of September 30, 2006, and is summarized in Table 4.

Table 4

**Public Finance Exposure in Alabama, Louisiana and Mississippi
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | Alabama | Louisiana | Mississippi | Total |
|----------------|----------------|------------------|--------------------|--------------|
| Public Finance | \$994.5 | \$480.4 | \$54.7 | \$1,529.6 |

Assured Guaranty Corp.

Assured Guaranty Corp.'s net par outstanding public finance exposure in counties designated by FEMA for both individual and public assistance in the states of Louisiana, Mississippi and Alabama totaled \$48.1 million as of December 31, 2006, a decrease of \$3.6 million from \$51.7 million as of September 30, 2006. Details by asset category are included in Table 5 below. A list of the Company's top ten public finance exposures in counties designated by FEMA for both individual and public assistance in the affected states is provided in Table 6.

Table 5

**Public Finance Exposure in FEMA-Designated Counties*
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| <u>Bond Type</u> | <u>Alabama</u> | <u>Greater New Orleans*</u> | <u>Other Louisiana</u> | <u>Mississippi</u> | <u>Total</u> |
|--------------------------|-----------------------|--|-----------------------------------|---------------------------|---------------------|
| General Obligation | \$ 1.3 | \$ 4.3 | \$ 0.6 | \$ 0.2 | \$ 6.4 |
| Healthcare | 1.4 | 1.3 | 2.7 | 1.3 | 6.7 |
| Higher Education | 0.1 | 2.4 | 0.2 | 0.6 | 3.3 |
| Housing | - | 0.1 | 0.0 | 0.0 | 0.1 |
| Investor Owned Utilities | 0.0 | - | - | - | 0.0 |
| Municipal Utility | 0.6 | 1.3 | - | 1.4 | 3.3 |
| Other Public Finance | - | - | - | - | - |
| Tax Backed | - | 21.3 | 4.1 | 0.5 | 26.0 |
| Transportation | - | 2.1 | 0.1 | - | 2.2 |
| Total | \$ 3.4 | \$ 32.8 | \$ 7.8 | \$ 4.1 | \$ 48.1 |

* Counties designated by FEMA for both individual and public assistance as of October 7, 2005

** Comprised of Orleans, St. Bernard and Jefferson parishes

Table 6

**Top Ten Public Finance Exposures in FEMA-Designated Counties*
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | | |
|----|--|----------------|
| 1 | Ernest N. Morial - New Orleans Exhibition Hall Authority | \$ 18.0 |
| 2 | New Orleans Louisiana General Obligation | 4.3 |
| 3 | New Orleans Louisiana Airport | 2.0 |
| 4 | Orleans Louisiana School Board - Sales Tax | 1.6 |
| 5 | Tulane University - Louisiana | 1.5 |
| 6 | Woman's Hospital Foundation - Louisiana | 1.5 |
| 7 | Orleans Louisiana School Board | 1.5 |
| 8 | New Orleans Louisiana Sewerage Service | 1.2 |
| 9 | Lafayette Louisiana Public Improvement Sales Tax | 1.2 |
| 10 | Alton Ochsner Medical Foundation | 1.2 |
| | Total Top Ten Public Finance Exposures in FEMA-Designated Counties* | <u>\$ 34.0</u> |

* Counties designated by FEMA for both individual and public assistance as of October 7, 2005

Assured Guaranty Corp.'s exposure to investor-owned utilities in the affected states totals \$50.9 million, remaining unchanged from September 30, 2006, and is presented in Table 7. With respect to the Company's structured finance net par outstanding, management's review of Assured Guaranty's structured finance portfolio shows no significant concentrations in the areas affected by Hurricane Katrina, as these exposures are generally secured by geographically diverse pools of assets.

Table 7

**Investor-Owned Utility Exposure in Alabama, Louisiana and Mississippi
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | Alabama | Louisiana | Mississippi | Total |
|--------------------------|----------------|------------------|--------------------|--------------|
| Investor-owned utilities | \$39.1 | \$0.2 | \$11.5 | \$50.9 |

For informational purposes, Assured Guaranty Corp.'s total public finance net par outstanding exposure in Louisiana, Mississippi and Alabama, inclusive of the counties designated by FEMA for individual and public assistance, is \$635.3 million, down from \$640.8 million as of September 30, 2006, and is summarized in Table 8.

Table 8

**Public Finance Exposure in Alabama, Louisiana and Mississippi
Net Par Outstanding as of December 31, 2006
(\$ in Millions)**

| | Alabama | Louisiana | Mississippi | Total |
|----------------|----------------|------------------|--------------------|--------------|
| Public Finance | \$490.9 | \$119.9 | \$24.5 | \$635.3 |

Assured Guaranty will continue to monitor the credit quality of our exposures. As of December 31, 2006, management has placed 9 of these credits totaling \$107.5 million of net par outstanding on our consolidated closely monitored credit list. Prior to the occurrence of Hurricane Katrina, none of these credits had been on our closely monitored credit list.

The Company has not recorded any case reserves for this event and has paid two claims totaling \$107,479, for which a full recovery has been received. No case reserves have been reported to us by any of our ceding company clients, but we have been ceded \$8,096 in loss adjustment expenses. Nonetheless, significant uncertainty exists with regard to both the probability of defaults occurring and the loss severities that will apply to any defaults that do occur. The Company's risk management department is actively monitoring specific exposures in coordination with our reinsurance clients and will continue to assess the impact of Hurricane Katrina on the credit quality of our portfolio.

Since September 2005, we have been providing periodic updates on our net par outstanding exposures to Hurricane Katrina in the Investor Information section of our website at www.assuredguaranty.com. In the future, while we will continue to monitor the Company's material exposures to credits affected by Hurricane Katrina and which appear on our Closely Monitored Credits list, we will no longer be updating the Company's website disclosure to report on exposures to all credits located in FEMA-designated counties affected by Hurricane Katrina.

Any forward-looking statements made in this disclosure reflect the Company's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. Among other things, the forward looking statements could be affected by the number of insured and ceding companies affected by Hurricane Katrina, the amount and timing of losses, the preliminary nature of reports, government action in response to Hurricane Katrina, changes in general economic conditions, as well as management's response to these factors, and other risk factors identified in Assured Guaranty Ltd.'s filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. Assured Guaranty Ltd. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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