

ENSTAR GROUP LIMITED TO ACQUIRE SEABRIGHT HOLDINGS, INC.**Deal Value: Approximately \$252 million****Sandler O'Neill is serving as exclusive financial advisor to SeaBright Holdings, Inc.****This is the 29th insurance-related M&A deal in which Sandler O'Neill has served as financial advisor since January 1, 2007.**

Enstar Group Limited (Nasdaq: ESGR) and SeaBright Holdings, Inc. (NYSE: SBX) today jointly announced that they have entered into a definitive merger agreement under which Enstar will acquire SeaBright for \$11.11 per share in cash. The purchase price represents a 34.3% premium over SeaBright's closing stock price today of \$8.27.

Under the terms of the merger agreement, a newly formed wholly-owned subsidiary of Enstar will merge with and into SeaBright, with SeaBright surviving as a wholly-owned subsidiary of Enstar. Enstar expects to finance the aggregate purchase price of approximately \$252 million through a combination of cash on hand and a bank loan facility to be finalized before closing.

Completion of the transaction is conditioned on, among other things, the approval of SeaBright's stockholders, regulatory approvals and satisfaction of various customary closing conditions. SeaBright intends to solicit the approval of its stockholders at a special meeting of stockholders to be held later this year. The transaction, which is not conditioned on Enstar's ability to obtain financing, is currently expected to close in the first quarter of 2013.

SeaBright is a holding company whose wholly-owned subsidiary, SeaBright Insurance Company, operates as a specialty underwriter of multi-jurisdictional workers' compensation insurance. SeaBright Insurance Company distributes its maritime, alternative dispute resolution and state act products through selected independent insurance brokers, licensed program managers and its wholesale broker affiliate, PointSure Insurance Services, Inc. PointSure is licensed in 50 states and also offers insurance products from non-affiliated insurers. Paladin Managed Care Services, Inc., another SeaBright company, provides integrated managed medical care services to help employers control costs associated with on-the-job injuries.

Sandler O'Neill Contacts:
1251 Avenue of the Americas, 6th Floor
New York, NY 10020

JOHN BUTLER
Managing Director
(212) 466-7994

ANDREW ATKINS
Vice President
(212) 466-7766

MAX KAFTAL
Analyst
(212) 466-7969

SANDLER O'NEILL + PARTNERS, L.P.

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