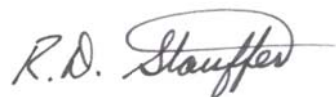


OCIL CONSOLIDATED STATEMENT OF
SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	31-May-11
Capital	
Common shares at beginning of period	305
Shares issued in period	10
Shares redeemed in period	(10)
Common shares outstanding at end of period	<u>305</u>
Retained earnings	
Retained earnings at beginning of period	431,198
Net income for period	<u>31,919</u>
Retained earnings at end of period	<u>463,117</u>
Total shareholders' equity	<u>463,422</u>



Robert D. Stauffer

President & Chief Executive Officer

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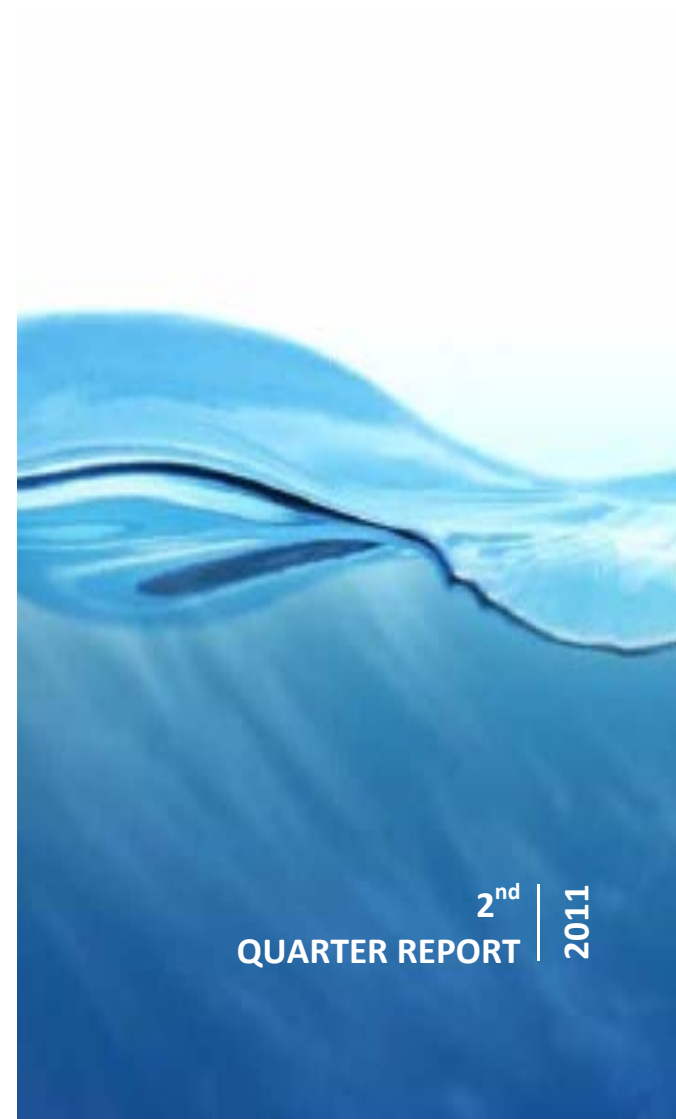


Please visit our website at
www.ocil.bm

Robert D. Stauffer – President & CEO
Jerry B. Rivers – Senior Vice President & COO
Ricky E. Lines – Senior Vice President & CFO



OIL CASUALTY INSURANCE, LTD.



2nd | 2011
QUARTER REPORT

SHAREHOLDERS' EQUITY:

Shareholders' equity for Oil Casualty Insurance, Ltd. (the "Company") increased by \$31.9 million during the six months ended May 31, 2011 to \$463.4 million. This increase for the period was due to underwriting income of \$14.6 million and net investment income of \$22.2 million offset by general and administrative expenses of \$4.9 million.

INSURANCE OPERATIONS:

Premiums written for the six months ended May 31, 2011 increased to \$29.3 million as compared to \$24.8 million in the comparative period primarily as a result of growth in the Company's reinsurance business. Overall, net premiums earned increased from \$9.7 million in the comparative period to \$15.2 million.

Losses and loss expenses incurred for the six months ended May 31, 2011 totaled \$0.1 million.

INVESTMENTS:

During the six month period ended May 31, 2011, U.S. and international equity markets increased as did global bond markets. In the U.S. the S&P 500 increased by 1.84% for the quarter (increased 15.03% year to date) while internationally, equity markets increased by 0.84% for the quarter (increased 15.30% year to date) as measured by the MSCI EAFE Index. The global bond market, as represented by the Barclay Capital Global Aggregate Index (hedged), increased by 1.81% for the quarter (increased 1.20% year to date).

For the six month period ended May 31, 2011, the value of the Company's investments increased by \$21.8 million, an increase of 3.1%. This increase primarily reflected interest and dividend income of \$12.0 million and realized and unrealized net gains on investments of \$17.8 million offset by investment advisory fees of \$1.4 million.

OCIL CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(\$'000)	THREE MONTHS ENDED		SIX MONTHS ENDED	
	31-May-11	31-May-10	31-May-11	31-May-10
Income				
Premiums written	10,449	8,218	29,318	24,832
Change in unearned premiums written	4,588	3,528	307	(1,768)
Premiums earned	15,037	11,746	29,625	23,064
Premiums ceded	(1,248)	(409)	(1,472)	(567)
Change in prepaid reinsurance premiums	(6,531)	(6,421)	(12,981)	(12,842)
Net premiums earned	7,258	4,916	15,172	9,655
Losses and loss expenses incurred	(70)	(13,167)	(144)	(26,220)
Commission and brokerage fees	(175)	(167)	(413)	(336)
Net underwriting income (loss)	7,013	(8,418)	14,615	(16,901)
Interest income	5,290	5,440	11,197	11,806
Net gains on investments	8,266	4,876	17,837	10,431
Dividend income	582	446	837	594
Investment advisory and custodian fees	(711)	(625)	(1,416)	(1,277)
Interest and debt expenses	(3,130)	(3,393)	(6,227)	(7,015)
Net investment income	10,297	6,744	22,228	14,539
General and administrative expenses	(2,575)	(2,475)	(4,924)	(4,920)
Gains on repurchase of subordinated debentures	-	591	-	5,232
Net income (loss)	14,735	(3,558)	31,919	(2,050)

OCIL CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(\$'000)	31-May-11	30-Nov-10
Assets		
Cash and cash equivalents	50,583	34,991
Investments at fair value	716,110	694,288
Assets pledged under Insurance Trust	25,067	25,019
Investment sales pending settlement	15,277	4,660
Accrued investment income	6,687	6,934
Losses recoverable from reinsurers	165,730	165,730
Prepaid reinsurance premiums	1,209	14,190
Other assets	21,272	14,516
Total assets	1,001,935	960,328
Liabilities		
Outstanding losses and loss expenses	312,979	312,979
Unearned premiums	26,834	27,141
Securities sold short	5,705	4,170
Investment purchases pending settlement	30,755	16,281
Loan payable	150,334	150,334
Reinsurance premium payable	8,223	13,696
Amounts due to affiliates	357	724
Accounts payable	3,326	3,500
Total liabilities	538,513	528,825
Shareholders' equity		
Common shares	305	305
Retained earnings	463,117	431,198
Total shareholders' equity	463,422	431,503
Total liabilities and shareholders' equity	1,001,935	960,328

2nd Quarter 2011
OIL CASUALTY INSURANCE, LTD.