



May 23, 2012

## **Wisconsin Insurance Commissioner Files Amended Motion Relating to Exercise of Surplus Note Call Options**

NEW YORK, May 23, 2012 -- **Ambac Assurance Corporation** ("Ambac Assurance") today announced that the Wisconsin Commissioner of Insurance, acting in his capacity as the Rehabilitator of the Segregated Account of Ambac Assurance, has filed an amended motion (the "Amended Motion") seeking approval to allow Ambac Assurance to exercise two of three call options it holds to purchase certain surplus notes ("Surplus Notes"). The Rehabilitator's initial motion, dated May 16, 2012 (the "Initial Motion") sought approval for Ambac Assurance to exercise all three call options it holds, for an aggregate principal amount of Surplus Notes totaling approximately \$939 million. Execution of only two of the call options would result in Ambac Assurance's purchase of approximately \$789 million in principal amount of Surplus Notes for an aggregate payment of approximately \$188 million, in accordance with the terms of the related call option agreements. A hearing in the Rehabilitation Court relating to the Amended Motion is scheduled for June 4, 2012.

The reasons for the Rehabilitator's change in position from the Initial Motion to the Amended Motion are set forth in the Amended Motion, which is available at [www.ambacpolicyholders.com](http://www.ambacpolicyholders.com).

### **About Ambac Assurance**

Ambac Assurance is a guarantor of public finance and structured finance obligations, and is the principal operating subsidiary of Ambac Financial Group, Inc.

Ambac, headquartered in New York City, is a holding company whose affiliates provided financial guarantees and financial services to clients in both the public and private sectors around the world. On November 8, 2010, Ambac filed for a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York ("Bankruptcy Court"). The Bankruptcy Court entered an order confirming Ambac's plan of reorganization on March 14, 2012. Ambac is not currently able to estimate when it will be able to consummate such plan. Until the plan of reorganization is consummated and Ambac emerges from bankruptcy, Ambac will continue to operate in the ordinary course of business as "debtor-in-possession" in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court.

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