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PRIMUS AGREES TO ACQUIRE CYPRESSTREE INVESTMENT MANAGEMENT

Hamilton, Bermuda – May 12, 2009 – Primus Asset Management, Inc., a wholly owned subsidiary of Primus Guaranty, Ltd. (NYSE:PRS), today announced it had entered into a definitive agreement to acquire CypressTree Investment Management, LLP. Founded in 1995, CypressTree manages leveraged loans and high yield bonds in a variety of investment products, including collateralized loan obligations (CLOs), collateralized swap obligations (CSOs), off-shore funds and separately managed accounts. Its assets under management total approximately \$2.4 billion.

Following the acquisition, CypressTree will operate as a wholly-owned subsidiary of Primus Asset Management (PAM), which will have over \$25 billion in assets under management in structured credit vehicles. This includes the \$21 billion notional credit default swaps portfolio of Primus Financial Products, LLC, as well as two existing Primus CLOs with \$800 million in assets and three existing Primus CSOs totaling \$800 million.

Martha Hadelor and Robert E. Weeden, CypressTree partners and portfolio managers, will join Primus as Senior Portfolio Managers and will assume responsibility for managing its loan and high-yield platform, including its CLOs. They will report to Thomas Jasper, Primus Guaranty's chief executive officer.

“The acquisition of CypressTree marks a solid step forward in our strategy to leverage our platform and increase the scale and scope of our credit asset management business,” said Mr. Jasper. “It also significantly strengthens our investment capabilities, as Martha and Bob bring excellent track records and five decades of combined experience to Primus. I’m delighted to welcome the CypressTree team to our company.”

Robert E. Weeden commented, “In joining forces with Primus, we are bringing together two fundamental credit investors who share a common investment approach to build a robust loan and high yield platform with the size and skills to succeed in today’s market.”

Fusion Advisory Partners, Inc. ("Fusion") acted as advisor to Primus Asset Management on the acquisition of the CLO contracts. Fusion provides third party independent advice to participants in the fixed income structured product market.

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About Primus Guaranty

Primus Guaranty, Ltd. is a Bermuda company, with its principal operating subsidiaries, Primus Financial Products, LLC and Primus Asset Management, Inc., headquartered in New York City. Primus Financial Products provides protection against the risk of default on corporate, sovereign and asset-backed security obligations through the sale of credit swaps to dealers and banks. Primus Asset Management provides credit portfolio management services to Primus Financial Products, and manages private investment vehicles, including two collateralized loan obligations and three synthetic collateralized swap obligations for third parties.

Safe Harbor Statement

Some of the statements included in this press release and other statements Primus Guaranty may make, particularly those anticipating future financial performance, business prospects, growth and operating strategies, market performance, valuations and similar matters, are forward-looking statements that involve a number of assumptions, risks and uncertainties, which change over time. For those statements, Primus Guaranty claims the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995. Any such statements speak only as of the date they are made, and Primus Guaranty assumes no duty to, and does not undertake to, update any forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements, and future results could differ materially from historical performance. For a discussion of the factors that could affect the company's actual results please refer to the risk factors identified from time to time in the company's SEC reports, including, but not limited to, Primus Guaranty's Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission.

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