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PRIMUS ANNOUNCES CREDIT MITIGATION TRANSACTION

Hamilton, Bermuda – July 30, 2009 – Primus Guaranty, Ltd. (NYSE:PRS) today announced that its subsidiary, Primus Financial Products, LLC (“Primus Financial”), had entered into a transaction with a significant bank counterparty in respect of credit default swaps between Primus Financial and the counterparty with a total notional principal of \$1.2 billion.

Under the terms of the transaction, Primus Financial and the bank have terminated credit default swaps with an aggregate notional principal of \$40 million. These credit default swaps were written primarily on a financial guaranty insurance (“monoline”) reference entity. Primus Financial has paid a termination fee of \$15 million to the counterparty to terminate these swaps.

In addition, Primus Financial has assigned the remaining credit default swaps that it had sold to the counterparty to a newly formed, wholly owned subsidiary of Primus Financial. Primus Financial has paid an assignment fee of approximately \$36 million to its subsidiary. The subsidiary’s exposure to the credit default swap contracts with the counterparty is limited to this \$36 million plus future premiums.

“A key business priority for Primus in 2009 is actively managing our credit protection portfolio to improve its performance in amortization,” said Thomas W. Jasper, Primus Guaranty, Ltd.’s chief executive officer. “The transaction we are announcing today is an important step in that direction.”

About Primus Guaranty

Primus Guaranty, Ltd. is a Bermuda company with operations in New York, Boston and London. Through its subsidiaries, Primus Guaranty has over \$25 billion in assets under management in structured credit vehicles. Those vehicles are invested across a range of asset classes – including investment grade, high yield and leveraged loans – using both cash and synthetic instruments.

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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