

NEWS RELEASE

IMMEDIATE

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XLCA PROVIDES TRIPLE-A FINANCIAL GUARANTEE FOR BONDS ISSUED BY MIGHTY RIVER POWER LIMITED

New York, September 7, 2006 – XL Capital Assurance Inc. (XLCA) announced that it has issued a triple-A rated financial guarantee for NZD 300 million of floating rate bonds issued by Mighty River Power Limited, New Zealand’s third largest energy retailer and fourth largest energy generator.

The bonds, which are scheduled to mature in 15 years, will provide funds for capital expenditures as well as refinancing existing debt. Mighty River Power is rated BBB+ (stable) by Standard & Poor’s; the XLCA guarantee will enable Mighty River Power bonds to obtain triple-A ratings from Standard and Poor’s and Moody’s Investor Services.

“The XLCA guarantee provides Mighty River Power with the ability to access additional long term debt, further strengthening our debt maturity portfolio. A long-term debt maturity portfolio better reflects the nature of our business and underlying investments,” said Mighty River Power Chief Executive Doug Heffernan.

“Mighty River Power’s status as a State Owned Enterprise, combined with its established market position and its sound approach to financial management, made this an attractive transaction for us to participate in,” said Philip P. Henson, co-head of XLCA’s Power and Utilities Group. “The successful execution of this transaction reflects the strength of our relationship with Mighty River Power, which we have been developing for five years. It also showcases our growing presence in the Australia-New Zealand market, where we have closed ten deals since 2001 with an aggregate par amount totaling approximately US\$1.9 billion.”

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About XL Capital Assurance Inc.

XL Capital Assurance Inc. (XLCA), a wholly owned subsidiary of Security Capital Assurance Ltd (NYSE: SCA), is a triple-A rated monoline financial guarantee company that provides triple-A rated credit enhancement for the obligations of debt issuers worldwide. XLCA guarantees U.S. municipal bonds, asset-backed securities, and debt backed by utilities and selected infrastructure projects. It also provides guarantees for specialized risks, including future flow securitizations, bank deposit insurance, and structured investment products in both the primary and secondary global markets. XLCA is assigned the highest financial strength ratings by three major credit rating agencies – Aaa by Moody's Investors Service, AAA by Standard & Poor's Ratings Service, and AAA by Fitch Ratings. For more information, please visit www.xlca.com.

About Mighty River Power

Mighty River Power was formed in 1999 following the breakup of the Electricity Corporation of New Zealand and the deregulation of the nation's power market. Mighty River Power is a New Zealand owned generator and retailer of energy providing up to 22% of New Zealand's total electricity and has more than 320,000 business and domestic customers. The company's hydro generation assets are based on Lake Taupo and eight dams on the Waikato River, which are supplemented by growing capabilities in combined cycle generation and landfill generation. Mighty River Power currently operates geothermal sites at Rotokawa and Mokai in conjunction with Iwi partners and has been awarded resource consents for a geothermal development at Kawerau. Over the next three years, Mighty River Power plans to further increase its geothermal generation portfolio. The Company is also currently exploring generation development options in wind, thermal and small hydro.

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