



EGI Financial Enters into US\$20 Million credit facility and announces expanded activity in United States non-standard automobile and niche insurance markets

Toronto, Ontario (October 12, 2007) – EGI Financial Holdings Inc. (TSX: EFH) today announced that it has entered into a non-revolving term credit facility with The Bank of Nova Scotia (“Scotiabank”) in the amount of US\$20 million (or the equivalent amount in Canadian dollars determined as of the closing date).

The aggregate commitments under the Scotiabank credit facility may be increased to an aggregate maximum amount of up to US\$40 million (or the equivalent amount in Canadian dollars), subject to satisfaction of certain conditions.

The initial draw down of US\$20 million (CDN\$19.55 million) will be used by EGI Financial to increase the capital of its subsidiary, CIM Reinsurance Company Ltd. (“CIM Re”). CIM Re is a Barbados-based reinsurance company which will be used to reinsure selected niche and specialty line insurers, which underwrite business in the United States.

“We are pleased to announce the closing of our credit facility with Scotiabank,” commented Douglas McIntyre, President and Chief Executive Officer of EGI Financial. “We anticipate this facility will provide us with the flexibility needed to support the planned expansion of our U.S. reinsurance business and to continue our profitable growth in Canada.”

In addition, EGI Financial announced the formation of its United States-based subsidiary, EGI Insurance Services, Inc. and the subsequent appointment of James H. Cizek as the company’s inaugural President and Chief Executive Officer.

“We are also pleased to announce the appointment of Jim Cizek to his new position within the organization”, said Douglas McIntyre. “With over 30 years experience in the insurance industry, Jim has proven leadership skills and a strong background in strategic planning, marketing, product development, claims and underwriting. He brings demonstrated expertise in managing growth oriented non-standard auto and niche lines insurance organizations, which will greatly benefit EGI Financial as we move forward with planned expansion initiatives in the United States.”

EGI Insurance Services, Inc. will employ a small group of experts in niche and specialty insurance lines. The Company will perform initial due diligence and ongoing monitoring of potential reinsurance clients on behalf of its sister company CIM Re. In 2008, the financial results of EGI Insurance Services, Inc. and CIM Re will be combined and reported as EGI Financial’s **International Division** segment.

About EGI Financial Holdings Inc.

Founded in 1997, EGI Financial operates in the property and casualty insurance industry in Canada and the United States, primarily focusing on non-standard automobile insurance and other niche and specialty general insurance products. EGI Financial's common shares are traded on the Toronto Stock Exchange under the symbol EFH.

Forward-looking Information

This news release contains forward-looking information based on current expectations. This information includes, but is not limited to, statements about the operations, business, financial condition, priorities, targets, ongoing objectives, strategies and outlook of EGI Financial for 2007 and subsequent periods.

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a projection as reflected in the forward-looking information. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific. A variety of material factors, many of which are beyond EGI Financial's control, affect the operations, performance and results of EGI Financial and its business, and could cause actual results to differ materially from the expectations expressed in any of this forward-looking information.

EGI Financial does not undertake to update any forward-looking information. Additional information about the risks and uncertainties about EGI Financial's business is provided in its disclosure materials, including its annual information form, filed with the securities regulatory authorities in Canada, available at www.sedar.com.

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