

**Primus Guaranty, Ltd.**  
**Primus Bermuda, Ltd.**  
**Primus CLO I, Ltd.**  
**Primus CLO II, Ltd.**

**Passive Foreign Investment Company (PFIC) Information**

Based on the operations, income and assets of our entire group, and in particular the operations, income and assets of Primus Financial Products, LLC, PRS Trading Strategies, LLC, and Harrier Credit Strategies Master Fund, LP, Primus Guaranty, Ltd. believes that Primus Guaranty, Ltd. and Primus Bermuda, Ltd. should satisfy either or both of the “income” or “asset” tests and as a result should be and continue to be PFICs. Additionally, Primus Bermuda, Ltd. has invested in Primus CLO I, Ltd. and Primus CLO II, Ltd., each of which has provided a PFIC Annual Information Statement to Primus Bermuda, Ltd., prepared on the assumption that (i) Primus CLO I, Ltd. and Primus CLO II, Ltd. each is a PFIC and (ii) the subordinated notes held by Primus Bermuda, Ltd. in each of Primus CLO I, Ltd. and Primus CLO II, Ltd. is equity for U.S. federal income tax purposes.

Holders of Primus Guaranty, Ltd. common shares are urged to consult with their tax advisors as to the tax consequences of holding shares directly (in the case of Primus Guaranty, Ltd.) and indirectly (in the case of Primus Bermuda, Ltd., Primus CLO I, Ltd. and Primus CLO II, Ltd.) of PFICs and the possible advisability of electing to have each of Primus Guaranty, Ltd., Primus Bermuda, Ltd., Primus CLO I, Ltd. and Primus CLO II, Ltd. treated as a “qualified electing fund”, or QEF, or of making a mark-to-market election with respect to Primus Guaranty, Ltd. In general, once a QEF election is made, the election applies to all subsequent years.

To assist shareholders that are making QEF elections with respect to Primus Guaranty, Ltd., Primus Bermuda, Ltd., Primus CLO I, Ltd. and Primus CLO II, Ltd., Primus Guaranty, Ltd. has prepared PFIC Annual Information Statements for the tax year ended December 31, 2007, for Primus Guaranty, Ltd. (see page 2) and Primus Bermuda, Ltd. (see page 3). Additionally, Primus Guaranty, Ltd. is providing for your convenience the PFIC Annual Information Statements prepared and provided by Primus CLO I, Ltd. and Primus CLO II, Ltd.; however, please note that Primus Guaranty, Ltd. did not prepare and is not responsible for the information contained in the PFIC Annual Information Statements provided by Primus CLO I, Ltd. and Primus CLO II, Ltd. These information statements are attached.

Primus Bermuda, Ltd. owns 25% of the subordinated notes issued by each of Primus CLO I, Ltd. and Primus CLO II, Ltd. Based on the assumptions reflected in the PFIC Annual Information Statements that have been provided by Primus CLO I, Ltd. and Primus CLO II, Ltd., 25% of the income shown on such statements is attributable to Primus Bermuda, Ltd. On this basis, shareholders of Primus Guaranty, Ltd. would calculate their QEF income with respect to each of Primus CLO I, Ltd. and Primus CLO II, Ltd. according to the table provided below.

	Total	Per Common Share	Per Common Share Per Day
Primus CLO I Ordinary earnings:	\$ 1,001,250	\$ 0.02223	\$ 0.000061
Primus CLO I Net long-term capital gain:	\$ -	\$ -	\$ -
Primus CLO II Ordinary earnings:	\$ 77,888	\$ 0.00173	\$ 0.000005
Primus CLO II Net long-term capital gain:	\$ -	\$ -	\$ -

*It is suggested that the investors consult with their tax advisors and our disclosure documents on file with the SEC to determine whether to make a QEF election with respect to the ownership interest in Primus Guaranty, Ltd., Primus Bermuda, Ltd., Primus CLO I, Ltd. and Primus CLO II, Ltd. or a mark-to-market election with respect to the ownership interest in Primus Guaranty, Ltd.*

**ISSUER: PRIMUS GUARANTY, LTD.**  
**CLARENDON HOUSE, 2 CHURCH STREET**  
**HAMILTON HM 11, BERMUDA**

**PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)**  
**ANNUAL INFORMATION STATEMENT**  
**FOR TAX YEAR ENDED DECEMBER 31, 2007**

**EQUITY CLASS OF ISSUER: PGL COMMON STOCK**

The following annual information statement is being provided so that you may report your pro rata share of Primus Guaranty, Ltd.'s income in the event that you have elected to treat Primus Guaranty, Ltd. as a "qualified electing fund" ("QEF") under the applicable provisions of the United States Internal Revenue Code.

- (1) This Information Statement applies to the taxable year of Primus Guaranty, Ltd. ("PGL") beginning on January 1, 2007 and ending on December 31, 2007.
- (2) The below amounts represent the pro rata income of PGL attributable to each of the 45,035,593 shares of Common Stock outstanding as of December 31, 2007.

Investors should adjust the below income amounts by their appropriate share ownership:

(i) If you held PGL common shares throughout 2007, multiply the number of shares by the "Per Common Share" amount below.

(ii) If you did not hold PGL common shares for the entire period beginning January 1, 2007 and ending December 31, 2007, multiply the number of shares you held by the "Per Common Share Per Day" amount below and by the number of days you owned the shares in 2007.

(iii) If you owned different numbers of PGL common shares at different times during 2007, perform the calculation specified in (ii) above separately for each lot of shares owned and use the total amounts yielded from those calculations.

	Total	Per Common Share	Per Common Share Per Day
Ordinary earnings:	\$ -	\$ -	\$ -
Net long-term capital gain:	\$ -	\$ -	\$ -

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by PGL to the PGL common shares during the taxable year.

	Distribution Amount	Per Common Share
Total Distributions	\$ -	\$ -

Fair market value of other property: NONE

- (4) PGL will permit you to inspect and copy PGL's permanent books of account, records, and such other documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with the U.S. income tax principles.

Date: March 25, 2008

PRIMUS GUARANTY, LTD.  
 By: *Richard Claitor*  
 Title: Chief Financial Officer

**ISSUER: PRIMUS BERMUDA, LTD.**  
**CLARENDON HOUSE, 2 CHURCH STREET**  
**HAMILTON HM 11, BERMUDA**

PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)  
 ANNUAL INFORMATION STATEMENT  
 FOR TAX YEAR ENDED DECEMBER 31, 2007

EQUITY CLASS OF ISSUER: PGL COMMON STOCK

The following annual information statement is being provided so that you may report your pro rata share of Primus Bermuda, Ltd.'s income in the event that you have elected to treat Primus Bermuda, Ltd. as a "qualified electing fund" ("QEF") under the applicable provisions of the United States Internal Revenue Code.

- (1) This Information Statement applies to the taxable year of Primus Bermuda, Ltd. beginning on January 1, 2007 and ending on December 31, 2007.
- (2) The below amounts represent the pro rata income of Primus Bermuda, Ltd. attributable to each of the 45,035,593 shares of Primus Guaranty, Ltd. Common Stock ("PGL common shares") outstanding as of December 31, 2007.

Investors should adjust the below income amounts by their appropriate share ownership.

(i) If you held PGL common shares throughout 2007, multiply the number of shares by the "Per Common Share" amount below.

(ii) If you did not hold PGL common shares for the entire period beginning January 1, 2007 and ending December 31, 2007, multiply the number of shares you held by the "Per Common Share Per Day" amount below and by the number of days you owned the shares in 2007.

(iii) If you owned different numbers of PGL common shares at different times during 2007, perform the calculation specified in (ii) above separately for each lot of shares owned and use the total amount yielded from those calculations.

	Total	Per Common Share	Per Common Share Per Day
Ordinary earnings:	\$ 61,151,096	\$1.35784	\$ 0.003720
Net long-term capital gain:	\$ -	\$ -	\$ -

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Primus Bermuda, Ltd. to the PGL common shares during the taxable year.

	Distribution Amount	Per Common Share
Total Distributions	\$ -	\$ -

Fair market value of other property: NONE

- (4) Primus Bermuda, Ltd. will permit you to inspect and copy Primus Bermuda, Ltd.'s permanent books of account, records, and such other documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with the U.S. income tax principles.

Date: March 25, 2008

PRIMUS BERMUDA, LTD.  
 By: *Richard Clendenen*

Title: Chief Financial Officer

ISSUER: PRIMUS CLO I, LTD.  
 C/O WALKERS SPV LIMITED  
 WALKER HOUSE, 87 MARY STREET  
 GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS

TRUSTEE: CITIBANK, N.A.  
 388 GREENWICH STREET, 14TH FLOOR  
 NEW YORK, NY 10013

PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)  
 ANNUAL INFORMATION STATEMENT  
 FOR TAX YEAR ENDED **October 31, 2007**

EQUITY CLASS OF ISSUER: Subordinated Notes

- (1) This Information Statement applies to the taxable year of Issuer beginning on **December 19, 2006** and ending on **October 31, 2007**.

- (2) The below amounts represent income for the entire Equity Class of **\$26,000,000** face and from the Equity Class per **\$1,000** face. (Investors should adjust the below income amounts by their appropriate percentage ownership.)

	Subordinated Notes		Total	
Outstanding Principal Amount	\$	26,000,000	\$	26,000,000

	Total	Per \$1,000 Original Face Amount	Per \$1,000 Original Face Amount Per Day
Ordinary earnings:	\$ 4,004,998	\$ 154.03838	\$ 0.48593
Net long term capital gain:	\$ -	\$ -	\$ -

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Issuer to the Equity Class during the taxable year.

	Distribution Date	Distribution Amount	Per \$1,000 Original Face Amount
Cash:	7/16/2007	\$ 2,770,640	\$ 106.56308
	10/15/2007	\$ 1,152,464	\$ 44.32553
Total Distributions		\$ 3,923,104	\$ 150.88861

Fair market value of other property:

NONE

- (4) Issuer will permit you to inspect and copy Issuer's permanent books of account, records, and such other documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles.

Date: 13 March 2008

Primus CLO I, Ltd.

By:

Title:

  
 John Cullinane  
 Director

ISSUER: PRIMUS CLO II, LTD.  
 C/O MAPLES FINANCE LIMITED  
 PO BOX 1093 GT, QUEENSGATE HOUSE, SOUTH CHURCH STREET  
 GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS

TRUSTEE: CITIBANK, N.A.  
 388 GREENWICH STREET, 14TH FLOOR  
 NEW YORK, NEW YORK 10013

PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)  
 ANNUAL INFORMATION STATEMENT

EQUITY CLASS OF ISSUER: Subordinated Notes

- (1) This Information Statement applies to the taxable year of Issuer beginning on July 10, 2007 and ending on October 31, 2007
- (2) The below amounts represent income for the entire Equity Class of \$31,500,000 face and from the Equity Class per \$1,000 face. (Investors should adjust the below income amounts by their appropriate percentage ownership.)

	Subordinated Notes		Total	
Outstanding Principal Amount	\$	31,500,000	\$	31,500,000

	Total	Per \$1,000 Original Face Amount	Per \$1,000 Original Face Amount Per Day
Ordinary earnings:	\$ 311,550	\$ 9.89046	\$ 0.08676
Net long term capital gain:	\$ -	\$ -	\$ -

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by Issuer to the Equity Class during the taxable year.

	Distribution Date	Distribution Amount	Per \$1,000 Original Face Amount
Cash:		\$ -	\$ -
		\$ -	\$ -
Total Distributions		\$ -	\$ -

Fair market value of other property: NONE

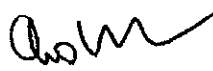
- (4) Issuer will permit you to inspect and copy Issuer's permanent books of account, records, and such other documents as may be maintained by Issuer that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in Section 1293(e) of the Code, are computed in accordance with U.S. income tax principles.

Date: 13 March 2008

Primus CLO II, Ltd.

By:

Title:

  
 Director