

**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, 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. had previously invested in Primus CLO I, Ltd. and Primus CLO II, Ltd., until selling all of its interests on August 11, 2011 and December 8, 2010, respectively. Each of Primus CLO I, Ltd. and Primus CLO II, Ltd. has provided a PFIC Annual Information Statement to Primus (Bermuda) Ltd., prepared on the assumption that (i) each of Primus CLO I, Ltd. and Primus CLO II, Ltd. is a PFIC and (ii) the subordinated notes previously held by Primus (Bermuda) Ltd. in each of Primus CLO I, Ltd. and Primus CLO II, Ltd. are equity for U.S. federal income tax purposes.

Holders of Primus Guaranty, Ltd. common shares ("Shareholders") 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. In general, once an election is made, the election applies to all subsequent years.

Until December 19, 2011, Primus Guaranty, Ltd. common shares were traded on the New York Stock Exchange, a "qualified exchange", which the Company believes would have rendered the holder of shares eligible to apply the mark-to-market election with respect to Primus Guaranty, Ltd. Subsequent to December 19, 2011, the common shares of Primus Guaranty, Ltd. are traded on the over-the-counter markets, which the Treasury Department has not designated as a "qualified exchange". Shareholders who had previously made a mark-to-market election are advised to consult with their tax advisors as to the possibility of making a QEF election, effective as of the beginning of the 2011 tax year, in respect of their holdings of Primus Guaranty, Ltd. common shares.

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, 2011 for Primus Guaranty, Ltd. (see page 3) and Primus (Bermuda) Ltd. (see page 5). 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. owned 25% of the subordinated notes issued by Primus CLO I, Ltd. until selling all of its interests on August 11, 2011. Based on the assumptions reflected in the PFIC Annual Information Statement that has been provided by Primus CLO I, Ltd., 25% of the income shown on this statement is attributable to Primus (Bermuda) Ltd., prorated for the number of days Primus (Bermuda) Ltd. owned the subordinated notes during Primus CLO I, Ltd.'s tax year ended October 31, 2011. Shareholders that acquired or disposed of common shares between August 11, 2011 and December 31, 2011 should consult their tax advisors as to how to handle the QEF income attributable to Primus CLO I, Ltd.

Primus (Bermuda) Ltd. owned 25% of the subordinated notes issued by Primus CLO II, Ltd. until selling all of its interests on December 8, 2010. Based on the assumptions reflected in the PFIC Annual Information Statement that has been provided by Primus CLO II, Ltd., 25% of the income shown on this statement is attributable to Primus (Bermuda) Ltd., prorated for the number of days Primus (Bermuda) Ltd. owned the subordinated notes during Primus CLO II, Ltd.'s tax year ended October 31, 2011. Shareholders that acquired or disposed of common shares between December 8, 2010 and December 31, 2011 should consult their tax advisors as to how to handle the QEF income attributable to Primus CLO II, Ltd.

Based on the above, Shareholders 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:	\$ 1,625,557	\$ 0.04411	\$ 0.000121
Primus CLO I Net long-term capital gain:	\$ -	\$ -	\$ -
Primus CLO II Ordinary earnings:	\$ 230,963	\$ 0.00627	\$ 0.000017
Primus CLO II Net long-term capital gain:	\$ -	\$ -	\$ -

*It is suggested that Shareholders consult with their own 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. This is provided for informational purposes only and is not intended to, and does not, constitute tax, legal or other advice.*

**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, 2011

EQUITY CLASS OF ISSUER: PGL COMMON SHARES

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 of 1986, as amended (the "Code").

- (1) This Information Statement applies to the taxable year of Primus Guaranty, Ltd. ("PGL") beginning on January 1, 2011 and ending on December 31, 2011.
- (2) The below amounts represent the pro rata income of PGL attributable to each of 36,849,094 common shares, par value \$0.08 per share ("Common Shares"), outstanding during the year ended December 31, 2011. This number of Common Shares reflects the average number of shares outstanding on each day of the year during 2011. Given the large number of days during the year on which the outstanding number of shares changed, information is not being provided as to the amount of PGL's income for 2011 that would be pro rated to each of the Common Shares outstanding on each day of the year, based on the number of Common Shares outstanding on that day.

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

(i) If you held PGL Common Shares throughout 2011, 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, 2011 and ending December 31, 2011, 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 2011.

(iii) If you owned different amounts of PGL Common Shares at different times during 2011, perform the calculation specified in (ii) above separately for each lot of Common Shares owned and use the total amounts yielded from those calculations.

	Total	Per Common Share	Per Common Share Per Day
Ordinary earnings:	\$ 121,930	\$ 0.00331	\$ 0.000009
Net long-term capital gain:	\$ -	\$ -	\$ -

- (3) The amount of cash and fair market value of other property distributed or deemed distributed by PGL with respect to its 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 its permanent books of account, records, and such other documents as may be maintained by it 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. federal income tax principles.

Date: March 27, 2012

PRIMUS GUARANTY, LTD.

By:  \_\_\_\_\_

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, 2011**

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 of 1986, as amended (the "Code").

- (1) This Information Statement applies to the taxable year of Primus (Bermuda) Ltd. beginning on January 1, 2011 and ending on December 31, 2011.
- (2) The below amounts represent the pro rata income of Primus (Bermuda) Ltd. attributable to each of 36,849,094 common shares, par value \$0.08 per share, of Primus Guaranty, Ltd. Common Shares ("PGL Common Shares") outstanding during the year ended December 31, 2011. This number of Common Shares reflects the average number of shares outstanding on each day of the year during 2011. Given the large number of days during the year on which the outstanding number of shares changed, information is not being provided as to the amount of Primus (Bermuda) Ltd.'s income for 2011 that would be pro rated to each of the Common Shares outstanding on each day of the year, based on the number of Common Shares outstanding on that day

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

(i) If you held PGL Common Shares throughout 2011, 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, 2011 and ending December 31, 2011, 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 2011.

(iii) If you owned different amounts of PGL Common Shares at different times during 2011, perform the calculation specified in (ii) above separately for each lot of Common Shares owned and use the total amount yielded from those calculations.

	Total	Per Common Share	Per Common Share Per Day
Ordinary earnings:	\$ 24,381,329	\$ 0.66165	\$ 0.001813
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 Primus Guaranty, Ltd. and in turn by Primus Guaranty, Ltd. with respect 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 its permanent books of account, records, and such other documents as may be maintained by it 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. federal income tax principles.

PRIMUS (BERMUDA) LTD.

Date: March 27, 2012

By:  \_\_\_\_\_

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, 2011

EQUITY CLASS OF ISSUER: Subordinated Notes

(1) This Information Statement applies to the taxable year of Issuer beginning on **November 1, 2010** and ending on **October 31, 2011**.

(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
	\$	26,000,000	\$ 26,000,000
Outstanding Principal Amount			
	Total	Per \$1,000 Original Face Amount	Per \$1,000 Original Face Amount Per Day
Ordinary earnings:	\$ 8,356,736	\$ 321.41291	\$ 0.88058
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:	1/17/2011	\$ 1,820,640	\$ 70.02460
	4/15/2011	\$ 2,483,706	\$ 95.52716
	7/15/2011	\$ 2,673,891	\$ 102.84196
	10/17/2011	\$ 2,799,160	\$ 107.66002
Total Distributions		\$ 9,777,397	\$ 376.05374

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:

25 Jan 2012

Primus CLO I, Ltd.

By:

Title:

  
 Karen Ellerbe  
 Director

ISSUER: PRIMUS CLO II, LTD.  
 C/O MAPLES FINANCE LIMITED  
 PO BOX 1093 GT BOUNDARY HALL, CRICKET SQUARE  
 GRAND CAYMAN, CAYMAN ISLANDS, BRITISH WEST INDIES

TRUSTEE: VIRTUS PARTNERS, LLC  
 5400 WESTHEIMER COURT, SUITE 760  
 HOUSTON, TX 77056

PASSIVE FOREIGN INVESTMENT COMPANY (PFIC)  
 ANNUAL INFORMATION STATEMENT  
 FOR TAX YEAR ENDED **October 31, 2011**

EQUITY CLASS OF ISSUER: Subordinated Notes

- (1) This Information Statement applies to the taxable year of Issuer beginning on **November 1, 2010** and ending on **October 31, 2011**.
- (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
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:	1/18/2011	\$ 1,908,648	\$ 60.59200
	4/15/2011	\$ 2,144,070	\$ 68.06571
	7/15/2011	\$ 2,076,722	\$ 65.92768
	10/17/2011	\$ 2,115,723	\$ 67.16581
Total Distributions		\$ 8,245,163	\$ 261.75121

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.

Primus CLO II, Ltd.

Date: 14 February 2012

By:

Title:



Director