

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: August 6, 2007

Re: **PXRE Group, Inc. (PXT) - 1 for 10 Reverse Stock Split EFFECTIVE**

PXRE Group, Inc. (PXT) has completed its acquisition of Argonaut Group, Inc. (AGII), effective Monday, August 7, 2007. Upon completion of the merger, PXRE Group Inc. has announced a 1 for 10 reverse stock split. In addition to the split, PXRE Group will also change its name, stock symbol, CUSIP number and primary exchange. The reverse stock split will have an ex-distribution date of **Tuesday, August 7, 2007.**

**EFFECTIVE DATE:** Tuesday, August 7, 2007

**SYMBOL:** PXT becomes MLJ  
ZYN becomes XJU  
LZK becomes KVE

**POSITION LIMITS:** No change

**STRIKE PRICES:** No change

**NEW DELIVERABLE:** 1) 10 Argo Group International Holding Ltd. (AGIID) Common shares

**COMPANY NAME:** PXRE Group Inc. becomes Argo Group International Holdings Ltd.

**STOCK SYMBOL:** PXT becomes AGIID  
(Will revert to AGII after twenty (20) NASDAQ Trading days)

**CUSIP NUMBER:** G73-018-106 becomes G04-64B-107

**PRIMARY EXCHANGE:** NYSE becomes NASDAQ Global Select

The resulting list of adjusted strike prices and symbols is as shown on the following pages:

PXRE Group, Inc. (PXT)					Argo Group International Holdings Ltd. (MLJ)				
(Before 8/7/2007)					(Beginning 8/7/2007)				
(100 shrs PXT)					(See new deliverable above)				
			Calls	Puts				Calls	Puts
PXT	AUG	2 1/2	HZ	TZ	MLJ	AUG	2 1/2	HZ	TZ
PXT	AUG	5	HA	TA	MLJ	AUG	5	HA	TA
PXT	AUG	7 1/2	HU	TU	MLJ	AUG	7 1/2	HU	TU
PXT	AUG	10	HB	TB	MLJ	AUG	10	HB	TB
PXT	SEP	2 1/2	IZ	UZ	MLJ	SEP	2 1/2	IZ	UZ
PXT	SEP	5	IA	UA	MLJ	SEP	5	IA	UA
PXT	SEP	7 1/2	IU	UU	MLJ	SEP	7 1/2	IU	UU
PXT	SEP	10	IB	UB	MLJ	SEP	10	IB	UB
PXT	OCT	2 1/2	JZ	VZ	MLJ	OCT	2 1/2	JZ	VZ
PXT	OCT	5	JA	VA	MLJ	OCT	5	JA	VA
PXT	OCT	7 1/2	JU	VU	MLJ	OCT	7 1/2	JU	VU
PXT	OCT	10	JB	VB	MLJ	OCT	10	JB	VB
PXT	JAN	2 1/2	AZ	MZ	MLJ	JAN	2 1/2	AZ	MZ
PXT	JAN	5	AA	MA	MLJ	JAN	5	AA	MA
PXT	JAN	7 1/2	AU	MU	MLJ	JAN	7 1/2	AU	MU
PXT	JAN	10	AB	MB	MLJ	JAN	10	AB	MB
PXT	JAN	12 1/2	AV	MV	MLJ	JAN	12 1/2	AV	MV
PXT	JAN	15	AC	MC	MLJ	JAN	15	AC	MC

PXRE Group, Inc. - 2009 Leap (ZYN)  
 (Before 8/7/2007)  
 (100 shrs PXT)

			Calls	Put
ZYN	JAN	2 1/2	AZ	MZ
ZYN	JAN	5	AA	MA
ZYN	JAN	7 1/2	AU	MU

Argo Group International Holdings Ltd. - 2009 Leap (XJU)  
 (Beginning 8/7/2007)  
**(See new deliverable above)**

			Calls	Put
XJU	JAN	2 1/2	AZ	MZ
XJU	JAN	5	AA	MA
XJU	JAN	7 1/2	AU	MU

PXRE Group, Inc. - 2010 Leap (LZK)  
 (Before 8/7/2007)  
 (100 shrs PXT)

			Calls	Put
LZK	JAN	2 1/2	AZ	MZ
LZK	JAN	5	AA	MA
LZK	JAN	7 1/2	AU	MU

Argo Group International Holdings Ltd. - 2010 Leap (KVE)  
 (Beginning 8/7/2007)  
**(See new deliverable above)**

			Calls	Put
KVE	JAN	2 1/2	AZ	MZ
KVE	JAN	5	AA	MA
KVE	JAN	7 1/2	AU	MU

**Any additional PXT series that are added prior to the ex-date will also be adjusted in the manner described above.**

**GOOD-TILL-CANCELLED (GTC) ORDERS:**

Customers should be advised that Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.