



March 31, 2016

Ambac Appreciates Strong Shareholder Support for Board and Management

Ambac Responds to Continued Attacks from Canyon Capital

NEW YORK, March 31, 2016 (GLOBE NEWSWIRE) -- Ambac Financial Group, Inc. (Nasdaq:AMBC) ("Ambac"), a holding company whose subsidiaries, including Ambac Assurance Corporation, provide financial guarantees and other financial services, today issued the following statement.

Ambac appreciates yesterday's announcement by Raging Capital that they have joined other shareholders in supporting Ambac's Board and management team. Shareholders holding more than 20% of Ambac's shares have already announced their public support for Ambac and their rejection of the director slate proposed by Canyon Capital ("Canyon"), a large credit-focused hedge fund.

The many shareholders supporting Ambac's Board and management stand in sharp contrast to Canyon. We believe Canyon's personal attacks on Nader Tavakoli, President and Chief Executive Officer of Ambac, are merely part of its continuing campaign to deflect attention from the real issue -- Canyon's conflicted position as a creditor, with a debt interest ten times that of its equity interest. We believe Canyon has as its singular objective the accelerated payment of Canyon's creditor claims, not the best interests of Ambac's shareholders.

It's time that Canyon abandon this effort so that management and the Board can focus on our singular objective: maximizing the value of Ambac, which is unquestionably in the best interest of our shareholders.

Mr. Tavakoli is exceptionally qualified to serve as Ambac's President and CEO. His numerous achievements at Ambac speak directly to the experience, insight and leadership he brings to that role and it is those accomplishments and attributes that have earned him the support of the company's Board and shareholders. We believe Canyon's attack on Mr. Tavakoli is reprehensible and deserves no further response at this time.

Important Information

Ambac Financial Group, Inc., ("Ambac") has filed a preliminary proxy statement with the Securities and Exchange Commission ("SEC") in connection with its 2016 Annual Meeting. Prior to the 2016 Annual Meeting, Ambac will file and provide to its stockholders a definitive proxy statement. **STOCKHOLDERS ARE URGED TO READ THIS PROXY STATEMENT, THE ACCOMPANYING WHITE PROXY CARD AND OTHER RELEVANT DOCUMENTS FILED BY AMBAC WITH THE SEC IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Stockholders may obtain free copies of these documents through the website maintained by the SEC at <http://www.sec.gov> and through the website maintained by Ambac at <http://ir.ambac.com>.

Certain Information Regarding Participants

Ambac, its directors and certain of its officers and other employees may be deemed to be participants in the solicitation of Ambac's stockholders in connection with its 2016 annual meeting. Information regarding the names, affiliations and direct and indirect interests (by security holdings or otherwise) of these persons can be found in Ambac's preliminary proxy statement for its 2016 Annual Meeting, which was filed with the SEC on March 30, 2016. To the extent holdings of Ambac's securities by such persons have changed since the amounts printed in the 2016 preliminary proxy statement, such changes have been or will be reflected on Initial Statements of Beneficial Ownership on Form 3 or on Statements of Change in Ownership on Form 4 filed with the SEC. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, is set forth in the preliminary proxy statement and, to the extent applicable, will be updated in the definitive proxy statement and other materials to be filed with the SEC in connection with Ambac's 2016 Annual Meeting. Stockholders may obtain a free copy of the proxy statement and other documents filed by Ambac with the SEC from the sources listed above.

About Ambac

Ambac Financial Group, Inc., ("Ambac"), headquartered in New York City, is a holding company whose subsidiaries, including its principal operating subsidiary, Ambac Assurance Corporation ("Ambac Assurance"), Everspan Financial Guarantee Corp., and Ambac Assurance UK Limited, provide financial guarantees and other financial services to clients in

both the public and private sectors globally. Ambac Assurance, including the Segregated Account of Ambac Assurance (in rehabilitation), is a guarantor of public finance and structured finance obligations. Ambac is also selectively exploring opportunities involving the acquisition and/or development of new businesses. Ambac's common stock trades on the NASDAQ Global Select Market under the symbol "AMBC". The Amended and Restated Certificate of Incorporation of Ambac contains substantial restrictions on the ability to transfer Ambac's common stock. Subject to limited exceptions, any attempted transfer of common stock shall be prohibited and void to the extent that, as a result of such transfer (or any series of transfers of which such transfer is a part), any person or group of persons shall become a holder of 5% or more of Ambac's common stock. Ambac is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our website to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information, and the posting of updates to the status of certain primary residential mortgage backed securities litigations. For more information, please go to www.ambac.com.

Contact

Abbe F. Goldstein, CFA

Managing Director, Investor Relations and Corporate Communications

(212) 208-3222

agoldstein@ambac.com

 Primary Logo

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